# PUBLIC HEALTH AND SOCIALLY RESPONSIBLE BUSINESS CORRELATION STRENGTH RATING

Rasa Andriuškevičienė Data from **Rasa Kirkauskienė, Jurgita Bruneckien**ė Kaunas University of Technology, Lithuania, Ministry of Health of the Republic of Lithuania This investigation focuses on the analysis of health indicators and socially responsible business and public health communication evaluation, as well as to show the public health impact of the economic development of Lithuania.

Unfortunately, in practice there is no one study, the answer to the question of the impact of public objectives are to corporate social initiatives.

#### *Object* - public health (health status).

*Investigation goal* - to identify and assess public health and socially responsible business development are connected, and socially responsible business interaction with the public health in Lithuania. It should be noted that public health is an important factor for economic development, and corporate social responsibility has a direct role.

The investigation used a mathematical model to determine the socially responsible business and social health factors and the stochastic relationship strength. The evaluation of socially responsible business synergy to public health, and the imposition of socially responsible business and public health communications strength, it can be concluded that socially responsible business development directly related to the health status of Lithuania. It should also be noted that business and economic growth directly affects public health. This investigation used by other methods: a systematic literature and on-line databases and a summary of the analysis, mathematical modeling.

#### Corporate social responsibility, impact on public health grounds

One of the core beliefs of the European Bahá'í Business Forum is that business has a social responsibility as well as an economic mission. This proposal is not new. Environment and business are inextricably linked, and long-term business success depends on how the company is able to integrate harmoniously into the environment and social needs of society feel. Business works with local, regional, national, and global communities. Thus, business success and is related to society and the communities in which it operates, health, stability, and prosperity

In general the Corporate Social Responsibility CSR may be defined as the guarantee of the organization's economic success, including social and environmental issues into its daily practice. Socially responsible company firstly is being concerned about its employees and problems such as investment into the human resources, employees' health and safety guarantee.



Thus, in terms of corporate social responsibility (CSR) on public health, one can identify these areas, which are presented in Figure 1.

Figure 1. Corporate social responsibility in areas affecting public health

It should be noted that corporate social responsibility is closely linked to sustainable development (sustainable development) concept, which is usually near.

The examination of the environmental impact of modern business and society, and the extent of existing problems, a new approach to what should be the twenty-first century business formula. Increasingly important for ensuring that the next financial objectives more companies begin to take care of a safe, clean environment and society. Lithuania, which became an EU member and contributing to the Lisbon goals enunciated goal - to create a competitive and dynamic knowledge-based economy based on sustainable economic development, harmonious relations between business, government and civil society.

In summary, it can be argued that corporate social responsibility concept is a broad spectrum of the category, which includes all of the product or service, production and development cycle and the associated environmental, social, health, financial and ethical aspects. Thus, corporate social responsibility affects not only its own activities but also has significant importance to public health.

### Economic Aspects of Public Health

World Health Organization definition of health: "Health - a comprehensive physical, mental and social well-being and not merely the absence of disease or ailments.

Theory of human capital a health is person's asset (health capital). Capital Health Services consists of "no disease time, which is used for work, consumption, entertainment. Human capital, the emergence and development of the concept of seventeenth-nineteenth century, the worlds economic thought classics V. Petty, A. Smith, D. Ricardo, C. Marx, G. Mill, A. Marshall and other approaches, the evolution of a sufficiently precise set of V. Goil work.

The beneficiaries of these "health status", "economic" and "financial" benefits are made up of individuals, businesses and government. Therefore, in view of public health importance of sustainable economic development in Lithuania should be based on the EU's provision: "Good health for all - the EU look to the future. "EU countries are aware of good health as a prosperous modern society an integral part. Progress of modern society is based on good health - longer, healthier, more productive people's lives.

# Analysis of Lithuanian public health indicators

- Health is linked to economic growth and its maintenance.
- According to WHO, 10 % increased average survival to raise economic growth 0.35 % a year. (Kiguolienė, 2008)
- Life expectancy is not the only indicator of the quality of health.
- The average life expectancy is one of the key health indicators accurately showing population differences in mortality.

#### Average life expectancy

Lithuania, like the European Union countries, women's average life

Table 1. Average life expectancy

	2004	2005	2006	2007	2008
Men and women	71,99	71,32	71,12	70,92	71,94
Men	66,31	65,36	65,31	64,87	66,3
Women	77,64	77,42	77,06	77,2	77,57

Lithuania in 2008 the average female life expectancy was 77.57 years male - 66.30 years, which is men was 11.27 years less than women. 2007 European Union countries the average life expectancy of women is likely accounted for 82.1 years and men - 76 years old. The major differences in 2007 between women and men, the average expected life-span recorded in the three Baltic countries, the smallest - in Cyprus, the Netherlands and Sweden.

Lithuania in 2008 the average female life expectancy was 77.57 years male - 66.30 years, which is men was 11.27 years less than women. 2007 European Union countries the average life expectancy of women is likely accounted for 82.1 years and men - 76 years old. The major differences in 2007 between women and men, the average expected life-span recorded in the three Baltic countries, the smallest - in Cyprus, the Netherlands and Sweden.

In 2008 35.1 thousand babies born, are 2.7 thousand babies more than in 2007. A number of years the birth rate decline, 2003-2005 stabilized and the last three years to grow. 2008 1000 the population had 10.5 births. Total fertility rate in 2008 was 1.47 (2000 - 1.39).

## Demographic indicators dynamics



Figure 2. Demographic indicators dynamics

# Hospital morbidity by age groups 2000 - 2008 year

Demographic aging leads to changes social and economic problems, population welfare and health care needs increase. Hospital morbidity by age groups 2000 - 2008 was presented in Figure 3.



# Relationship between public health and the strength of corporate social responsibility rating

Corporate social responsibility, societal effects have not yet been investigated, so this investigation seeks to establish CSR and public health and strength of the relationship between them. Main health indicators are: average life expectancy, mortality rates and quality of life indicators. State of expensive diagnostic and treatment measures, the loss of life years-produced national product of demographic processes will inevitably continue to grow, raises chronic non-infectious diseases (LNL), mainly related to circulatory system diseases. (Grybauskas, 2006) Therefore, key public health indicators of mortality from selected diseases of the circulatory system.

Identifies criteria that can lead to the dead from the circulatory system diseases, which may be dependent on the socially responsible firms, namely: total expenditure on health; employed population, the average monthly net earnings, business investment in environmental protection: alcohol consumption per capita per year. Get the computation results are presented in Table 2.

	Dead of circulatory system diseases	Total expenditure on health in millions. LTL	Average monthly net earnings	Mid- household disposable income per household member per month, LTL	Employees, thousand	Investment Environment security measures, thousands LTL	Alcohol consumption per capita per year, L (absolute alcohol)
2002	22331	2863,5	728,4	422	1405,9	108524,1	10
2003	22295	2956	786,4	457,6	1438,0	152390,2	10,2
2004	22531	3217,8	835,5	495,8	1436,3	157436,3	10,4
2005	23823	3733,8	916,7	579,7	1473,9	168550,3	10,7
2006	24321	4422,3	1092,9	680	1499,0	465587,4	11
2007	24307	5117,2	1351,9	859,3	1534,2	430918,1	11,2
2008	23623	5809,1	1650,9	986,8	1520,0	368879,7	11,2
Dead of circulatory system diseases correlation coefficient	1,00	0,76	0,65	0,72	0,89	0,85	0,90

#### Conclusion

1. In general the Corporate social responsibilities CSR may be defined as the guarantee of the organization's economic success, including social and environmental issues into its daily practice. Socially responsible company firstly is being concerned about its employees and problems such as investment into the human resources, employees" health and safety guarantee. Environmental pollution as harmful to parents' working conditions, a high degree of alcoholism - all of which not only negatively affects the health of our generation and the gene pool, but also reduces the prospects for the development of human capital, and hence the economy as a whole. The concept of corporate social responsibility is a broad spectrum of the category, which includes all of the product or service, production and development cycle and the associated environmental, social, health, financial and ethical aspects. Thus, corporate social responsibility affects not only its own activities but also has significant importance to public health.

2. According to economic theory, health is a product characterized by the inherent characteristics of public good it is uses for one individual, the economic benefits received by the public. The beneficiaries of these "health status","economic" and "financial" benefits are made up of individuals, businesses and governments. "Good health for all - the EU look to the future." EU countries are aware of good health as a prosperous modern society an integral part. Progress of modern society is based on good health - longer, healthier, more productive people's lives.

3. The final results show the health of mortality, life expectancy, morbidity, disability and quality of life indicators. Lithuania women's average life expectancy in 2008 was 77.57 years old, male - 66.30 years, namely men was 11.27 years less than women. 2007 Europeán Union countries the average life expectancy of women is likely accounted for 82.1 years and men - 76 years old. 2008 1000 the population had 10.5 births. In 2008 observed mortality decline, mortality rate decreased to 13.1 per mille. Number of deceased infants per 1,000 live births declined from 5.9 per mille in 2007 up to 5.0 pm in 2008 Incidence of hospital-acquired 2000 - 2008 on during the 65 + age group has a tendency to grow in the last two years of hospital morbidity in this age group, the growth rate of more than 4 percent., 2008, compared In 2000, the hospital morbidity 65 and older age group increased by 22.5 percent. Health of the population mentioned age groups to deteriorate, so we can say that it is necessary to pay more attention to public health problems.

4. Available estimates suggest that more severely the chosen health indicator (the dead from diseases of the circulatory system) influence factors: alcohol consumption per capita per year, the correlation coefficient of r = 0.9, the number of employed (r = 0.89), the investment environment protection measures (r = 0.85). Relationship between selected factors is strong and direct. Socially responsible corporate role of public health is significant. Public health depends directly on the corporate social responsibility.

#### Reference

1. 2008 Lithuanian population health status and health care performance review. Lithuanian Republic Ministry of Health, Institute of Hygiene, Health Information Center, 1-52.

2. Astromskiene, A., Adamoniene, R. (2009). Tendencies of Enterprise Social Responsibility Initiatives in Lithuania. Economics and management, 14, 217-222.

3. Bagdonavičius, J. (2002). Human capital. Vilnius Pedagogical University, Department of Economics. Training course materials, 1-112.

Bagdonavicius, J. (2002). Human capital. Vinius Pedagogical University, Department of Economics. Training course materials, 1-112.
 Bernatonyté D., Vilké, R., Keizeriené, E. (2009). Economic Crisis Impact Directions Concerning Corporate Social Responsibility. Economics and managements, 14, 229-236.
 Bloom, D.E., D. Canning, and J. Sevilla. (2004). The Effect of Health on Economic Growth: A Production Function Approach. World Development 32(1), 1–13.
 Bloom, D.E., D. Canning, (2005). Health and Economic Growth: Reconciling the Micro and Macro Evidence. 42, 1-27.
 Boboc, S., Dumitru, I., & Stancu, A. (2009). Assuming Social Responsibility by Companies through the Exchanges They Perform: A Stakeholders Approach. Transformations in Business & Economics, 8(3), 77-92.
 Cadilhac, D.A., Magnus, A., Cumming, T., Sheppard, L., Pearce, D., Carter, R. (2009). The health and economic benefits of reducing disease risk factors. Research Report. Vic Health, 1-317.
 Companies USPN 0.9554018. 1 X

9. Chronic disease: an economic perspective. The Oxford Health alliance. ISBN 0-9554018-1-X

10. Dagiliene, L. (2010). The Research of Corporate Social Responsibility Disclosures in Annual Reports. Inzinerine Ekonomika-Engineering Economics, 21(2), 197-204.

11. Department of Statistics to the Government of the Republic of Lithuania. Access via the Internet: http://www.stat.gov.lt

12. Gižienė, V., Simanavičienė, Ž. (2009). Economic Evaluation of Human Recourses. Econimics and management, 14, 237-245.

13. Grabauskas, V. (2006). Chronic non-infectious diseases, prevention perspective. V National Health Conference in politics.

Guddanienė, V., Leipuvienė, K. (2007). Social initiatives in business analysis: benefits, costs, impact on business and society. Applied research report. Lithuanian Ministry of Economy, 1-82.
 Jankauskienė, D. (2006). Lietuvos sveikatos perspektyvos. V Nacionalinė sveikatos politicos konferencija.
 Janušauskaitė, G. (2008). Quality of life research: challenges and opportunities. Lithuanian Academy of Sciences, 2008. Philosophy. Sociology.2008. T. 19. Nr. 4,

34-44

34-44.
17. Juščius, V. (2009). Corporate Social Responsibility and Corporate Identity during the Contemporary Economic Crisis. Economics and management, 14, 264-271.
18. Juščius, V., Snieška, V. (2008). Influence of corporate Social Responsibility on Companies Abilities of Corporations. Engineering economics, 3 (58), 34-44.
19. Kiguolienė, V. (2008). Society's progress is based on good health.
20. Kirkauskienė, R., Karazijienė, Z. (2009). Public Health Spending Load Valuation for Business and Government. Economics and management, 14, 280-288.
21. Krikščiūnas, K., Greblikaitė, J. (2007). Entrepreneurship in Sustainable Development: SMEs Innovativeness in Lithuania. Engineering economics. 4(54), 20-26.
22. Lapėnienė, V. (2010). 2009 statistical indicators. Lithuanian Department of Statistics.

23. Lithuanian Health Information Center. Access via the Internet: http://www.lsic.lt 24. Palazzi, M., Starcher, G (1997, revised 2006). Corporate social responsibility and business success. The European Baha'i Business Forum, 45, rue Pergolèse, 75116 Paris, France, 41.

1310 Paris, France, 41.
25. Rudzevičius, J., Scrafinas, D. (2007). The Development of Socially Responsible Business in Lithuania. Engineering economics, 1(51), 36-43.
26. Sachs, J.D. (2001). Macroeconomics and health: investing in health for economic development. Report of the commission on macroeconomics and health, 1-213.
27. Smilga, E., Janušonytė K. (2005). Sveikatingumo koncepcija ir jos taikymas strategiškai valdomoje sveikatos apsaugos sistemoje. Tiltai, 1, 45-52.
28. Tafel-Viia, K., & Alas, R. (2009). Differences and Conflicts between Owners and top Managers in the Context of Social Responsibility. Inzinerine Ekonomika-Engineering Economics(4), 86-94.
29. Ubius, U., & Alas, R. (2009). Organizational Culture Types as Predictors of Corporate Social Responsibility. Inzinerine Ekonomika-Engineering Economics(1), 90-99.

30. Zaharia, R. M., Stancu, A., & Diaconu, M. (2010). University Social Responsibility and Stakeholders' Influence. Transformations in Business & Economics, 9(1), 434-