

History of Development of Corporate Social Responsibility

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Abstract: Since the late 80's of the XX century in many Western countries, the companies received broad support and development of the philosophy of corporate social responsibility (CSR). As noted above, the concept of CSR formed in the whole world recently, about 60 years ago. Prior to this period, there were different standards and regulations in the areas of corporate governance, corporate ethics, and relationships with competitors, responsibilities towards the society and the country. Social policy rules and standards have not been developed at all because there was use of the "random" approach. However, from the late 60s–70s leading U.S. and European companies have started to come to an understanding of the need to unite different elements of corporate policies related to the relationship of the company with the environment, and to the development of a single integrated approach to interaction with society. Such a policy, on the one hand would have to be associated with the philosophy of the company, its marketing strategy, and it should meet the expectations of society. The main reasons for the intensive development of CSR in 1970s, in developed countries was because of the failure of consumers to purchase goods and services of irresponsible companies, as well as the growth of the trade union movement. At the same time in Western Europe and the United States ratcheted up the labor and environmental legislation, there were public policy initiatives aimed at developing the CSR. The history of corporate social responsibility in Russia is about 15 years. Even 10 years ago, the phrase "corporate social responsibility" would hardly be understood and accepted in the business world, and the practice was limited to general statements about following the principles of ethics and a single charity. However, in recent years, due to the almost ensuing political and economic stability and access of Russian companies in the international market, there is a need to review approaches for Russian companies to their responsibilities to society.

Key words: corporate social responsibility; models of CSR; theory of CSR; history of CSR

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1. Introduction

Socially responsible business initiatives have a deep tradition in the Western world. The report of the UN Secretary-General Kofi Annan in 2002, "Development of guidelines on the role and social responsibility of the private sector", states that "the presence of the big companies a certain manifesto on corporate social responsibility becomes a prerequisite for any successful corporate communication and public relations strategy." The phenomenon of CSR is rooted in the relationship between employees, businesses and the state — a social partnership. The analysis of international practice suggests three types of social partnership, each of which influenced the formation of the country model of CSR.

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- The first (Belgium, the Netherlands, Finland, Sweden) — requires the active participation of the state in the regulation of social and labor relations, which occurs at the level of country, industry, individual business.
- The second (the U.S., Canada, Japan, Latin America, English-speaking Africa) — is characterized by regulation of social and labor relations at the enterprise level and to a much lesser extent on the level of industry or region. The role of government is to adopt the relevant laws and regulations, guidelines and requirements. In North America, associations of entrepreneurs prefer not to interfere in the process of social and labor relations in the enterprise, but are actively involved in the legislative and political activities.
- Third (Austria, Germany, France, partly UK) — combines the features of two previous versions. Thus, according to the German concept of the social market economy, the founder of which was L. Erhard, the state intervenes in the social and labor relations, but the employers and trade unions retain autonomy.

2. Literature Review

Evolution of a concept of CSR passed certain stages. The starting point can be considered G. Bowen's, "Social Responsible Businessman", which was published in 1953. It reflected the determination of the meaning of the concept, as well as opportunities for further detailed study of the CSR. Subsequent were studies of CSR presented by K. Davis (1960), J. McGuire (1963), S. Network (1975), where they specified the concept and content of social responsibility.

Currently promising direction is the study of politics as an extension of the theory of CSR stakeholders. Following the publication of a study by R. Freeman in 1984, this theory began used widely to analyze and explain the relationship of the company and society. Author defines stakeholders as any group or individual who can affect or are affected by the achievement of organizational goals. Similar definition of stakeholders can be found in future studies of A. Carroll (1999).

Several models of CSR prevailing in the world:

Continental European model of CSR can be characterized by state regulation in this sphere, so this model is often referred to as latent forms of CSR. Thus, in many countries compulsory health insurance and health protection of workers, pension regulation, and a number of other social issues is legislated. Moreover, government regulation of many aspects of CSR considerably exceeds the North American system.

In continental Europe, corporate activity is generally governed by the rules, standards and laws of the respective States. European business views the state as an institution, leading to the execution of the accepted rules of behavior, and in the U.S. such state intervention is seen as a violation of freedom of business.

The impetus for the further development of CSR in Europe, CSR was the creation in 1996 of the European Movement for Social Entrepreneurs consolidation (EBNSC), established with the support of the Directorate General for Employment, industrial relations and social affairs European Commission. Significant role in the development of the European model of CSR has played an extraordinary EU summit (Lisbon, March 2000), dedicated to the issues of social cohesion, economic development and employment. The Heads of State and Government of the 15 countries have special appeal on CSR, which noted that the expansion of the social responsibility of business is an important element of economic and social reforms, factor in improving the competitiveness of companies.

In Europe CSR officially took shape at the Lisbon European summit, as well as the European Commission issued a so-called "Green Paper on CSR" (July 2001). Earlier, in 1995, following the example of the Americans and the Canadians had formed a network of Euro business CSR (European Business Network — CSR Europe), which

was engaged in the dissemination and popularization of CSR on business-to-business basis.

When considering the trends in European CSR is of interest experience Netherlands. In the country from May 2000 to December 2002 operated program “National Initiative for sustainable development” (NISD) under the motto “From financial gains to the benefit of sustainable development”. The program is funded by the Dutch government through special non-profit foundations. As part of the program, 19 Dutch companies have implemented two projects: the implementation of CSR and CSR marketing with bringing information to the general public.

Many European countries have legislated mandatory medical insurance, pension regulation, environmental management of enterprises. Major efforts in the CSR aimed at combating unemployment by reducing employee turnover, job creation, and implementation of regional social business projects. Philanthropy in Europe is not as popular as in the U.S., due to a substantial tax burden.

If the American model considers the objectives of CSR as profitability and responsibility to the shareholders, the European CSR relates to the additional questions of responsibility to employees and local communities.

CSR in the UK combines elements of American and Continental models. In general, the British model is characterized by the following features: close attention to the financial sector projects in the field of CSR (the tendency of growth of socially responsible investment funds) increased media interest (for example, “Times” publishes indices of social responsibility in the weekly section “Company Profile”) wide development of the sector independent consulting in the field of CSR, the system of business education clearly superior to the UK continental Europe the number and variety of training courses in the field of CSR, government involvement in the development of CSR is manifested in the creation of partnerships with the private enterprises in the education sector support CSR initiatives through matching grants, tax credits, etc.

The general trend for both the British and European models is their hidden form of a gradual move towards an open model. Thus, the British model of CSR combines elements of the U.S. and European models, but with a significant involvement of the state and public institutions in the process of harmonization of the public interest, as well as promotes and encourages best practices.

The American model of CSR has a history of the XIX century. Because of the nature of American entrepreneurship based on the maximum freedom of subjects, many spheres of social relations are still very controlled. In particular, the employment relationship is employer-employee (bilateral agreement), voluntary health insurance. At the same time, America has developed numerous mechanisms for the participation of business in social support society through corporate funds aimed at addressing various social issues through business (sponsorship of professional education, pension and insurance sectors for the staff). The responsible social behavior and corporate philanthropy encouraged by the relevant tax exemptions and offsets enshrined in law.

Thus, the American model of CSR is initiated by the companies and provides for maximum autonomy in determining their corporations of the Public input, but the legislation promotes social investment in areas favorable to society through appropriate tax incentives and credits, with minimal government regulation of CSR.

The American model of CSR is different from the European one: first, the American approach to enforcement is based on the principles of common law, while in European countries the legislation more codified, and secondly, for many years the social program of the American business sold through charitable foundations in Europe, on the contrary, focused on targeted social programs and business projects, and thirdly, the U.S. attitude in the workplace based on the principles of individualism, whereas in Europe is dominated by the principle of collective solidarity, a fourth, the methods of information support of CSR activities in the United States are more diverse than in Europe, but on the European continent, “general degree” CSR above.

At present, the old distinctions are erased. On held in 1999 in New York City “Conference leader in global corporate responsibility”, noted that “the difference between the two traditional approaches is not clear. And in the United States and in the UK you can find companies that are practicing both methods”.

At the same time, the American and European models of CSR have common origins, namely, environmental issues or opposition to plans for business by the environmental movement. Currently, two models are developed in the direction of expansion of social programs, as significant budgetary costs on both sides of the ocean, an important role in the growth of which was played by oil prices and the need to subsidize certain industries and spheres of life, forced the government to address the business with a request for possible assistance in implementation of social programs. Another important aspect of combining the two approaches - the location of production in developing countries, where the problems of implementing CSR are similar for both systems. Finally, the need to reduce the tax as a form of stimulating economic growth is an additional factor for the cultivation of social responsibility among the business community.

Most clearly the ratio of U.S. companies to CSR, the watershed, sandwiched between the perceptions of social programs in business, economics professor from the Ohio State University, Richard Steckel expressed: “For companies who want to do only the production and marketing of its products, social responsibility is difficult to achieve. Those who did not cope with it, lose the competition. The same companies that seek to resolve it through a strategic partnership with non-profit organizations will gain a powerful tool to ensure cost-effectiveness and viability of the business for the long term”.

In Canada, many organizations are working with the National Quality Institute of Canada, produces special Canadian CSR standards — a model of excellence quality and healthy workplace.

According to the research of Canadian organizations for compliance with the principles of CSR are given Canadian Award for Excellence (CAE). Organizations that have become the owners of the CAE, are superior to other companies in the value of shares and other business results. In these organizations less staff turnover, absenteeism and sick days, higher staff satisfaction with their work, as a result, higher productivity.

3. The Standardization of CSR

The modern concept of CSR attention paid to social (non-financial) statements — tools to inform all interested parties about how the company is implementing measures to achieve economic stability, social welfare and environmental safety. The relevance of social conduct and reporting of public accountability by the need to strengthen the trust of all stakeholders: employees, shareholders and partners, corporations, government agencies, local communities and the media. In addition, the social reporting allows obtaining a competitive advantage, developing strategies for the company.

An indispensable companion work on social accountability is its assessment and verification by independent audit. This verification ensures that the submitted data reflect an objective picture.

Upon review of the concept of CSR in different Western countries, we note the following.

(1) In Europe, CSR is regulated by legislation; an important place is given to ethical corporate social responsibility. The dominant direction of CSR in the field of social protection of the population is employed to fight unemployment: reducing employee turnover, job creation, the implementation of regional social business — projects. State agencies and local governments play an active role in the development of CSR.

(2) A special case is the model of CSR in the UK, where, along with a typically European attention of the state

and society to the social activities of the organizations, there are elements of social programs initiated by private companies. Oh attention to the problems of CSR by the state and society evidenced by two facts: the British government established the post of Minister for CSR newspaper “Times” publishes a weekly index of corporate social responsibility.

(3) In U.S. social protection of the employed population is defined more broadly as part of the general system of social protection of the population. However, the leading U.S. corporations in contrast to Europe, proponents of CSR activities, prefer philanthropic involvement in charitable funds targeted social support. In some cases, the implementation of CSR is through charitable foundations, which are now having an increasing impact on social programs of large corporations. The main part of measures to introduce CSR rests on the shoulders of corporations, as the government prefers a minimal intervention in the private sector.

(4) In Canada, where the concept of CSR is very similar to the U.S., in addition to general measures for the social protection of the population, implementing programs of excellence quality and healthy workplace. The list of activities includes the fight against industrial accidents and occupational diseases, protection of workers’ health, the fight against unemployment by reducing staff turnover in a particular enterprise.

(5) Wide dissemination of the concept of CSR in the world has put the relevant organizations with the need to develop special unifying standards, which pays considerable attention to the social protection of workers, and some of them are completely devoted to her own problems. For example, in the standard SA 8000:2001 presents the evaluation criteria of socially responsible approach to the protection of child and forced labor, health and safety, to the preparation of and compliance with the collective agreement, employment discrimination, the definition of working time and wages.

CSR in Russia is characterized by three phases:

(1) 1991–1998 — Restructuring of the social infrastructure companies during the privatization, the revival of pre-revolutionary traditions of charity and sponsorship. “Wild” charity is the first step in the development of the social responsibility of companies in Russia. At that time, financial support for the needy, as a rule, provided of “black cash”. One of the key factors for decision-making assistance was emotional. In parallel, the country prospered “philanthropy Soviet-style” based on the legacies of the Soviet representation on social assistance and works on the principle of “patching holes” in the collapsed of-state social system.

(2) 1999–2001 years — a gradual transition from one-time assistance to individuals and organizations for funding targeted programs, the formation of the concepts of corporate social responsibility in the business environment and society as a whole.

(3) From 2002 to the present time — the beginning of the institutionalization of corporate philanthropy, the allocation of corporate and private foundations, non-profit organizations to attract the implementation of corporate programs, professionalism, active discussions on social responsibility.

The need for the Russian business in obtaining public recognition and consolidation in the domestic and foreign markets is the impetus for change in the approach of companies to interact with society. In an environment of large Russian corporations begins a broad discussion of CSR, the authors of which are professional business associations. A number of corporations are restructuring activities and controls in the area of corporate social policy. There are the first corporate programs that use the new social technologies. The characteristics of the new company’s approach to social sector development are the availability of thoughtful priorities in corporate social policy and a clear appeal to the audience, a combination of policy and handling of the product or the company’s business, the competitive selection of programs for social investment, communications corporate social programs

with the image and brand of the company.

In this process, there were two turning points:

(1) 1998 — because of a Default, Russian companies have drastically reduced investment in the social sphere, just as significantly increased their attention to the efficiency of investment.

(2) 2003 — Russian business community has publicly stated its desire to be socially responsible. “Yukos affair” has attracted much public attention to the responsibility of companies, led an open discussion on the formation of business rules and stimulated interest in the business itself to interaction with civil society.

It is clear that CSR in Russia is still in its infancy. Therefore, with few exceptions, notably misunderstanding purely practical value of CSR. In this regard, there is a danger to replace positively proven in practice the concept of CSR to the conveyor for the production of documentation quasipositive social reporting.

Thus, sources of regulation practice and drivers’ Russian version of CSR is a mixture of British model (voluntary initiation of business) and Continental Circuits (desire of enterprises to obtain from the state a clear legal framework for CSR).

Assessing the current situation in the field of CSR in Russia, we can mention the following: the government became aware of itself as the perfect personification of the social and historical mission of his people; Business has not been fully realized itself as the bearer of positive social mission; Russian business elite is not formed until now as an influential social force, the state has not created a condition in which the business community would be initiated, formed and integrated into the system of civilized nascent civil, social, state, economic relations mechanism for mutual responsibilities, civic responsibility and social corporatism, democracy in formal western sense of stability and efficiency when grows from a mass of well-being.

Thus, CSR is becoming a modern style of business activity, which greatly affects the process of decision-making, taking into account the interests of all stakeholders.

4. Stages of Development of CSR

The theory of CSR was presented by scientists and researchers, and then began piloted companies’ pioneers who have made attempts to apply it in their own business practices. In different countries, this process was at a different rate and the degree of adaptation to local conditions. The script for “rooting” of the idea in a country largely dependent on what position occupied by the main stakeholders: the state as a regulator of the society in the face of the most active organizations, members of the business community.

Schematically, a few milestones that influenced the “new” history of ideas can be represented as.

1950s and 60s: the emergence of individual scientific work and research in the field of economics, where there was talk about a new model of the company and its new role in the world.

1970s and 80s: speeches of community groups that criticize the decisions and actions of companies in different countries of the world, “consumer riots”, the development of ideas of social partnership and labor relations, activation of the trade union movement.

1990: accelerating globalization, the information technology revolution, “wave” of environmental reporting, and the new model of stakeholders (AA1000).

2000s: to promote the idea of sustainable development, the emergence of a reporting system GRI.

In the 50’s and 60’s of last century, CSR become a part of corporate governance in the U.S. and Canada. However, it is mainly covered the issues of corporate philanthropy, social security to its staff, as well as assistance to

local governments on a professional basis and sponsorship. This work is interwoven with the functions of corporate Public Relations — PR. Prior to this period there were different standards and regulations in the areas of corporate governance, describing the personnel policy approaches to environmental protection, corporate ethics, relationships with competitors, duties to society and the state. In the area of social policy rules and standards have not been developed at all, use of the “random” approach: working on the appeals, the answer to the request of the local authorities or the demands of unions

However, since the late 70s of the last century, major USA and Europe have started to come to an understanding of the need to unite disparate elements of corporate policies related to the relationship of the company with the environment, and to develop common holistic approaches to interaction with society. Such a policy, on the one hand, would have to be linked with the philosophy of the company, its marketing strategy, on the other hand, would meet the expectations of society.

Among the reasons why large companies to pay closer attention to the policy in relation to society, are: increased pressure from the government, which in Western Europe under the influence society has put forward higher standards in the field of labor law, protection of the environment. In the U.S., the role of the state was much weaker, however, and the United States gradually environmental safety standards have become more stringent labor laws become more complex, the pressure of trade unions, particularly in the field of labor and social policy, significantly strengthen the link between public opinion and the level of sales.

Relation to the product or the brand was determined not only by the quality of the product itself and the effectiveness of advertising, but also the image of the company, including its responsible behavior with regard to partners, employees, the environment and society as a whole.

By the beginning of the XXI century, most large companies in the U.S. and Western Europe have formed their own policies CSR. Moreover, were created by the business combination, the purpose of which was to develop and promote the concept of CSR, the subject began to be developed by researchers and experts working in the field of corporate governance, as in all training courses on corporate management of leading economic institutions included the study of the concept of corporate social responsibility.

Since the early 90s of corporate social responsibility is no longer just a matter of intra-or just a question of relations with the trade unions or corporations, charitable organizations. Increasingly, companies are combined to develop common principles and approaches to social responsibility, the sharing of experiences. The policy of social responsibility and become an integral part of the evaluation activities, and the success of corporations. In Western countries, the social responsibility of business today — it is a rich social practice. Large modern corporations are aware of social responsibility and respect to our employees and society as a whole. Much attention is paid to the development of various social programs and constructive cooperation in the social field between public authorities, employers and employees.

At the beginning of the XXI century, the majority of large companies in the U.S. and Western Europe have formed their own policy of corporate social responsibility. Moreover, were created by the business combination, the purpose of which was to develop and promote the concept of corporate social responsibility, this subject began to be developed by researchers and experts working in the field of corporate governance, as in all training courses for corporate management of leading economic institutions included the study of the concept of CSR.

The development of CSR in Russia Carried out in the Russian scale economic reforms, the formation of an efficient market economic model put on the agenda of the new aspects of the relationship, the interaction between society on the one hand and business on the other. Among these one of the most pressing issues — CSR business

community, companies and individual business representatives, the measure of such a responsibility, and its content.

You cannot say that the formation of business ethics in our country started from scratch: pre-revolutionary tradition of entrepreneurship have left their mark on history. Thus, in 1912 the Russian businessmen were formulated principles of doing things — respect for authority, honesty and truthfulness, respect for private property rights, faithfulness to the word, etc. It is worth recalling that the newspaper business “Stock News” motto was “Profit is above everything but honor above profit”. Among the Russian Industrialists and merchants were widespread charity and philanthropy (Morozov, Mammoth, Alekseevs, Tretyakov, and Shchukins).

Efforts to strengthen the state level, the moral foundations of entrepreneurship in Russia had already appeared in the XVIII century. When the Russian Collegium of Commerce began to issue decrees regulating the rules of trade with foreign merchants, and the principles of exchange of ethics, efforts to combat unfair trade, a common practice was the public condemnation of unscrupulous dealers, resulting in the loss of reputation and often as a consequence, to their ruin. Honesty and respect for trade secrets stood out as the basic principles of stockbrokers, as recorded in the “Encyclopedia of Banking” published in 1916.

In the early 90’s vector of Russia has changed radically. A distinctive feature of the transition period was to get rid of business entities from all social “load”. Criminal capitalism that prevailed in the country, characterized by a complete lack of social responsibility of business. While the company did not rise to his feet and achieved initial success, the applicability of the concept of CSR was not even a question. Wages have not been paid for months, and employees could be dismissed after probation period, during which only paid half the salary expected in the future. However, the stabilization of the economy social responsibility of business is gradually being transformed into a factor of long-term economic efficiency and social stability.

Unfortunately, in Russia CSR has a long history in the West. The appearance of ethics in Russia can only speak from the 90s. XX century, when the country opted for a new strategy. Even 10 years ago, the phrase “corporate social responsibility” would hardly be understood and accepted in the business world, and the practice was limited to generalities about following the principles of ethics and a single charity. However, in the last few years, due to the almost ensuing political and economic stability and active output of Russian companies on the international market, as well as the desire of companies to make their business more civilized, strengthen reputation in the eyes of stakeholders, reduce the level of non-financial risks, there is a need to revise Russian companies to approach their responsibilities to society. The quantity of Russian companies implementing its activities in the principles of social responsibility is growing.

It is significant that today, representatives of the Russian business community aware of its social responsibility, taking concrete steps for its implementation. Community committees created by CSR practiced different models of social partnership of government, public and private organizations. Only in the past 2004, nearly 200 Russian companies carried out more than 350 social programs and projects in the areas of staff development and training, health and environmental protection, community development and implementation of corporate social responsibility.

In fact, large companies have an interest in the policy CSR, the creation of a deliberate strategy of participation in society. However, this phenomenon for Russian business while still fairly new and unusual.

In this case, the leading Russian businessmen claim that the adoption of social commitment by the business community and individual campaigns — not altruism and redemption “social license” to the business. Social responsibility of business, according to them, can and should be useful for long-term success of the companies in the same measure as useful to society as a whole.

The need to improve the social responsibility of business is celebrated at the highest level. It is particularly important role in this process is assigned to state corporations and companies with state participation. This is due to political reasons, and with the interest of the business to find new common ground with all levels of government and society, thus increasing its stability. Authorities support this activity, believing that the progressive part of the Russian business will help solve at least some of the most pressing social problems. At the same time, there is discordance of understanding in the field of CSR.

Over the last years the interest in CSR grew strongly in the first place this applies to major oil and gas and metals companies. The major obstacle to the adoption of CSR is its focus on a short-term profit, and the lack of a stable institutional environment that does not allow enterprises to invest in long-term projects (health insurance for employees, deductions for better working conditions, etc.).

However, by now entrenched in the CSR agenda of many organizations who realize that socially oriented activities can bring economic benefits? “Good practice” in any company is an indication that the conditions of labor Code of the Russian Federation. More progressive part of the business community already treats CSR as a risk management system as part of a long-term strategy for business development and growth of its value in the global financial markets.

General rules of conduct for business, based on the European experience, began to be developed in the Russian business community about the mid-90s. A number of professional codes of ethics — “Code of Honor banker” (1992), “Rules of Fair Trading members of the Professional Association of Securities Market” (1994), “Code of Honor member of the Russian Guild of Realtors” (1994), “Code professional ethics of the members of the Russian Society of Appraisers” (1994).

In 2004, he published a Report on Social Investments in Russia, prepared by the Association of Managers in conjunction with the United Nations Development Program, which analyzed the role of business in social development.

Over the past three or four years the process of development of Russian business CSR became irreversible. At the moment, the main task is to maintain many of compilation practices of non-financial reports to help you get an idea of the company, as well as the social activities conducted by it.

The global economic crisis is making some changes in the economic and social performance of companies in all countries. You can say that there is a transformation model of CSR as part of the activities in the framework of social responsibility has to collapse because of a lack of financial resources. Priorities are determined by the company in order to survive in all possible ways, and many businesses and financial institutions have to apply for state aid.

It should be emphasized that in a crisis the business is struggling to cope with their most important task in relation to society—namely, job creation and the maintenance of a competitive wage.

Thus, on the one hand, the social partnership system is shifted toward the state initiatives, while many companies are not able to maintain even a minimal social responsibility. On the other hand, the crisis, as a litmus test, showing a true commitment to CSR companies — strategies. Someone goes to the staff reductions and lower wages to their employees, while others look for new ways to optimize production and reduce costs with minimal loss of human resources. Many socially responsible companies tend to focus on retaining as many jobs, often at the expense of reduction of other social and environmental programs.

Social stability in the country today depends on whether the enterprise, first of all city-forming, to stay afloat and to follow the principles of socially responsible behavior towards their employees and business partners.

For our country, where civil society is not yet formed, where the level of public awareness is low, voluntary CSR should be combined with the state regulation of socially responsible behavior. It appears that the state should, first of all, to encourage socially responsible corporations through tax breaks and other forms of government support, and secondly — to support the development of socially responsible investment funds, and thirdly — to stimulate the emergence of qualified personnel in the field of CSR.

The main problem of the CSR concept in modern conditions is the predominance of the communicative function of CSR and social reporting in comparison with the function of the strategic management of companies and committed to sustainable development.

One of the most serious problems in the area of CSR modern Russian business is the realization of social activities. Social projects are often spontaneous, first declared catchy and then quietly “die” in the routine of everyday life. It often happens outright speculation image of a socially responsible company for securing their own positions in the local community. Selected social projects are openly populist: generously sponsored performances of visiting guest artists’ pop against the miserable existence of local, talented creative teams. Because of the lack of understanding of CSR ideas, many Russian companies replace socially responsible policy of large-scale advertising campaigns. Until now, Russia is — management is not settled understanding of the importance of the principle of CSR — the rejection of short-term gain for the sake of future profits. Modern domestic companies operating on the Russian market is often seen in a socially active politics a way to “launder” money.

Institute of socially responsible business is typical for most countries with a stable economy based on market values and long-standing democratic traditions, with a developed civil society. For our country, this is an innovation for the time being. In the past few years, the public debate in Russia on CSR has become the leading all the discussing other social topics. Thus, as a rule, a public debate on CSR issues usually affects only functioning business. Apparently this is due to the fact that the business is still ambiguously perceived by the public, the government, in turn, cannot effectively and fully fund social needs. Moreover, their responsibilities to the society by the state personified in government institutions are not always good. A good example should bring the crisis situation as a result of separation of powers and the federal government of the Federation, during the implementation of the Federal Law of August 22, 2004 № 122-FZ. However, the scale of the Russian business has not yet reached a value that allows you to create income in sufficient volume. There is a difficult transition from the Soviet paternalistic social policies of major companies and organizations, through the so-called “Wild” capitalism to more civilized relations. Russian big business by trial and error, “touch”, with different rates started to build their own social policies. B 2004 by the Russian Union of Industrialists and Entrepreneurs (Employers) was approved by the Social Charter of Russian Business. This document was adopted by the representatives of the business community to understand and accept “their share of responsibility for the fate of our country”, believes that the successful business development is not possible without sustainable development of society and cannot be separated from him, and willing to contribute to the success of their business activity increase in aggregate social wealth and social progress. “Social Charter” has defined the strategic initiative, addressed to the business community, a set of fundamental principles of socially responsible business practices that are useful in day to day activities of any organization, regardless of the activity profile and ownership. “Social Charter” — the essence of the business community action in the social and humanitarian sphere, a statement of the social mission of the Russian business. According to the RSPP it is in the sustainable development of independent and responsible companies that the long-term economic interests of the business contributed to social peace, security and well-being of citizens, protect the environment, respect for human rights. However, the debate about the forms and content of CSR continues. As

such, it reflects a situation where the business is “extreme” in the debate on the validity of the device mechanisms to create public goods, and — not least — the principles of fair redistribution. Due to its early stage of development of CSR in Russia there is a lack of understanding of the concept of integrity, proven practices and utility. As before, CSR continues to be focused on the inner circle of stakeholders — the state, the owners and staff. A wider range of stakeholders (local communities, suppliers, etc.) is not yet a feature of the system. This happens mostly because of the fact that in Russia the main drivers of the process of implementation of CSR is still a small number of the most “advanced” companies, or large companies created as a result of the privatization process, or the state. Consumers and citizens, owing to the underdevelopment of modern civil society organizations and traditional public actions have no significant impact on the business. However, with the development and maturation of the market society, there will be the involvement of local communities, customers and other stakeholders. The most pragmatic form of CSR for the current stage of development of the economy and social sphere — social investments. An analysis of recent trends Russian business participation in society shows originating from conventional “chaotic” charity to social investment.

In the area of social investment in Russia there are problems related to the institutional shortcomings: the state produces enough effective legal and social institutions, and business structures have to neutralize the “mistakes” of the state by implementing significant social investment, and thus partially “replace” the state in the social sphere. If there is not strong domestic business, not had time yet to find its niche in foreign markets, such a line of development affects the country’s competitiveness in foreign markets.

From the point of view of transparency of social programs of companies, Russia is currently in a state of transition. Studies conducted by the Association of Managers of Russia, argue that, despite a number of important factors discourage the private sector from the disclosure of information on social investment, the actual shift in the direction of disclosure has already occurred in the first place, in the train of large and multinational corporations.

Accumulated a critical mass of Russian companies that are aware of the fact that the need for voluntary (not regulated by law) increasing the transparency of their social activities as a strategically defensible move aimed at increasing the capitalization of companies. Currently, the business community, government agencies and the media, there are two approaches to CSR. Narrow understanding of CSR is a list of social projects and programs carried out by Russian businesses to develop their own staff, as well as assistance to the poorest and problem groups on a charitable basis. In this case, CSR is reflected in the form of traditional social sections of corporate reporting, either in the form of social reporting companies. An integrated approach, actually was not developed in Russia, CSR involves a form of reports on corporate social responsibility and sustainable development in accordance with international standards and recommendations. Russia actively supported the desire of countries to sustainable development in the international sense of the term. An important condition for success in this area is the principle of voluntary business reporting on CSR in moral motivation and indirect regulation by the legislative and executive branches. State approach is the full support of the practice of CSR reporting of Russian business and the development of relevant government guidance and regular dialogue between business and government about the main directions and content of CSR. The question of the social responsibility of authorities themselves, primarily executive, is also relevant and urgent problem. With the active support for voluntary and effective pooling of resources of government and business solutions to some social and environmental issues, accountability and legal responsibility of business and government should not be mixed, and even more are blaming each other.

5. Conclusion

Conceptual directions of development of CSR in Russia require their early discussion and development at the federal, regional and local levels of government. We are talking about though belated, but rather actual implementation of CSR as a modern form of social partnership in civil society.

Current status of Russia requires the active implementation of CSR as a modern form of social partnership and support to the most disadvantaged groups. The society has to be an atmosphere of high standards and responsibility to its own staff and the needs of the country. At the same time the government should itself set an example of growth of its social responsibility provided by the Russian Constitution and the law. It is necessary to develop a common understanding of the concepts of corporate social responsibility and social responsibility of the authorities, as well as social welfare.

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