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**NEW SOCIAL TECHNOLOGIES: CORPORATIVISM AND**  
**SOCIAL ENTREPRENEURSHIP**

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***Abstract***

The paper reveals the essence of social and economic interaction of the state, business and civil society in the framework of corporativism evolution, social partnership system transformation and social entrepreneurship development. At present, in Russia and abroad social management is a combination of the most important principles of economic management: economic efficiency, personal benefit and social justice. An effective system of social interaction is designed, on the one hand, to interconnect these principles, find a certain compromise between them, and, on the other hand, requires a significant transformation of the existing technologies of social management. The article examines the processes of formation and development of social partnership system and social entrepreneurship in Russia highlighting their characteristics and features. It has been substantiated that the introduction of social partnership system and social entrepreneurship is a stabilizing factor in the process of Russian economy transformation, but the inability of the authorities to resolve systematically social and labor conflicts still takes place in the modern Russian society. Along with this, corporativism as a certain form of interaction between business and government begins to acquire stability and reproducibility. This allowed the authors to draw a conclusion that corporativism must be included in the model of building a modern civil society.

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## **1. Introduction**

In modern conditions of the increasing processes of globalization and social stratification growth, a gradual transformation of social institutions and structures occurs, as a result collective principles of society functioning are transformed into a complex multi-level system of differentiated social and economic relations.

The term “corporativism” is derived from the Latin corporation, that is an association, community, union, and represents one of the ways uniting organized interest groups in the system of social relations and management (Lehmbruch, 2001). A distinctive feature of corporativism from other forms of social interaction is its innovative feature associated with the orientation of the interacting parties to constructive partnerships in order to make mutually beneficial decisions, as well as to regulate and control their implementation.

The authors’ approach to the research is based on the corporativism interpretation as a specific system of socio-economic relations emerging between representatives of the government, business and the public about existing interests coordination and common goals achievement. According to this interpretation, the basis of corporativism make stable models of social behavior of individual subjects (or their groups), that often have conflicting interests and values, which makes it necessary to unite them. Strengthening the trends of corporativism in Russian society and form diversity of its manifestation actualizes the aim of their research.

## **2. Problem Statement**

The transformations currently taking place in Russian society generate new ways, forms and mechanisms for the socio-economic interaction of government bodies, business structures and a civil society, which are formed on the basis of a corporate behavior strategy within the framework of the rights and obligations of the interacting parties. The key problem is that, traditionally, the state in Russia has acted as the dominant social organization playing the role of a special institution for coordinating relations of various economic entities. As a result, the Russian “habit” of bureaucracy and such features of the civil service as nomenklaturism, protectionism, subservience, corruption, and so on have historically formed. The state determined the level and quality of the Russian society by normative regulation often formed an indifferent and sometimes negative attitude towards the authorities’ aims, the state administrative apparatus and its individual employees. Unfortunately, this historical “feature” persists at the present time, which generates and reinforces mistrust in society, the inability to balance the interests of the interacting parties and complicates the formation and development of constructive (democratic) corporativism.

## **3. Research Questions**

The disclosure of the above stated problems necessitates the search for answers to the following questions:

- What is the essence of the corporation as a social and economic phenomenon, what are peculiarities of functioning of modern corporate relations?
- What are the main forms and mechanisms of corporativism manifestation in a social state?
- What are the features of social entrepreneurship, and what are its characteristics?

#### **4. Purpose of the Study**

The purpose of the research is to identify the features of transformation, manifestation forms and trends in the development of corporativism as a special way of interaction between government bodies, business structures and civil society institutions in modern Russia.

#### **5. Research Methods**

The theoretical and methodological basis of the study was modern and classical fundamental concepts of Russian and foreign scientists on problems of economic and social interaction. A functional method was used (aimed at identifying elements of social interaction); behavioral (allowing the analysis of socio-economic processes through the prism of behavioral patterns of various business entities); institutional (based on the determinism of self-organization processes), as well as methods of systemic, comparative, historical, philosophical, economic and regulatory analysis.

#### **6. Findings**

The formation of a multi-level system of differentiated socio-economic relations is based on the consolidation of groups of certain interests, through which corporate interaction is realized (Phelps, 2017). Positively oriented corporativism is based not on the predominance of the collective over the individual, not on the mechanical unification of views, decisions, interests and actions, but a constructive social dialogue that is social partnership.

The formal moment of a social partnership system emergence in Russia is Presidential Decree No. 212 "On Social Partnership and Resolving Labor Disputes (Conflicts)", which was adopted on November 15, 1991. This document legislatively fixed the annual conclusion of general agreements between state authorities, representatives of employers and workers in the person of trade unions, which defined the obligations of each of the parties in the field of employment, consistent growth of social guarantees for workers, ensuring the growth of their income, strengthening social protection of the least protected population groups through the consistent implementation of socio-economic projects and programs.

According to scientific researches the following stages and specific features of the system of social partnership formation and development in Russia are highlighted (Novoseltsev & Voroshilova, 2016):

- 1) The first stage includes the period of the beginning-mid 1990s.

By the Decree of the President of the RSFSR "On Social Partnership and the Resolution of Collective Labor Disputes (Conflicts)", the formation of a system of social partnership in transforming Russia was proclaimed. Since 1991, the Government has called for the conclusion of tripartite sectoral tariff agreements between government officials, workers (represented by trade unions) and employers, indicating in them the mutual obligations of all parties governing social and labor relations in the field of

labor organization, pay, and hiring procedures and dismissal of workers, social guarantees and other conditions ensuring the growth of labor productivity, production efficiency, labor discipline improvement, prevention of possible conflicts, as well as the balance of interests of all interacting parties.

It should be noted that the adoption of such a decree was dictated by objective necessity. The overwhelming majority of Russians were not satisfied with the course of market reforms: the standard of living in the country was sharply reduced, and socio-economic differentiation in the society was growing. This, in turn, gave rise to dissatisfaction of the population with the working conditions and pay level, low productivity and production efficiency, further exacerbating social and labor contradictions.

2) The second stage includes the period from the mid-1990s until 2002.

At this stage, the regulatory framework of the social partnership system is being strengthened through the adoption of such federal laws as: “On trade unions, their rights and guarantees of activity” (No 10, January 12, 1996), “On the Russian Tripartite Commission on Social Regulation labor relations” (No 92, May 1, 1999), as well as a number of regional laws “On Social Partnership”.

A distinctive feature of this stage is that the development of trilateral interaction was actively carried out primarily at the regional level, where the formation of associations of employers and the development of the trade union movement (Rostova, Seeleva, & Suloeva, 2011) took place at a rapid pace. The trade unions gradually found their place in the changing economic conditions, there was a re-realization of their role and significance in the transforming Russian economy.

3) The third stage – modern – covers the period from the beginning of 2000s and up to the present.

At the beginning of the twenty-first century there was a social reorientation of government priorities. Numerous national projects were adopted that emphasized the social orientation of the development of the Russian economy. Since 2002 the Labor Code of the Russian Federation began to operate (from October 1, 2006 the Labor Code is in effect in a new edition). With the adoption of the Labor Code, the social partnership system in Russia received legislative consolidation. So, Article 23 of the Labor Code of the Russian Federation defines social partnership as a system of relations between employees (their representatives), employers (their representatives), state authorities and local self-government, aimed at ensuring coordination of the interests of the parties interacting in the labor process on the regulation of labor and other issues directly related to them (Guslyakova, Govorukhin, & Grigoriev, 2017).

At the present stage, there is an expansion and deepening of social partnership, its transition from the regional to the federal and supranational level. As a result, the social partnership system becomes multi-level. The adoption of the Federal Law “On Associations of Employers” (November 27, 2002) intensified the activities of the largest associations of employers at the federal level with internal territorial and sectoral structures. Further strengthening of the role and importance of the trade union movement continues.

In order to develop an effective three-party system in Russia, a social partnership council was established, legally regulating the relationship between the government, business associations and trade unions. This body activity is aimed at achieving a balance of interests of the state, owners and hired workers of enterprises, institutions and organizations, as well as the search for compromises between social partners to prevent conflict situations.

The practical implementation of a social partnership system has become a stabilizing factor in the process of transformation of the domestic economy. The effectiveness of trilateral cooperation manifested itself, firstly, in an increase in the number of collective agreements concluded (from 58 500 in 1998 to 814 100 in 2016), which was a factor in strengthening social and labor guarantees for hired workers. Secondly, the use of mediation and conciliation procedures reduced the number of strikes (in 1996 there were strikes at 1.269 enterprises and organizations, in 2016 there were only 3 strikes), which normalized the activities of economic entities in such economy spheres as industry, transport and education. It should be noted that since the beginning of 2017 protest activity in Russia has again begun to increase. Thus, since the beginning of 2017, the total number of protests in the country has grown by almost 60% (Kivarina & Petrova, 2018). At the same time, both political and socio-economic (according to different themes) labor protests grew in number. The growth of labor protests was primarily triggered by a significant increase in the number of labor disputes at enterprises, in particular, an increase in cases of delay and non-payment of wages, the number of which increased by more than 3 times compared with the previous period. The given statistics prove that in modern Russian society the inability of the authorities to systematically resolve social and labor conflicts still takes place, although on a smaller scale compared to the end of the 20th century.

Along with the positive aspects identified, the system of social partnership in Russia is also characterized by the presence of significant shortcomings. Among them it is necessary to highlight the existence of huge debts in settlements between the state, enterprises and the population related to wages, budget transfers, taxes, payment for housing and communal services, which indicates the need to improve the mechanism of social interactions in Russia.

A broader interpretation of social interaction principles of social structures is characteristic of the developed economic systems of the West. Here system transactions of social partner interactions have macrosocial and macroeconomic scale. In modern developed countries the system of social partnership is an integral form of public life organization and is considered as an indispensable element of a civil society.

Thus, in the course of its evolution, the idea of social partnership was transformed into a concept of social solidarity, which is not only enshrined in regulatory legal acts, but also successfully implemented at an institutional level. Such experience proves that social partnership is one of the strategic principles of modern socially-oriented states formation and development, and also acts as an integral attribute in the modern architecture of civil society.

Another modern method of socio-economic interaction, combining innovation, the principles of sustainable self-sufficiency, entrepreneurial innovation and the socio-economic nature of business is social entrepreneurship. It is based on the functioning of special commercial structures operating on the principles of economic efficiency, financial discipline and an innovative approach to business management, with the aim of solving a socially significant problem.

The above definition allows to highlight the main features of social entrepreneurship. These include:

- 1) the primacy of a social mission over a commercial one;
- 2) availability of business ethics and business culture, social mission is accepted by all participants of the company;

3) the presence of a stable commercial effect, which ensures the competitiveness and financial independence of the company;

4) innovation, which is realized through the application of new ways to solve social problems, on the one side, and through the use of atypical combinations of economic resources to achieve goals, on the other side.

According to researchers, the idea of social entrepreneurship is becoming increasingly popular because it is suitable for the modern era (Chandra, 2017). This is confirmed by numerous practical examples. Social initiatives developed particularly actively at the end of the twentieth century. These include cooperation in European countries, public-private partnership, numerous agreements on fair trade, tripartite intersectoral interaction, the institutionalization of corporate social responsibility, corporate citizenship emergence as a phenomenon, and much more. The conditions of life in the world changed, which caused all these phenomena. There have been changes in individual states and specific communities of people who have put the state, commercial and non-profit organizations in front of the need to change their role in solving social problems. The main trends that stimulated the social entrepreneurship's emergence are the following (Sahasranamam & Nandakumar, 2018):

- the inability to solve modern social problems by traditional methods;
- the stability of market and non-market coexistence, developed and undeveloped social and economic segments within a single state;
- increasing social inequality between and within countries;
- bigger amount of non-profit organizations and increased competition between them;
- increased competition between the commercial and non-profit sector.

It is impossible to say unequivocally that social entrepreneurship can solve all the listed problems (Dwivedia & Weerawardena, 2018). But the emergence of each new social entrepreneur is a concrete response to the challenges of modern society.

Representing a specific socio-economic phenomenon, social entrepreneurship is carried out under the society conditions, regulated legally in society and subject to the action of economic laws and laws common to all businesses. This means that social entrepreneurship is not free from a society, but functions in interconnection and interdependence with it. As a result, the activity of social entrepreneurs, along with other economic agents of the domestic economy, is subject to management and regulation.

Regulation by the authors is understood as a purposeful process of influencing a subject of social entrepreneurship, implemented by economic management bodies to achieve the goals of entrepreneurial activity and ensure a steady positive dynamic of its results. From this essential understanding of the regulatory process, it follows that economic management bodies represent a specific subject of social entrepreneurship regulation that is diverse in composition of participants. These include both the state regulatory bodies of the economy (federal, regional and local level), and the governing bodies of the social entrepreneurship itself (the head of the enterprise, specialists within their functional and job competence).

Such a diversity of participants in the process of regulation of social entrepreneurship objectively determines differences in their goals and expected results of their activities. For example, from the standpoint of state regulatory bodies for the development of social entrepreneurship, growth in the

incomes received by budgets of all levels, development of the economic and social infrastructure, satisfaction of social needs, reduction of social tension in the labor market should be accompanied. In turn, from the view point of the governing bodies of the subject of social entrepreneurship, its development should have a positive trend, accompanied by a steady increase in financial results, an increase in the level of competitiveness of products, an expansion of the market segment.

In addition, the participants in this process themselves have a controlling impact on social entrepreneurship; their activities are aimed at obtaining stable income, implementing their own entrepreneurial initiative, and expanding opportunities for self-employment in socially useful work.

The difference in interests of participants in the process of regulating social entrepreneurship is objective and gives rise to the problem of finding ways to ensure their balance.

Considering the above, it is easy to come to the conclusion that it is necessary to integrate the mechanism of social partnership and social entrepreneurship into the system of Russian corporatism in order to ensure effective economic development and build a civil society. This statement is fundamentally important from the point of view of the strategy of transformations, both in modern Russia and in other developing countries.

## 7. Conclusion

Thus, the new Russian corporatism is in its infancy, and the process of its formation is slow and difficult. The lack of social partnership traditions in society with particular urgency raises the question of conceptual theoretical understanding of the conditions and mechanisms for attracting key actors in the social and labor sphere to effective social dialogue in market relations, leading to aggregation of interests and voluntary (consensus) conciliation decisions. As part of the integration of various modern social interaction scenarios, it is necessary to search for such social technologies that will push the formation of a qualitatively new mechanism of influence on the economy development an alternative to direct regulation based on long-term and mutually beneficial cooperation in order to realize socially important interests and goals.

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