

# The analytic study of the Russian experience in the context of corporate social responsibility (CSR): the lessons for Iran and developing countries

*Ismael Rezaeinejad\**, *Amol Khaniwadekar*, and *Karan Singh Rana*

Peoples' Friendship University of Russia (RUDN University), Miklukho-Maklaya Street, 6, 117198 Moscow, Russian Federation

**Abstract.** There is no doubt that large Russian firms are aware of the traditional symbols and concepts of CSR, and, more importantly, they admit that it benefits them to include these concepts in their corporate strategies. Large companies adopted internal and external policies to improve their employees' well-being in terms of health, housing, and a wide variety of educational and cultural programs. The emphasis on CSR is primarily on domestic issues. So far, little attention has been paid to global warming, environmental protection, fair trade, or business activity's carbon effects. The use of CSR by Russian companies in various fields is mainly from the companies operating in the leading industry, where foreigners have significant investments. However, there is only a balanced level of attention to national standards, and therefore governmental reporting is limited according to standards of international organizations in Russia. There has been a corporate social responsibility in Russia in response to its history and policy. This pattern followed a very different way from other non - socialist countries because Russia's market economy is still very new, increasing attention to CSR, such as corporate governance, is still not grown up, but that is mainly occurring in large firms with an international profile or under the State's influence to participate in CSR activities. This paper attempts to review the Russian country's experiences due to its similarity in the former Soviet times with the Iranian economy's current circumstances, analyze and compare and solutions that a government must consider to be transferred from a government-run to a market economy.

## 1 Introduction

The development and expansion of financial firms, although it has direct public and private benefits for individuals and society, simultaneously with the services or loss to the community, which in the literature of economics refer to the economy's external consequences. In most modern countries, one of the government's main tasks is to enter and intervene in such activities through appropriate mechanisms to regulate the market. The

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\* Corresponding author: <mailto:1032205254@pfur.ru>

government has minimized the development of regulations, or by the receipt of taxes and duties, social losses arising from firms' activity. In contrast, by paying subsidies or legal incentives, social benefits arise from the action of investors who have positive externalities. Although this mechanism has become commonplace in developed countries, multinationals' movement in other countries is not necessarily moderated by host governments' actions. Therefore, CSR affected by their experiences or pre - assumptions and normative, cultural, and social patterns decide to compensate for their country and host region activities. Such voluntary activities add to legal duties that the host nation may impose on multinationals. Today, what has become a common practice for multinational corporations in countries and host communities is CSR, under the name of compensating for environmental or social impacts[2].

In contrast, in developing countries, small and large firms have different behavior regarding their activity. Indeed, large firms in these countries have not only reached the maturity level of voluntary participation in compensation of the damage imposed to the host region, but in the absence of appropriate legal duties, they are also exempt from direct social and environmental damages.[3]

In Iran too, corporations and large public and private firms in the country, with government support and under the pretext of participation in job creation and economic growth, rarely have to compensate for their external consequences or voluntary payments to compensate for their social and environmental damage to the surrounding environment and host areas. In particular, due to the weakness of organizational and technological capabilities available in such economic units, the damages caused by external consequences of their activities are usually more extensive than similar companies' actions in multinational companies.

The new approach to solving adverse external effects such as environmental pollution is the category of CSR. Corporate Social Responsibility involves several different concepts and definitions [2]. It seems that the description is given by (Verheugen G. (2007), 'CSR and competitiveness: a view from the European Commission), summarizes the underlying points of the concept in a nutshell[12]. According to the report, the social responsibility of large companies: Social and environmental concerns in business processes and engagement with stakeholders are voluntary Social responsibility is not only to meet legal expectations but also to go beyond obedience and to invest more in human capital, the environment, and relationships with society. The European Commission's vice president says: "Businesses in all sizes to consider their role in today's society when taking strategic and operational decisions" [12].

Corporate social responsibility covers all aspects of corporate governance. It is about how businesses conduct their businesses morally and considers the effects of human rights' economic, environmental, and social factors. Social responsibility can improve social life quality in social dimensions. It also increases corporate social responsibility to maximize profit. In this case, attention to stakeholders' interests and the interests of society is also considered.

## **2 Methodology**

Carroll (1991), in the article "Four facets of corporate citizenship," writes that a company is expected to show responsibility, just as it is expected from other citizens. Social responsibility problems become relevant not only for companies but also for the States[4]. Several studies show that decision-making within the framework of corporate social responsibility has a positive impact on the effectiveness and efficiency of a business. How do Russian companies try to change corporate behavior to meet prevailing social norms, values, and expectations?

CSR in Russia has specific features that make it different from other foreign countries' practices. What are the reasons, objectives, directions, and expected results of CSR in Russia? Are there any specific features of CSR in Russia?

This paper attempts to review the Russian country's experiences due to its similarity in the former Soviet times with the Iranian economy's current circumstances, analyze and compare and solutions that a government must consider to be transferred from a government-run to a market economy.

The analysis and synthesis of fragmented data on Russian companies' activity in CSR are used as research methods. Comparative evaluation to identify CSR's causes and objectives in the Russian market is based on comparing the results of the content analysis of reports placed by Russian companies and external studies' results.

## 3 Results and Discussion

### 3.1 CSR in Russia

Crane and Matten (2007) wrote in their famous book, *Corporate Social Responsibility: in the relevant section of emerging transitional economies: while there are many different approaches to these countries, it is argued that in some respects, Russia and China are first and pioneer in CSR. On the other hand, Russia has experienced privatization and a return to capitalism when the state institutions so weak and corrupt. It has reached a place where the "cowboy economy " is said[2]. Therefore, it is no wonder that it is still a much-unknown concept in Russia, and it brings a strong resemblance to a communist time for many Russian business owners [3].*

According to the definition, transition economies experience dynamic changes. In Russia's case, the latest changes - 2008 - have strengthened and concentrated many activities in different government agencies. Simultaneously, there has been considerable growth in the private sector of the economy and the rapid development of companies, and the adoption of modern private corporate governance practices.

From 2004 to 2006, the corporate management center at the " School of Economics " held more than five seminars in four different cities across Russia about the various aspects of corporate governance, which was also part of its social responsibility. Since then, the demand for teaching and writing about CSR has become so high that the corporate management center has taught itself a wide range of recommendations in the significant commitment to corporate management. The search for knowledge about the appropriate corporate management practices by the private sector has increased exponentially. Due to its adoption, the adoption of a variety of traditional corporate social responsibility practices has increased.

Other evidence, but all of the interest in Russia, is that in November 2008, if the term "Russian Corporate Social Responsibility" entered Google's search engine, over half a million cases- exactly 559000 - were found. While this number is not as large as other countries (Brazil, Russia, India, and China; Brazil with over 2 million cases), or European countries (754000 for the UK) or the United States (with close to 1120000), it is still a lot. It states that in Russia, something is more than an "unknown concept."

Of course, many cases do not relate to understanding or performing in Russia. A simple vector case tells us that most of the issues come from private organizations operating around the world up to now. These organizations use the "WorldWideWeb " to explain their position in exchange for use - and it has always been used in many countries that operate (including Russia ). It seems that about half of all cases are of this type[7]. While these are not much more than a conscious guess - the content of all these blogs has not been investigated yet - yet it means that in the past year, about 600 websites are entirely devoted to CSR in Russia.

While this type of available evidence does not show strong or sufficient interest from the Russian companies, it is large enough that CSR's minimum conclusion is an "understood" concept in Russia[7].

On the contrary, we argue that CSR was always in a large part of Russia and has been a more critical element in the strategies and operations of the growing number of firms in the Russian business community.

### **3.2 The unique characteristics of corporate social responsibility in Russia**

One of the big problems in accessing and comparing CSR between different countries is that the idea itself has a wide variety of meanings. Tried to deal with the proposal that it meant significant amounts to the person defining it - government, business communities, corporations, non-governmental associations, or corporations - and notes several methods in these categories. Suppose this lack of definition between different groups is not enough to make it challenging to assess CSR. In that case, CSR's implications also vary widely from country to country and from time to time. As a result, all definitions of CSR should be considered carefully. Social, cultural, and historical developments of nations are so vast that there is no set of CSR principles with everyone, or it is virtually inconvenient.

Indeed, the extent of CSR in Russia in the 21-st century is the product of its unique geographical, historical and political conditions.

#### *3.2.1 Summary of CSR history in Russia*

##### *3.2.1.1 Soviet era*

One of the reasons for the early development of CSR in Russia is the vast area. Most of the Siberia cities and the Far East are far from each other and, of course, the community's socialist organization in Soviet times, the emphasis was on resource development. This action's primary method was through an extensive planning program and large industrial enterprises built around them. This kind of development's consequences was that the industrial factories and the cities blended and intensified themselves. Government agencies produced products from factories and made deep integration in all community activities by providing heat and electricity to homes, building roads, supporting schools, etc.

They also supported the sports teams, financed and built the stadium and the swimming pool, organized sports leagues, and conducted monetary supply for the orchestra and the dance. Workers were dependent on these companies for housing, transportation, leisure and holidays, health care, and shelter. Depending on the person's place in the Russian Federation, the company or institution that people worked for was responsible for any services from the cradle to the grave. These cities were literally parts of the factory, embedded in social infrastructure.

Indeed, it can be confirmed that Russian state enterprises started implementing CSR earlier and more sharply than most of the activities that were later found as a significant part of CSR in many European and North American countries.

##### *3.2.1.2 Transitional years*

In the mid-1980s and Perestroika time, Russia remained at the time of struggling to move to the market economy from a revolution, perhaps even after the Bolshevik revolution; this was a really tough time when the entire structure of the economy changed due to the enormous change in ownership of the firms. Many immense Russian industries became extinct in the

hands of eminent and influential landowners. Thousands of medium-sized companies have been privatized and are owned and managed by groups with insufficient knowledge about how the private market works and the changes that need to be successful in their business. Finally, many organizations remained in the government's hands and practiced by people who tried to implement a management system in a market economy used under the communist regime. The result was chaos and, as many managers did not know how to work - disruptions in their supply resources, limited demand for their goods, and a low commitment to contracts. The government was corrupt, and bribery became widespread; businesses began to seek ways to reduce their cost; only staying upright was the primary goal of most people.

What is not sufficiently understood in most analyses of this period is the transitional period, which included transferring property to the private sector; the privatized companies inherited a wide range of social services performed by companies in the Soviet era. Necessary activities such as transportation, heating, water, and sewage disposal in some cities suddenly fell to these companies and their new owners, most of whom did not care to preserve them. In places such as Norilsk, Tyumen, and other cities dominated by corporations, large companies put their traditional role as social service providers to maximize profits. These cities were converted into little-equipped local governments, and governments responsible for providing the infrastructure necessary to sustain community activity. As a result, in many regions, cities, and villages, all sorts of infrastructure, including cinema, theatres, transport, and communications, started to collapse.

In addition to reducing the original service, the relationship between workers and employers also varied. The Soviet era's cornerstone was to provide employers with benefits such as housing, health care, vacation, and other services; during privatization, the services were cut off, and wages were converted into money with much less purchase power. As a result, a whole generation remained without monetary resources to purchase homes and other services that were usually prepared by the companies that worked for them[5].

As is well known, without adequate government in any of the levels, the situation went out of control, such that in 1998, almost every form of the product was deficient, the shops became vacant, the banking system collapsed, and the central government was unable to pay its debts. Finally, Russia went bankrupt.

### *3.2.1.3 Start of the Stability*

As the 21st century approached, there was a better understanding among the managers and business owners of the Russian business about how the market functioned, the more stable government emerged and began to grow due to a rapid rise in prices and demand for natural gas, petroleum, precious metals, and agricultural products from Europe and the Middle East. During the privatization period, many of the most powerful corporations, mainly in Boris Yeltsin's time, adopted modern management methods and started to operate efficiently and profitably. Since the big companies flourished, thousands of suppliers and services required by giant companies also grew. The boom of the industries into other fields of the economy and the rise in Russia's growth rates between 1998 and 2004 were among the fastest-growing developments experienced by a modern country[5].

Under such circumstances, it is not surprising that the first decade of the 21-st century was a significant change period for Russia. During the Soviet and transitional periods, the Russians did not travel much, were exposed to Western culture, and very little foreign investment. After Perestroika's end, the Russians began to travel widely across all society levels, fascinated by Western television and literature. The exchange of ideas was typical among the researchers and business owners. The companies increased the international trade volume to a large proportion, and the government joined international organizations such as the Organization for Economic Co-operation and Development(OECD). Once again, Russia

became an active country in the global community. During this period, other countries and international agencies' development and some of the country's donor states affected the Russian companies and governments' method of applying CSR[6].

### **3.3 Infrastructure restoration and CSR**

The most crucial issue in Russia in the first years of the 21st century was who should pay to rebuild the economic infrastructure, which was essential to its health and prosperity. Besides, who should pay for the social service expense, which is crucial in developing and maintaining an effective and efficient working force?

The period's economic growth shared in the government's stability and provided a foundation for taxes and raising government funds to rebuild infrastructure. However, business entities paid much of the infrastructure costs and varied cultural, educational, and other services that people enjoyed under the Soviet system in the past.

In short, CSR's issue was at the center of the relationship between the relatively strong private sector and a strong central government.

Undoubtedly, the issue that the central government should expect from the private sector would have a significant role to play with CSR issues. In fact, at the annual session of the "Congress of Industry Owners" - a large business forum from private enterprises - in November 2004, Vladimir Putin announced that the Russian government expects the Russian business to increase its investments in social, science, education, and development so-called "human factors"[8].

It was a significant announcement because, unlike the mid-1990s, when the government was weak, and the business dominated most aspects of Russia, the government regained its place and became its leading political player. Private sector leaders were well aware that a new economy driven by the Russian market was expected from them.

Besides, the situation made the private sector more involved in many activities that generally collapsed in some parts of the country. Unfortunately, over the years, when local and regional governments were under control, specific government services were weakened to become unreliable and, in some cases, almost nonexistent. As a result, with a boom, not necessarily because they wanted to, but because of their survival, a large number of companies began operating in urban services in different cities once again. These were linked with the local government to make the road, draw gas lines (not only to their plants but to residential consumers) and to develop electricity and sewage disposal facilities. The fact is that Russian companies attracted much of society's essential cost, but they also managed to cooperate with local authorities. In fact, they accepted almost everything in Soviet times. However, there was a significant difference with Soviet times. Now, most of the local governments still found themselves as partners of new private companies. Generally, while the participants were recognized and prepared, they divided social services through taxes.

Nevertheless, when they wanted to expand or make changes, they could only deal with certain people. Otherwise, it is unlikely even to gain the services to advance their business and grow their business. At the time, these fees are known as "the cost of voting rights." For many businesses, bribery was accepted as the cost of doing business and maintaining order in civil society. However, many companies' desire to take responsibility for such a large number of services and bribes was more than taking services to work for efficient action on the agenda. The introduction of such a new concept as private property, even to its most incredible supporters, was uncomfortable for many people - especially the older ones. Suppose the transformation from an ordered economy to a market economy is to be successfully implemented. In that case, companies need all the support they can get from the society in which they are based. As a result, rather than reducing their support for local activities, they tried to maintain and increase it.

At the same time, market-based businesses did not want to return to the former Soviet system, where companies offered all services. As a result, the discussion of the correct amount of CSR in Russia is not so different from that in other countries. How is the proper distribution of responsibility for various social activities in the private sectors?

### **3.4 The impact of international trade and investment on CSR**

One of the results of the transformation from the transition economy to the market economy was the growing number of prominent Russian companies. As these companies grow, with a tremendous global demand for resources, their need for capital has been developed.

Under such circumstances, it is not surprising that large Russian companies, mainly controlled by oligarchs, started listing their shares in London and New York stock exchanges. Once they did, they had to meet all the standards required to be on the list. While most of these standards were related to government requests - transparency of functions and completeness of reporting, and so on, but stock owners also expected the listed companies to operate under the social responsibility style. It meaning Russian companies admitted that they are responsible for socially responsible behavior and started to proclaim their declarations in annual reports and other literature they had[7].

Meanwhile, foreign companies in Russia invested money and increased their activities in Russia; many of these companies have been connected to industry - mining, energy, forestry -which in many countries, according to strict standards regarding safety, disposal of waste, environmental protection, and sustainability-When they arrived in Russia, they brought with themselves approaches to issues such as safety, environmental protection, etc.

CSR guidelines in other countries partially fulfilled their activity, affecting Russian and Russian partners' work in the same style. For example, according to various reports of Severstal (a British- Russian company) annually, it provides a regional and national investment policy and an action plan to provide housing for disadvantaged social families, treat hepatitis, and support medical institutions' financial shortage. It also supports sports teams and organizations in their areas under their activity and published a social report of their actions. At least, foreign companies provide standards based on which internal functions are measured.

### **3.5 The effect of privatization on management and CSR**

However, it is not just foreign investors and professional consultants' feet that make large enterprises participate in CSR's diverse aspects. New Russian companies were born under international management from used managerial practices that developed in Western firms over a century have been implemented in a decade. Today's management in many Russian companies is very modern.

After deregulation and following customers' intentions in the supply chain and support from different government levels, the Russian managers found that CSR's acceptable practices as part of its strategic planning constitute a more effective performance. For example, Severstal reported in his company documents in 2007 that the social policy that has been inherited from the past and the active part of its new strategy makes it actively shaping its employees ' quality of life[6].

It also reports: The social responsibility of Severstal comes under the following: protecting the health and improving the living standards of company employees and charitable work [and] in 2006, the company allocated \$ 50 million for social and philanthropic programs [10].

In recent years, while in Russia, as in Western countries, CSR has not prevailed, but some Russian companies have been very active in supporting different sports and cultural events.

They do not only act as a marketing tool but as part of the more extensive CSR programs. Although such an activity is not considerable compared to this kind of financial support in many other countries, for example, Coca - Cola who supports the Olympics, is the financial support of a fast-growing element in many countries' strategy.

It is worth mentioning that some Russian companies support higher education's financial institutions by paying tuition to talented students and supporting college members and young specialists' research.

By examining the annual reports and other documents, it is determined that huge companies are committed to applying Value and ethics in everything they do - how to perform their businesses to interact with employees to how to influence communities and regions. The implementation of its obligation is subject to review and reporting, and such reporting is not as widespread in Russia as in many other countries. However, this statement's expression can be incorrect that the highest management level in large enterprises is unaware of CSR's significant issues and, at least in their strategic business planning, is not considered part of them. The reason is not only because of the desire accepted among the big ones but also because of history and the willingness to engage with government targets to participate in CSR's long-term profitable partnerships.

### **3.6 Humanitarian action impact on CSR**

There is a very long and lasting tradition of private philanthropy in Russia. Early in the 17th and 18th centuries, merchants and families of Russian-born nobility built dance halls and poetry halls to introduce artists, dancers, sculptors, poets, and writers. In the 19th century, Russian art supporters, such as those in Europe, were famous throughout Europe for their unique artworks' significant collections[1]. In soviet times, these collections, including many others, were nationalized and displayed at the national art museum.

During the communist era, there was no such thing as corporate or corporate philanthropy. However, under every leadership, there was a fixed friendship - strong support for cultural activities, especially music and dance.

The Russian Opera Company and Russian Opera became both organizations of global credit. The ballet symbolized the Russian culture. The support of these organizations and cultural organizations is always strong by the Russian people and their governments.

In recent years, private philanthropy significantly increased. Many wealthy Russians mimic the role of American Capitalists. Those had filled their mansion with pictures and other European art types at the end of the nineteenth century. The extent of participation of large Russian companies in various humanitarian activities, particularly in CSR, is still so large that Russian collectors are now a dominant factor in the global art community. In fact, in recent years, Russian oligarchs have been one of the principal patrons of modern artists[11].

Nevertheless, the situation is changing, mainly due to foreign companies working in Russian agencies or establishing Moscow offices. Such charity is part of their public performances. They support all kinds of philanthropic and humanitarian activities in other countries, so this is just part of their regular work supporting nonprofit organizations that work in health, education, and public welfare in Russia. After accepting some corporate social responsibility, the usual practice of specialized foreign companies in Russia, most of its clients mimicked their behavior.

### **3.7 The impact of national and international organizations on CSR**

Undoubtedly, the concept of CSR has entered the vocabulary of Russian business culture. The major commercial enterprises of Russia, such as the " Russian Union of Industrialists

and Entrepreneurs, " Association of managers, and Chamber of Commerce and Industry of the Russian Federation," followed the direction of Western colleagues, focusing their attention on the establishment of guidelines for the role of businesses in the community. Russian Union of Industrialists and Entrepreneurs (also known as the "red " group of directors) used the "social prism" that draws their business role in society and urges its members to become an active part of the communities in which they are stationed. In addition to institutions and business associations' efforts, NGOs facilitate CSR's entry to Russia, with financial support from more than 30 seminars and conferences on CSR since 2004 and translating international standards on CSR reporting in Russian[9].

The United Nations achieved through the Russian business and government leaders to be part of the UN program to engage companies in resolving social and environmental issues. The United Nations publishes a journal that reports about developments related to CSR in the majority world, as follows:

CSR has been stable at the beginning of 2007; part of the business plans more than 40 Russian companies. Fifteen of them presented such reports as separate sections of their annual reporting, while eighteen of them produced individual social reports. Eight were reported on sustainable development, and the remaining four companies presented environmental reports. Thirteen of the documents were based on the basis and indicators of international standards.

The United Nations has also supported information, research, and advisory activity to develop Russia's CSR practices. While most Russian businesses and business organizations have dealt with social and political risks, only a few pioneers of Russian enterprises have begun to address CSR's environmental issues. However, the change was on the way, "the Russian Association of Directors" added an environmental component to CSR's definition. It has been reported that the application of environmental sustainability policies and a mechanism for reporting how to implement them in 43 firms are in the early stages.

The conservation of the environment in Russia remains mostly a matter that must be followed. The majority of Russian business leaders still believe that international environmental management standards are very costly. Therefore, major Russian companies have not focused on these issues and are not worried about participating in the rankings and international layouts. Unfortunately, only four Russian companies currently offer environmental reports. Some Russian national systems have been devised, such as Russia's environmental responsibility, the largest industrial enterprises, rating the "social-environmental union and an independent environmental rating agency value."

Besides, values are variable, but they are all designed to encourage Russian firms to apply social goals - in a broad definition - in their strategic planning. There is a difference in the definition between CSR in Russia and CSR in the Western world. CSR in a state of development, analysis, and judgment is that the State provided all citizens' services. It is not surprising that CSR is closely linked to Russia's political, social, and economic background towards it in any other modern industrial country. In most Western industrialized countries, large and giant CSR issues are related to the decision about what social issues are the companies' responsibility and what concerns the business must undertake the government. In Russia, the government indirectly represented all social benefits and benefits in the Soviet era, and that the private companies performed in the post-transition periods largely complicate the issue. Within this historical context, the current development of CSR in Russia is under implementation and development.

Since the financial crisis and the high price of goods, significant economic growth brings the expectation that major Russian companies, especially in oil, gas, metals, and mining and manufacturing, must use large amounts of the general philosophy of the soviet era. Those who clearly understand the nature of personalization recognize that the private company is now a completely different instrument from the soviet - Era Company and cannot offer all

expected benefits and remain competitive in the free market. Many Russian companies have been stranded in the past heritage. Workers and the government are looking forward to their return to their model when given money and offered almost all services. Of course, the companies will resist attempts to force them to accept these costs.

As a result, CSR's debate is about the voluntary acceptance of specific social, cultural, or economic responsibilities by businesses and the overall spectrum of social services. Recently, at all levels, the government has focused on the need for Russian enterprises to improve their benefits and social infrastructure. In response, firms are continually seeking a long-term planning process to manage public expectations regarding CSR activities' appropriate scope. Many companies also try to distance themselves from programs designed based on soviet collective policy to implement policies that get the group of target employees, such as young professionals and highly talented specialists.

While discussion of the distribution of social costs between businesses and governments is not unique in most countries, it has different nature in Russia. It is not about whether many communities-based activities undertaken in CSR's name are appropriate for Russia's businesses. Conversely, this situation is seen in other countries. More importantly, assumptions that emphasize the volume of literature on CSR may indicate the need for a unique set of strategies and tactics for fans of a practical approach to CSR in the new world free market in Russia.

## **4 Conclusions**

All the factors mentioned above had affected the development of CSR in Russia, the need for restructuring infrastructure, the impact of trade and foreign investment, applying modern management methods, philanthropy development, and international and domestic organizations' functioning. CSR in Russia has a long history that backs to Soviet times. If CSR is defined in terms of the relation of business institutions to the society in which they are present, during that period, under the socialist philosophy, firms provided the "cradle to grave" services to their employees and cities headquartered in it. Nevertheless, during the Great Transformation from a government economy to a market economy, all CSR disappeared with every intention and purpose in the middle of the public turmoil. During the period of return at the end of the 20th century, due to the collapse of the usual infrastructure and social services during the transition period, many corporations with governments contributed to the activities considered in most industrialized countries only to governments. With the growth of the economy and companies' development, the discussion of the right balance between private support and government support for such services increased. There is no doubt that large Russian firms are aware of the traditional symbols and concepts of CSR, and, more importantly, they admit that it benefits them to include these concepts in their corporate strategies. Large companies adopted internal and external policies to improve their employees' well-being in terms of health, housing, and a wide variety of educational and cultural programs.

The emphasis of Russian companies on CSR is mainly on internal issues. So far, little attention has been given to global warming, environmental protection, fair trade, or commercial activities' carbon effects. The use of CSR by Russian companies in different fields has mainly been driven by companies operating in the leading industry, where foreigners have significant investments. However, there is only a balanced level of attention to national standards, and therefore governmental reporting is limited according to standards of international organizations in Russia. CSR's teaching and writing have accelerated to the management teams, and CSR for Russian managers is not a new concept.

There has been a corporate social responsibility in Russia in response to its history and policy. This pattern followed a very different way from other non - socialist countries.

Because Russia's market economy is still very new, increasing attention to CSR, such as corporate governance, is still not grown up, but that is mainly occurring in large firms with an international profile or under the State's influence to participate in CSR activities.

#### **4.1 CSR lessons from Russia**

1. If any society has reason to shift from a transition economy to a market economy, it is crucial to set up plans and maintain public services. The inability or not to do so will cause chaos.
2. Local governments that have not been involved in providing local infrastructure have sufficient readiness and equipment to undertake responsibilities during transitioning.
3. Privatized companies must be able to supply those state-owned companies in the socialist era to continue at the same level as before; otherwise, this situation led to the collapse. In 1998, this situation led to the collapse of the Russian economy.
4. A strong government is an essential factor in encouraging CSR.
5. The techniques and methods of modern management quickly and freely promote in the free communities.
6. The knowledge about CSR is spread in Russia and continues to grow.
7. The leading force in acquiring knowledge about CSR in Russia was large Russian corporations in foreign stock exchanges.
8. Investors and foreign advisors of the Russian companies have been the leading forces in CSR's arrival concerning CSR in Russia.
9. The educational institutions in Russia contributed to expanding the knowledge linked to CSR.
10. International agencies and international organizations, which are famous in Russia, have an impact on promoting CSR.
11. CSR is an essential element in large Russian companies and large Russian firms with foreign partners.
12. Even among larger firms, CSR focuses on internal issues rather than international issues.
13. Recently, CSR has become a factor in small and medium companies.
14. Philanthropy has become evident between major Russian companies and business leaders, especially in the field of art.
15. Undoubtedly, with firms' maturity in the relatively young Russian free market, other modes of industrialized countries are being adopted, and these firms welcome higher levels of CSR.
16. Indeed, it can be confirmed that Russian state enterprises started implementing CSR earlier and more sharply than most of the activities that were later found as a significant part of CSR in many European and North American countries.
17. CSR was at the center of the relationship between the relatively strong private sector and a strong central government.
18. When foreign companies entered Russia, they brought approaches to safety, environment preservation, CSR guidelines from other countries to adjusted their activity, affecting the Russian companies and their Russian partners to operate in the same style.
19. New Russian companies were born under international management ideas in the transition period to a market economy.
20. There is a long tradition of private philanthropy in Russia.
21. CSR has been stable at the beginning of 2007; more than 40 Russian companies took CSR in their strategy.
22. The United Nations has also supported information, research, and advisory activity to develop Russia's CSR practices.

23. There is a difference in the definition between CSR in Russia and CSR in the Western world.
24. CSR's discussion in Russia is about voluntary acceptance of specific social, cultural, or economic responsibilities by businesses and the broad spectrum of social services.

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