

I. ПРОБЛЕМЫ ЭКОНОМИЧЕСКОЙ ТЕОРИИ И ИСТОРИИ ЭКОНОМИЧЕСКОЙ МЫСЛИ. ФИЛОСОФИЯ ЭКОНОМИЧЕСКОЙ НАУКИ

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THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON BUSINESS COM- PETITIVENESS

The article examines in detail the impact of corporate social responsibility and its impact on competitiveness in business. Arguments are given, both for and against this responsibility, it is considered in detail why they need it, excerpts from the studies of M. Friedman and T. Levitt are given.

Keywords: corporate social responsibility, business, enterprises, corporate egoism, competitiveness.

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ВЛИЯНИЕ КОРПОРАТИВНОЙ СОЦИАЛЬ- НОЙ ОТВЕТСТВЕННОСТИ НА КОНКУ- РЕНТОСПОСОБНОСТЬ В БИЗНЕСЕ

В статье детально рассмотрено влияние корпоративной социальной ответственности и её влияние на конкурентоспособность в бизнесе. Приведены аргументы – и за, и против этой ответственности, детально рассмотрено, для чего она нужна им, приведены отрывки из исследований М. Фридмана и Т. Левитта.

Ключевые слова: корпоративная социальная ответственность, бизнес, предприятия, корпоративный эгоизм, конкурентоспособность.

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Today, many companies take into account the social and environmental consequences of their activities, which is associated with increased competition, the demands and expectations of authorities, consumers, employees and society, as well as the globalization of the economy.

Business is developing, does not stand still, changes are taking place in legislation, and corporate social responsibility is being discussed both in the press and at seminars, and naturally is reflected in commercial activities.

Corporate social responsibility (CSR) is primarily the responsibility of an organization for the environment and society. Corporate social responsibility is related to the competitiveness of business, and is not just related, but has a significant impact on the competitiveness of companies.

Companies and businesses, in general, prioritize the health and safety of employees in the workplace, business ethics, and improving the climate at the enterprise.

For example, European practice shows that enterprises are accountable to society for the impact the company has on the environment and may cause harm.

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Still, life itself dictates changes, including in corporate social responsibility. Companies are switching to it for practical reasons, as the competitiveness and attractiveness of the business increases.

Cruel strategies have been applied abroad at enterprises in terms of corporate social responsibility, and this lies in the fact that the company stops investing assets that do not meet the requirements. For example, large investors in the field of energy saving have stopped investing money in coalmines. This is, first of all, a manifestation of corporate social responsibility to society and the state.

If we take the West, then large companies or holdings most often adhere to corporate social responsibility, small ones are not up to it. In Russia, big business has also begun to pay attention to corporate social responsibility, which leads to the sustainable development of enterprises and an increase in the level of development and labor protection.

According to the Decree of the Government of the Russian Federation No. 876-r dated May 5, 2017, the Concept of Development of public non-financial reporting was approved in Russia. This is the first document that shows the relationship between corporate social responsibility and the harmonious and harmonious development of the state.

Therefore, both medium-sized and even larger companies will pay great attention to their activities, their social work will be monitored by government analysts and interested citizens.

Employees and consumers, ultimately, of course, will give their preference to those companies that monitor corporate social responsibility and the policy is aimed at improving the working atmosphere and working conditions at the enterprise. With the application of such a policy, the competitiveness of companies increases significantly. Foreign organizations make great demands in this part, and as a result, only enterprises that follow the rules will be allowed to enter their market.

The general principles of corporate social responsibility are applicable to any organization. Of course, they are transformed depending on the specifics and type of activity of the company, but absolutely everyone can follow them.

It is not enough for companies to simply follow the goal of making a profit, it is necessary to form advantages over competitors. The involvement of Russian companies in social and environmental issues is low.

Corporate social responsibility is already considered in interaction with the competitiveness of the business, as it provides a competitive advantage.

For Russian business, corporate social responsibility is a relatively new concept, among businessmen there is no comprehensive understanding and assessment of its practical significance.

However, large companies develop social responsibility at a strategic level.

The main factors hindering the introduction of CSR in Russia are low pressure from consumers and the media, the underdevelopment of civil society and the judicial system, as well as the lack of political support.

The strategic approach is becoming increasingly important for the competitiveness of enterprises. It can bring benefits in terms of improving the image and reputation of companies, relationships with customers and other stakeholders, risk management, cost savings, access to capital, human resources and the ability to innovate.

Corporate social responsibility can be a source of competitive advantage and create value for society, since it is part of the company's strategy, takes into account the interests of all parties interested in it and is associated with the most important aspects of its activities.

The impact of corporate social responsibility on business competitiveness is becoming more and more pronounced.

The business itself is focused on corporate social responsibility at enterprises, and among the reasons that prompted the business to focus its attention on these issues, the following can be noted:

- on the part of the state, the requirements in the field of labor legislation and environmental protection of both health and natural resources are being tightened;
- trade union movements at enterprises put forward requirements for the labor protection of employees of the enterprise.

CSR has a great impact on the activities of companies, including competitiveness, but there are both supporters and opponents of the concept.

Table 1 – Corporate Social Responsibility – pros and cons

Arguments in favor of CSR	Arguments against CSR
1. Business-friendly long-term prospects.	1. Violation of the principle of profit maximization.
2. Availability of business resources to solve social problems.	2. Social engagement costs.
3. Moral obligation to behave socially responsibly.	3. Lack of methodology for determining the effect of social programs.
	4. Lack of skills in solving social problems.

In addition to the advantages of corporate social responsibility, some negative aspects can also be identified, this concerns the part that, ultimately, all the costs of implementing and promoting CSR will primarily be at the expense of the consumer and will eventually be included in the cost of production.

In European practice, a number of areas have been identified, within which CSR is interpreted differently (Figure 1):



Figure 1 – Concepts of corporate social responsibility

According to the theory of "corporate selfishness", the sole responsibility of a business is to grow and maximize profits for its shareholders. Nobel Prize winner Milton Friedman formulated this position in 1971. He, in his book "Capitalism and Freedom" writes: "In a free economy, business has one, and only one, social responsibility – to use its resources and carry out actions aimed at increasing its profits as long as it meets the rules of the game, i.e. to participate in open and free competition without deception and fraud" [8]. M. Friedman, it turns out, approves business ethics only on the motive of profit.

He believes that it makes no sense to be distracted by social corporate responsibility, but you need to do business with the ultimate goal of making a profit. And social problems, as he believed, were the responsibility of the state.

Corporate social responsibility was also studied by T. Levitt, who supported M. Friedman and noted "The function of business is the production of sustainably high profits. The essence of a free enterprise is to go for profit in any way that corresponds to one's own survival as an economic system. Welfare and society are not the business of a corporation. Her job is to make money, not gentle music" [6]. How can I disagree here, because this is the ultimate goal of the business, after all, making a profit? The theory of doing business in its interpretation is the employment of the population, the achievement of profit by the enterprise and its distribution among owners or shareholders.

Further, this theory of "corporate altruism" is the opposite of M. Friedman's theory. This is a completely opposite theory, which speaks not only about profit, but also about solving social problems and quality of life, environmental protection.

The following theory of "reasonable egoism". She proceeds from the fact that businesses need to limit their current profits, creating prerequisites for successful long-term development, for a favorable social environment for their own staff and the territory of their presence. At the same time, business expenses for social activity are considered as long-term investments aimed at improving business conditions.

Modern CEOs understand that business cannot thrive in a vacuum. The well-being of a modern company is inextricably linked with the social well-being of society as a whole, of which it is a part. Progress is possible only in the case of joint promotion of the company and society on the path of well-being.

The company's profit in itself is not evil, but everything should be combined so that the business would be prosperous and attract a large number of both customers and new employees.

It can be summarized that corporate social responsibility is the obligation of business to make a voluntary contribution to the development of society, including social, economic and environmental spheres, accepted by the company beyond what is required by law and the economic situation.

Now there is no single concept of corporate social responsibility. CSR is the focus of business on sustainable development.

Different researchers or companies define social responsibility in different ways based on their vision of this phenomenon. An attempt to choose the most successful definition from the above list will lead to nothing.

The fact is that all definitions are essentially correct, since they reflect different aspects of the same phenomenon [2]. At the same time, all the presented approaches are united in one thing: CSR is a company's responsibility to the interested groups that it encounters in the course of its activities and to society as a whole.

It is a broader concept that goes beyond the interests of shareholders and investors and covers the implementation of such socially significant projects as the development of the labor potential of personnel, their health protection, and the creation of safe working conditions, environmental protection and resource conservation, taking care of the interests of the local community.

Corporate social responsibility should be included as an integral part of the main strategy of the company, since its use becomes an additional factor that increases the competitiveness of the company in modern business conditions.

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