Corporate Social Responsibility in the Digital Transformation of Business Ecosystems

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Awareness of social responsibility by a business is one of the keys to the successful and harmonious development of society, to prevent its stratification and internal conflicts. The concept of Corporate Social Responsibility and international standards that underlie its institutionalisation is universal. Cross-cultural studies show that differences in business practices and goal-setting are culturally determined. It is reasonable to expect that differences in value orientations will also manifest in building relations between business and society, including in new aspects related to the formation of modern information and digitalisation society. The article examines the impact of digital technology on changing the social contract and the emergence of new business models based on ecosystems. We hypothesise that for the development of CSR programs, the differences in value orientations will be manifested, among other things, in building relations between business and society, including in new aspects related to the formation of a modern information society. The authors characterise the contribution of stakeholders to the business ecosystem's economy, determine the main directions of change in corporate social responsibility policy, and characterise the main strategies for innovative development of business ecosystems.

Keywords: Social Contract, Corporate Social Responsibility/CSR, Corporate Digital Responsibility/CDR, Business Ecosystem, Digital Platform, Innovation
Introduction

The heart of the economic reasons for the rapid development of the economy based on digital technologies is the choice of priorities for building business models based on ecosystems (More & Prey, 1996) instead of building business models based on traditional value chains (Nikolaeva, 2011). The rapid spread of digital technologies has an impact on the public, private, and public sectors of the economy, which inevitably leads to changes in the social contract.

The methodological basis of work is the complex approach, including systemic–structural and systemic–functional approaches. To assess the level of corporate social responsibility in a digital transformation of business ecosystems and its impact on the CDR services provided the expert evaluation of rating sites of selected institutions and companies from different sectors of the Russian economy. In this work, such research procedures as a hypothetical–deductive method, an inductive method, a descriptive and comparative method, a stylistic analysis, functional and semantic analysis, a content analysis method are used. The study aimed to analyse and measure the impact of digital technology on changing the social contract and the emergence of new business models based on ecosystems. The sociological survey was conducted in two waves in starting n the period of 2009–2012 up to 2017–2020.

The problem of studying various aspects of corporate social responsibility (CSR) was the work of domestic (Kuz'min, Grekova & Mera, 2009; Shal'nova, 2015), and foreign authors (Fry, Keim, & Meiners, 1982). The theory of social and economic organisation was formulated and introduced by Max Weber (2012) and formed the basis of the modern understanding of corporate social responsibility. Sociologist and philosopher, publicist, economist, and management theory guru Peter Drucker formulated and introduced the concept of corporate social responsibility in work "Concept of the corporation" in 1946.

The idea became widespread in the 1970s and reflected in Milton Friedman's "The Social Responsibility of Business Is to Increase Profits" and Archie Carroll's "Three-dimensional Model of Corporate Performance" (1979). The focus of these works is to reconcile commitments between managers, shareholders, and other competing groups claiming legitimacy. The basic principles of corporate social responsibility appeared between 1970 and 1990. These principles imply legitimacy, public responsibility, and management prudence.

In early 2000, Sergey Donald and Abigail McWilliams (2001) published the work "Corporate Social Responsibility: The Theory of Corporate Perspective" which emphasises that the level of the company's CSR will depend on its size, level of diversification, research and development, advertising, government sales, consumer income, labour market conditions and the stage of the life cycle of the industry. In 2005, Lorenzo (2004) published a research paper
on the reputational game model. It was designed to understand self-regulation as a way of implementing a social contract under a multi-fiduciary corporate governance model.

The approach proposed by Michael and Mark (2006) in work "The link between competitive advantages and corporate social responsibility" was widespread in mapping the value chain's social impact.

Vladimir (2018) Mau released "Russia's Economy in an Epoch of Turbulence: Crises and Lessons". This work examines the evolution of perceptions about the role of social policy and the human capital sector in addressing anti-crisis and modernisation issues and changing views on institutional and structural development priorities. His ideas are widely used in educational and government programs (Muzykant & Muqsith, 2020).

Companies deploy CSR efforts as a part of a broader program via creating such programs that engage every business unit and dedicate staff and resources. Around 86% of S&P 500 companies published reports outlining their efforts related to corporate social responsibility and sustainability in 2017. This number increased from 72% in 2013 and less than 20% in 2011. CSR programs can often begin as a result of pressure from community members who want companies to be good neighbours. Research from Harvard Business School shows that these programs can receive broad support from company leaders and employees (Rangan, Chase, & Karim, 2012).

Discussion

In post-Soviet Russia, there are three stages in its development: reduction, stabilisation, and growth of investments in social infrastructure. The first stage (1991-1996) was characterised by a sharp reduction in enterprises' social infrastructure: most of them sought to be rid of non-core assets and turned off the "social network". At the second stage (1997-2003), the social infrastructure is stabilised enterprises that focus not only on short-term profit-making but also on other benefits brought by social facilities (such as employee health, customer loyalty, etc.). As a result, the social infrastructure reduction process paused. At the third stage (from 2003 to the present time), the functioning of social objects began to be considered by enterprise management as the implementation of a conscious social policy.

The Social Charter of Russian Business, developed by the Russian Union of Industrialists and Entrepreneurs (RUIE) formulates the public role, mission, values, and goals of the Russian business community. According to the position of the Russian Union of Industrialists and Entrepreneurs (2010), the tasks of developing social responsibility of business include understanding at a new level the purpose of business as well as ways to achieve its sustainable development and role in society. It also includes the formation of a positive image
of an entrepreneur, increasing the level of trust in business; maintaining a regular constructive
dialogue with stakeholders and the creation of a favourable regime for bona fide
entrepreneurs with a key the role of the state, and use of the experience gained during a crisis
to optimise costs during the period of economic growth.

With the development of Digital-space, the realities of Russian companies are changing. The
UN called on global entrepreneurs to comply with universal principles in human rights,
labour standards, and environmental protection. As a result, in July 2002, the Global Compact
initiative (2003) was launched, according to which entrepreneurs undertake to make these
universal principles an integral part of their activities. Social responsibility extends to the
direct consequences of the enterprise and their indirect impact on society. Not surprisingly, in
conditions of uncertainty and, as a consequence, the lack of sufficient trust between society
and enterprises, the corporation's allegations of compliance with the rules of good conduct
are often questioned if they are not backed up by comprehensive and correct information. It
should be noted that the Russian business does not have a single opinion on what generally
accepted CSR principles should be.

Some argue that this is solely the enforcement of the law - paid salaries to employees on time
and taxes. Others believe that CSR is more than following the letter of the law: improving the
quality of life of employees and the society as a whole, which interacts with the company,
and taking into account their interests. One way or another, Russian companies have been
actively promoting CSR principles for more than a decade, including becoming more
transparent to attract investors or enter an IPO. A Grant Thornton survey showed that only
19% of companies in Russia do corporate social reporting, 18% show data on CSR activities
in their financial statements.

CSR focuses on the influence of the so-called "green economy" on the organisation's business
processes and on the responsibility of the business in solving environmental safety issues in
the context of the implementation of the Ecology national project. Special attention must be
paid to the role of business in the development of natural territories and industrial cities,
including the culture of handling waste in Russia, the rational consumption of planet
resources, and the impact of digital technologies in solving environmental problems. For
large corporations and large industrial enterprises, social orientation and environmental
projects are primarily not just a duty, but also a challenge.

Trusted partnerships and transparent decision-making mechanisms are a necessary basis for
active business participation in environmental projects. Thus, IBM integrates environmental
responsibility into the values and business of the company, Coca-Cola program re-
implements the separate waste collection project. At the same time, Danone fights food loss
and makes its packaging more environmentally friendly. Half a century ago, Danone
announced a dual approach to business – they produce not only useful products but also implement many social and environmental projects. All Nine Danone Global Development Goals up to 2030 linked to UN Sustainable Development Goals.

In 2011, the situation with CSR in Russian companies had changed: in general, the business has become less active in conducting CSR events (Figure 1). Therefore, companies showed growth in only two areas - training (internships) and efficient energy use. For others, such as participation in public events (decrease from 45 to 31%), healthcare (from 52 to 39%) and charity (from 59 to 39%), changing the product line to reduce environmental consequences (from 34 to 15%), the desire of companies has fallen (see chart). The deepest decline was recorded in such areas as the use of environmentally friendly products (from 22 to 6%) and the promotion of opportunities in terms of the diversity of staff work (from 62 to 22%).

**Figure 1.** The CSR-Events (%) among Russian companies identified in the first way of the survey in 2009-2012

The responsibility of companies must be considered through the prism of a more general task of combining the efforts of the state, business and society within the framework of the Sustainable Development Goals (2018) adopted by the UN in 2015. The results of the RUIE study show that large Russian companies consider sustainable development primarily in terms of achieving economic goals and meeting obligations to employees. Unlike international companies, Russian companies see their role to a much lesser extent in solving global problems, such as climate change. It is of interest that specific performance indicators in the field of sustainable development relate primarily to staff. In contrast to the declared goals and principles, KPIs are a particular tool of management used in planning and evaluation, and therefore can be considered a more accurate indicator of the implementation of CSR practices among Russian companies. The state is the dominant actor in the Russian economy, directly or indirectly controlling many large companies. Given the high level of
social obligations of the state and state enterprises, it is not surprising that a significant part of the social programs of modern companies is explicitly aimed at personnel. At the same time, it is indicative that non-state companies are actively implementing social programs aimed at their employees and local communities. According to the results of the study, 81% of companies whose shares are in the free float are implementing projects for employees and their families, and 76% for local people.

Moreover, studies show that both in the world and in Russia, most companies do not connect their main strategic goals with the goal of sustainable development, believing that their main activity is a sufficient contribution to socio-economic development (Zheltukhina et al., 2017). Grant Thornton found out that the main motives that compel Russian entrepreneurs to follow CSR policies were focused on their own interests. At the same time, a high level of profitability, characteristic of large enterprises of the national economy, creates the material basis for the implementation the results in higher levels.

Therefore, 63% of companies introduce CSR to attract and retain key employees, 60% of companies - to reduce costs. Half of the companies practice CSR to reduce the pressure of the authorities on business, for 55% it is a way to reduce the tax burden, strengthen the brand and influence public mood. International studies show that, overall, the most interest among companies is caused by such sustainable development goals as combating climate change, sustainable consumption and production patterns, decent work and economic growth, as well as health and well-being. A survey of representatives of Russian companies conducted by RUIE in 2017 showed that the hierarchy of priorities and goals in the field of sustainable development is somewhat different. Summarising some of the results of the RUIE survey, which make it possible to judge the declared goals in the field of CSR / sustainable development among large Russian companies we present the first to start introducing elements of CSR in their activities where companies in the oil and gas and energy sectors.

As the RID study showed, from 2004 to 2014, Russian companies showed positive dynamics in the development of CSR practices. At the same time, this component of corporate governance remains the least developed compared to others (ensuring shareholder rights, disclosing information, and operating governing bodies). Based on the data of the Russian Union of Industrialists and Entrepreneurs, it can be concluded that there are significant intersectoral differences in CSR practices among the largest Russian companies. Therefore, the average number of non-financial reports issued by companies since the beginning of the XXI century is, on average, by industry: oil and gas industry: 7.95; energy: 4.52; metallurgical and mining: 6.28; chemical, petrochemical: 7.25; food: 4.36; telecommunication: 3.27; financial: 5.22.
The heart of the economic reasons for the rapid development of the economy based on digital technologies is the choice of priorities for building business models based on ecosystems as opposed to building business models based on traditional value chains.

Grant (YEAR?) found that the main motives that compel Russian entrepreneurs to follow CSR policies are focused on their own interests. Therefore, 63% of companies introduce CSR to attract and retain key employees, 60% of companies - to reduce costs. Half of the companies practice CSR to reduce the pressure of the authorities on business, for 55% it is a way to reduce the tax burden, strengthen the brand and influence public mood. The rapid spread of digital technologies is having an impact on the public, private and public sectors of the economy, which inevitably leads to changes in the social contract.

Changes brought about by technology and globalisation in the market, and political economy is causing growing discontent, distrust of institutions and an economy that does not work equally well for all (Kuswanti et al., 2020). Discussions of the social contract often cover the political economy and institutions of society, including governments, as well as issues of values and social justice in small and large communities, local and global. Global changes in the technological, industrial and commercial fields are at the heart of changes in employment and labour market arrangements (Muqsith, 2019).

According to the McKinsey Global Institute, the growth of average real wages in the global economy has decreased significantly from 1.6 per cent in 2000 to 0.7 per cent in 2018. In 2020, at least 20 per cent of the working-age population in the United States and the European Union are engaged in independent work, with more and more people using digital platforms to do so. At the same time, it is widely believed that the crisis has reduced the desire of Russian companies to follow the principles of corporate social responsibility (CSR). With the gradual crisis, enterprises began to pay less attention to charity, participation in public associations, and the environment. Among 7.7 thousand companies in 39 countries of the world, Russia took then the penultimate place among these countries, which put into practice the principles of CSR1, overtaking only Turkey.

These trends include two opposite sides. On the one hand, they have combined to produce favourable results and have contributed to overall economic growth and, in some cases, job growth and new opportunities.

Between 2002 and 2018, global weighted consumer prices (HICP) for goods and services fell significantly, while consumer prices (CPI) for basic goods rose sharply over the same period.

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1 Grant Thornton Study
Technological innovations have contributed to the emergence of new types of enterprises that did not exist before. Along with traditional enterprises, digital ecosystems are emerging, using new technologies to create value. On the other hand, the household savings rate has fallen to more than 50 per cent of European countries. In 2018, more than half of the people did not save for old age. The cost of housing, education, and health care in many countries has risen sharply, absorbing most of the population's income.
For the period under review 2000-2017, the largest, most active in CSR and sustainable development backbone enterprises are in the main sectors of the Russian economy related to the extraction of natural resources and their primary processing. It is significant that the industry, which is important for the development of the information society, namely telecommunications, was among the outsiders among the largest sectors of the economy. Lanit Group, in which the Code of Corporate and Social Responsibility applies. Some companies publish information about ongoing social and charitable programs (Kaspersky Lab, Ai-Teco, Krok, Compulink). However, in general, the absence of clearly accepted obligations regarding social responsibility is a hallmark of Russian IT companies. The situation is similar for the two largest Russian Internet companies - Yandex and Mail.Ru Group. Excessive concentration of power and responsibility among the management of Russian companies leads to the dominance of the value orientations of senior management and owners in the formation of policies in the field of CSR, then the requirements of international standards and other factors. This hypothesis was confirmed by a study in 2014, where the personal values of senior management in this area came first in a third of representatives of Russian companies, which is generally consistent with the international trend.

Finding

In the current situation, public and business institutions face growing discontent, mistrust of economic institutions, and the need to revise social corporate responsibility policies. These changes are primarily because each consumer simultaneously acts as several roles.

Table 1: Contribution of stakeholders to the economy of the business ecosystem

<table>
<thead>
<tr>
<th>Roles of stakeholders</th>
<th>Contribution to the business ecosystem</th>
<th>Expectations of a social contract</th>
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<tbody>
<tr>
<td>Consumers</td>
<td>- Using disposable income for consumption</td>
<td>Prices and acceptability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Access and acceptability</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The quality of results</td>
</tr>
<tr>
<td>Staff</td>
<td>- Education, skills, knowledge and experience</td>
<td>Access and the ability to participate</td>
</tr>
<tr>
<td></td>
<td>- Time and energy</td>
<td>Benefits (pay, vacation, work schedule)</td>
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<tr>
<td></td>
<td></td>
<td>The quality of life (safety, training and career growth)</td>
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<tr>
<td></td>
<td></td>
<td>Employment form and stability</td>
</tr>
</tbody>
</table>
Compensation (wage distribution)

<table>
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<tr>
<th>Keepers</th>
<th>Participation and the ability to participate in savings</th>
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<tbody>
<tr>
<td>• Pension payments</td>
<td></td>
</tr>
<tr>
<td>• Savings and investments</td>
<td>Enough well-being to ensure a decent life in old age</td>
</tr>
<tr>
<td></td>
<td>Profitability and wage distribution</td>
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<tr>
<td></td>
<td>Stability and saving risk</td>
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</tbody>
</table>

<table>
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<tr>
<th>Citizens</th>
<th>Physical safety and justice</th>
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<tbody>
<tr>
<td>• Compliance with the low</td>
<td>Political voice and participation</td>
</tr>
<tr>
<td>• Civic participation</td>
<td></td>
</tr>
<tr>
<td>• Taxes and contributions to society</td>
<td>Personal engagement and life satisfaction</td>
</tr>
<tr>
<td></td>
<td>Sustainability</td>
</tr>
</tbody>
</table>

The business ecosystem structure and the social contract determine the overall expectations among employees, consumers, and savers in the exchange system with institutions (Table 1). Social changes in society lead to conflicts between company employees and consumers (Kazakov & Babinceva, 2019) reduce the company's value for employees (EVP) and force enterprises to adjust established value chains aimed at improving user interaction with the company. This is because of the creation of value in modern business ecosystems. It is based on the exchange of experience between key holders of interests, aimed at the active production of goods and services.

New business ecosystems (Figure 4) and new types of work may emerge in place of traditional sectors of the economy.
A dynamic and demanding environment is conducive to those who are able to learn better and faster. Business leaders who understand this are likely to increasingly search for digital business platforms that not only make it easier for their members but also expand their knowledge, accelerate productivity and hone their opportunities in the process. Such digital business platforms should:

- Promote learning;
- Gather participants to exchange views;
- Promote deep trust, as participants have the opportunity to realise greater potential by working together.

Business leaders will have to choose development priorities towards a centralised or adaptive business ecosystem (Table 2).
Table 2: Comparative analysis of centralised and adaptive business ecosystem strategies

<table>
<thead>
<tr>
<th></th>
<th>Centralised business ecosystem</th>
<th>Adaptive business ecosystem</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structure</td>
<td>The focus company contacts the partners, but keeps them separate, forcing them to work through themselves.</td>
<td>The focus company brings together several partners and encourages them to work directly with each other.</td>
</tr>
<tr>
<td>Use goal</td>
<td>The focus company coordinates partners to obtain value (primarily for the broker).</td>
<td>Partners are encouraged to pool their diverse resources to create value (for all companies) quickly, flexibly and at low cost.</td>
</tr>
<tr>
<td>Terms of use</td>
<td>Stable industry boundaries.</td>
<td>Changing industry boundaries.</td>
</tr>
<tr>
<td>Relationship</td>
<td>Maintains relationships at arm's length and engages partners through traditional methods of coverage.</td>
<td>It establishes a relationship of cooperation and support and attracts new partners.</td>
</tr>
<tr>
<td>Changes to the focus company</td>
<td>The focus company is changing in a limited way because its business model is stable.</td>
<td>The focus company is transforming from within, learning from partners and changing its business model.</td>
</tr>
</tbody>
</table>

In modern conditions of high market turbulence and changing industry boundaries, one should expect an active spread of adaptive strategies of business ecosystems that use open and corporate innovations to stimulate the widespread development of startups and their acceleration, support venture businesses as the basis for the formation of digital business ecosystems in the region.

The development of adaptive ecosystems involves:

- Attracting partners of the same type;
- Connecting partners;
- Seizing opportunities for change;
- Maintaining flexible contacts.

After the introduction of the business ecosystem to the market, there are three possible ways of its further development:
1. The business ecosystem becomes a supply chain, as the only reason for creating a business ecosystem was to help develop a higher-level service. However, over time, service offerings become a standardised product or service in the supply chain.

2. The business ecosystem continues to exist; standardised products or services never created because the business ecosystem is constantly changing.

3. The digital platform usually implemented following the business ecosystem, creating the platform economy. However, for this, the business ecosystem must reach a critical mass of users.

In a world where clearly defined boundaries between companies and industries disappear, the business ecosystem offers a fundamentally new means of business cooperation and partnership. Instead of innovations initiated and implemented within the existing supply chain, value-creating networks provide customers with a value proposition that is impossible to achieve based on the company's competencies and resources.

This is a new, consolidated focus known as corporate digital responsibility. From our point of view, CDR is defined as a set of practices and behaviours that help an organisation use data and digital technology in a socially, economically, technologically, and environmentally responsible way.

**Conclusion**

1. The owners and company managers began to realise that their profit level is being affected by their reputation in society. With the development of Digital-space, the CSR indicators for Russian companies are changing. Thus, CSR is an integral component of an effective business strategy and strengthening the company's position in the markets, including foreign ones. The main goal of the company's business strategy is to increase the level of sales of its goods and services, strengthen its image as a manufacturer and create a positive brand of the company as an employer, thereby attracting talented specialists to their organisation and building consumer loyalty.

2. As it is found, CDR in the social field includes protecting the privacy of customers, employees, and other interested parties as well as some aspects of digital diversity and integration across geographic regions, industries, social classes and age demographics.

3. The responsibility of companies must be considered through the prism of a more general task of combining the efforts of the state, business and society within the framework of the Sustainable Development Goals adopted by the UN in 2015. The results of the RUIE study proved that large Russian companies consider sustainable development primarily in terms of achieving economic goals and meeting obligations to employees.
4. Unlike international companies, Russian companies see their role to a much lesser extent in solving global problems, such as climate change. It is of interest that specific performance indicators in the field of sustainable development relate primarily to staff. In contrast to the declared goals and principles, KPIs are a specific management tool used in planning and evaluation, and therefore can be considered a more accurate indicator of the implementation of CSR practices among Russian companies.

5. The state still dominates and controls directly or indirectly many large companies in the Russian economy. Given the high level of social obligations of the state and state enterprises, it is not surprising that a significant part of the social programs of modern companies is aimed specifically at personnel. At the same time, it is indicative that non-state companies are actively implementing social programs aimed at their employees and local communities. Therefore, according to the results of the study, 81% of companies whose shares are in the free float are implementing projects for employees and their families, and 76% for local people.

6. The pioneers in the development of non-financial reporting are Ryazan State District Power Plant (2000) and Gazprom (2001). By the middle of the first decade of the Millennium, the publication of such reports became the norm for the oil and gas sector, by the beginning of the second decade - for the energy, chemical and metallurgical industries.

7. The economic field of the CDR includes aspects of responsible management of the economic impact of digital technologies, such as the replacement of jobs with digital technologies and the creation of new jobs in the digital age. The technological field of CDR related to the responsible creation of the technologies themselves. The CDR environmental area addresses the relationship between digital technology and the physical environment, including the issues of responsible disposal or disposal of old computer equipment. To ensure benefits, these disparate areas must be coordinated collectively. The responsibility for this consolidated approach may lie with the CDR office, which coordinates and oversees the role of digital technology in promoting ethical and sustainable business practices.

8. As sustainability and digitisation trends continue to grow, CDR will become increasingly relevant to organisational activities, both to reduce risks and the new pleasures associated with digital technology and consumers of sustainability. By 2020s, organisations that do not take a synergistic and coordinated approach to CDR may face problems with customers, employees, and regulatory authorities.
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