

## Tools and Methods the Formation of a Social Asset in the Region

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**Abstract:** This article discusses the most common model of cooperation between state authorities and business enterprises in the formation of a social asset in the region. The authors have analyzed and systematized the tools used in the regions of Russia and coordinate with the designated structures. Information on ordering methods and tools of interaction between state authorities and the business is set out in the article, helps to make more reasonable on building social asset areas and are useful in improving the qualifications of civil servants' administrations interested in ensuring the social and economic well-being of the region.

**Key words:** Social asset of an area • Socially responsible events • State and municipal authorities • representatives of business • Socially active behavior

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### INTRODUCTION

As of today, the concept of social responsibility in Russia is more often considered in relation to the large-scale enterprise structures. This is due mainly to the fact that the implementation of socially significant activities are concentrated in large companies that exist in the form of joint stock companies (corporations). However, the social activities, carried out by individual organizations, are often interlinked and their performance is dot-matrix and fragmented. Obtaining long-term effect is possible in the case of the organization of systematic cooperation between all entities in a particular area [1]. The key figures that determine the level of social well-being of the region are the government bodies (state and municipal) and business organizations (large, medium and small business organizations). To achieve results in the sphere of social responsibility, a clear separation is important and the most important thing is a mutual understanding of the roles and responsibilities between the parties in this process [2]. State and business are equally responsible for society, so they have to deal with the problems of public concern together. The main challenges facing them today is the development of so-called the social assets of territory. The social assets of territory mean the totality of all interactions and commitments of subjects, targeted to improve or lead to an increase in a specific area of social responsibility. Social asset includes both officially registered interaction or obligation incurred by a specific organization and

secured documents (agreements, treaties, statutes, etc.) and relationships that are informal, but nevertheless, bring obvious results (in the form of additional resources and organizations to solve social problems). Social asset is the basis for cooperation and coordination of all the important industries in the region: the development of housing and communal services quality, safe production, improvement of environmental conditions, etc. You can say that the development of human social asset and territory can not rely only on the activity of a single economic entity and have responsibility for the results of both government and business and individuals. Based on the definition, we can distinguish the levels of social asset formation: federal (formation of the country social responsibility as a whole), regional (the formation of the regional social asset) and city (the formation of the district social asset or a small administrative unit). In this article, we consider the regional level because now it is the key in the implementation of basic social programs. Regional authorities are legislatively able to determine the nature of the social support measures for certain categories of the population, the rules and the nature of the interaction between the organizations, operating in the territory vary significantly. The powers of the state bodies in the subjects of the Russian Federation are to ensure quality execution environment municipal authorities - specific policies at the federal level. Thus, the regional level is an intermediate and a key link for qualitative interaction between all three hierarchical levels of government.

At each of these levels it is important to have a clear understanding of social responsibility and the division between the public / municipal authorities and business representatives.

The prerogative of the state social responsibility includes: the development of legislation that guarantees an acceptable level of nation welfare, monitoring the implementation of laws and accessibility declared guarantees [3]; holding a predictable and long-term policies that promote economic growth: the creation of a favorable business environment, the conditions for the growth of investment Russia's attractiveness primarily on the basis of enabling structural, financial, credit, tax policy.

Social responsibility of business - in the implementation of social obligations (payment of taxes and obligatory payments, timely and full payment of wages, the conditions of work in accordance with established standards, etc.) directly to the social responsibility of companies / corporations also include social well-being of their employees, the citizens living in the region where the company is located, the consumers of its products and all other parties in one way or another connected with the company [4].

Understanding the mutual responsibility of government and business can designate corporate-state Russian vector of the social and corporative responsibility development, aimed both at ensuring cooperation between business and civil society in terms of enhancing the role of the social component in the functioning of the institutional environment territory [5].

We have highlighted three of the most common models of cooperation in the Russian regions between authorities and businesses, resulting in the formation of a territorial social asset.

The first model provides the administrative enforcement, which is, establishing requirements for the certain investment companies in the implementation of its social programs and projects. Enterprise's refusal to meet these requirements may result in sanctions against its access to the state resources.

The second model involves the negotiations over the terms of the social enterprise support government programs. The subject matter of the negotiations is the scope and direction of the enterprise costs and methods of payment authorities.

The third model involves authority non-interference. The local authorities do not take an active position in relation to the internal and external social policy pursued by the company.

It should be noted that, in spite of the already formed various models of interaction between authorities and business entities in the Russian legislation it has not found a clear reflection in reality yet.

At present, in the regions of Russia the first model is most commonly seen. It involves the use of fairly limited range of tools, mainly aimed at the direct encouragement or punishment of individual representatives of business, trying to evade the social obligations. However, in our view, it would be more effective to use more extensive tools that are more time consuming, but at the same time ensuring the long-term results. The functions of the state are not only to impact directly on commercial organizations, but also to create favorable external conditions for the development of social responsibility. Formation of the institutional environment involves the creation of sustainable economic and social ties and links between the people and organizations that are in the area, as well as to comply with the declaration of their rules and regulations that determine the nature and characteristics of corporative relations in the region. That is the development of an enabling institutional environment involves the creation of conditions for the maintenance of voluntary joint action of various social groups in the region, helping to reduce transaction costs, risk management and an increase in aggregate social effect [6]. It creates a fertile ground for better cooperation opportunities businesses that implement activities in their service area with state and municipal authorities, as well as the local community and contribute to their social activity. The way for strengthening the role of the state, which through the institutional framework can and should influence business decisions in matters of social investment is, in our opinion, the most effective and lead to long-term results. At present it's going on the development of the joint public-private institutions of social investment for the most skillful accumulation of funds and directing them to the most pressing social projects. The most advanced representatives of business and government are already working on a solving problem. Fortunately, new and highly effective forms of cooperation between the companies, governments, labor groups and the public are "born". Social programs like business projects, competitive approach to the selection of social programs, the joint work of local governments and financial services corporations over the budget of municipalities, probation period and training for administrations in companies, modernization of social infrastructure before handing them over to the balance of the local administration,

Table 1: Methods and tools of interaction between the state authorities and business enterprises in the formation of a social asset in the region

Methods	Tools	The advantages of using the proposed tool
1. Economic methods involve the use of tools, integrated into the market economy	<ul style="list-style-type: none"> <li>- bonuses;</li> <li>- preferences;</li> <li>- active fiscal stimulus measures, providing the redistribution of costs on education, health care and pensions businesses,</li> </ul>	Provide a real opportunity to shape the growth incentives for the Russian Social Investment Business
in order to influence the state through its system of market laws, principles and effects.	<ul style="list-style-type: none"> <li>- reducing taxes on profits for the companies that provide the co-financing of interest payments on mortgage loans of their employees, as well as the release of their single social tax to the extent possible, change the order of taxation socially responsible companies;</li> <li>- the creation of binding targets of social funds and joint implementation of social projects on the basis of public-private partnership;</li> <li>- financial incentives instruments, targeted financing business structures of social facilities, located in the territory of enterprises;</li> <li>- involvement of relevant non-profitable organizations as professional intermediaries to develop a transparent allocation schemes, etc.</li> </ul>	
2. Information - communication methods involve the use of tools aimed at providing improved social interaction through the use of modern means of	<ul style="list-style-type: none"> <li>- keeping social ratings;</li> <li>- holding contests, nomination;</li> <li>- giving ranks, medals;</li> <li>- holding conferences, round tables, public discussions, online consultations;</li> <li>- the creation of regional / municipal bank branch of social innovation, design and implementation in small and medium-sized businesses adapted social reporting and</li> </ul>	Allow to fulfill a wide propagation of ideas and good practices of socially responsible activities of organizations in the population of regions to form a system of public recognition and
communication and alarm systems - maintaining social ratings	for large corporations - international standards of social responsibility GRI of different categories that are consistent with the standards of ISO [7].	promotion of socially responsible executives activity [8]
3. Organization methods involve the use of tools for achieving the institutional conditions for the formation and development of the territorial social asset	<ul style="list-style-type: none"> <li>- the creation of special departments in the executive branch of the federal subjects and municipalities, departments, social and corporative responsibility and ethics in professional non-profitable organizations that bring together small and medium businesses (Regional Office of Commerce and Industry of the Russian Federation, the Russian Union of Industrialists and Entrepreneurs, Managers Union, regional offices of Russia Support, the Union of Entrepreneurs, etc.).</li> </ul>	The operation of these units initiates a socially responsible corporate behavior through the development of sectoral social indicators of their activities, conduct social audits in enterprises, consulting and methodical work on the analysis of social enterprises and the compilation of non-financial reports, the award honors and awards prizes and the promotion of standards of civilized doing business in the practice of Russian companies.
4. Legal methods involve the use legislative instruments and consolidation of the rules and regulations governing the development of a territorial social asset	<ul style="list-style-type: none"> <li>- the creation of a legislative framework at the regional and municipal levels</li> </ul>	Allow to form a mechanism of support and stimulate socially responsible business conduct. In this case, the development of legal acts is appropriate to carry out controls in conjunction with representatives of the business and its associations and specialized non-profitable organizations [9].

performance evaluation methods of the social programs - all of these issues are now included in the range of discussed problems.

If the third model, described above, suggests a policy of non-interference, the first ones have a fairly extensive set of tools for the formation of a territorial social asset (Table 1. Methods and tools of interaction between the state authorities and business enterprises in the formation of a social asset in the region.).

The table is compiled by the authors based on the official information provided to the public Internet - resources of the regional government.

Not less important aspect for the state regulation of the social and corporative responsibility is the organization of socio-economic monitoring, methodological core of which is the system work with the local community in order to obtain accurate and

representative information, on the one hand and creating the conditions for a positive public perception of the business - on the other [10]. It should be taken into account that the majority of people in Russia are traditionally poorly informed about the intentions of government and business. The simple people aren't always civically active and do not always have the skills of entrepreneurship and responsibility. The task of government is to promote anything that helps to improve the living conditions of the people and neutralize the potential negative impacts of the economic actors.

Thus, today there are many methods and tools for the creation and development of the territorial social asset. The clear separation and understanding of their responsibility between the authorities and business enterprises of the territory at any level (federal, regional and municipal) is important. The task of the regional and

municipal authorities is that, given the existing budgetary and human resources to choose the best set of methods and tools to create an infrastructure for regional revitalization initiative of Business in the area of social and corporative responsibility. Government bodies play the coordinator role of social investments and guarantees for their effective and appropriate use. The task of managing subjects is in compliance with the designated authority of the rules of conduct and implementation of an active social position. Separation and understanding functions and possible tools of interaction between sides develop a social activity area systematically and efficiently and provide assurance of their own long-term development in a particular area.

Information on ordering methods and tools of interaction between state authorities and the business, that is set out in the article, helps to make more informed management decisions on building social asset areas. It is also useful in improving the qualifications of civil servants administrations interested in ensuring the social and economic well-being of the region.

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