

# Tools of Realization of Social Responsibility of Industrial Business for Sustainable Socio-economic Development of Mining Region's Rural Territory

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**Abstract.** Modern conditions of the Russian economy do especially relevant questions of social responsibility of industrial business of the mining region for sustainable social and economic development of rural territories that demands search of the new strategy, tools, ways for positioning and increase in competitiveness of the enterprises, which are carrying out the entrepreneurial activity in this territory. The article opens problems of an influence of the industrial enterprises on the territory of presence, reasons the theoretical base directed to the formation of practical tools (mechanism) providing realization of social responsibility of business for sustainable social and economic development of rural territories of the mining region.

## 1 Introduction

Regional policy of the development of any territory includes a set of directions and objectives, defining the vector of priorities in various fields and areas of life. In our opinion, areas for economic and social development of the industrial region should become the most actual in modern conditions.

In this regard, we consider it appropriate to draw the attention of research to the SOCIAL RESPONSIBILITY OF BUSINESS, which in the framework of its application for the industrial region is of particular importance.

It should be clearly understood that the social responsibility of business primarily of industrial enterprises for different areas plays not just a significant role but, in our view, it should contribute to sustainable socio-economic development of the region.

It is important to note that the industrial enterprises in the area of its activities have various impacts on the territory of presence, particularly on economic, environmental, social and governance ones.

You need to understand that sustainable development of society, individual locations or organizations is not so much a goal, as the process in which the changes must be coordinated with real needs and taking into account future development. Experience shows that to-

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day, the degree of elaboration of the problems identified is very insufficient, despite the existing research in this area [1-9, 13, 14].

To create conditions and prerequisites for sustainable socio-economic development of the industrial region it is needed to understand that only full interconnection of all spheres and sectors of the regional economic structure, their uniform distribution will be a possible and rational solution to the problems identified.

However, to achieve optimal results, in our view, is possible only by understanding the role and importance of rural development for the industrial (mining) region.

The purpose of this article is the proposal of a mechanism of practical implementation of social responsibility of industrial enterprises for rural areas taking into account the characteristic features of the mining region.

## **2 Materials and methods**

In the concept of sustainable development of rural territories of the RUSSIAN FEDERATION "sustainable development" seems as stable socio-economic development, not violating their natural basis and ensuring the continued progress of society. The transition to sustainable development means the gradual provision of purposeful self-organization of society in economic, social and environmental spheres. This formulation interprets sustainable development as economic efficiency, ecological safety and social justice [10].

Thus it is necessary to consider rural areas as an integral part, which is included in the national strategy for sustainable development and implies the optimum compatibility of the population - local government – economic-industrial complex – the social responsibility of business.

In this case, the priority of economic development improves the life quality of the population of rural territories of the industrial region on the basis of the social responsibility of business.

A separate sustainable development of rural areas requires a search for relevant new strategies, tools, techniques primarily at the level of industries or enterprises, conducting entrepreneurial activity in the territory.

It should be noted that the company is a fundamental element in the pyramid of sustainable development strategy for specific rural areas.

The studies have shown that the implementation of sustainable development principles at the level of the individual enterprise is through the social responsibility system basically only of agricultural enterprises, not businesses, carry out their business activities in the territory. This shows the relevance of the designated problem again.

Today business is ready to move from simple charity to systemic interaction with society to solve problems it faces in carrying out activities in the territory of presence.

An arisen need of business, primarily, of industrial enterprises, in the acquisition of social recognition and, consequently, increase of the competitiveness, at present, is an incentive for modifications of the interaction of business and territories.

Thus, the problem of sustainable socio-economic development of rural areas in the context of social responsibility of business is highly relevant. It is supported by the fact that in recent times in relations between the state, civil institutions and business structures changes have taken place, which are contributed to the emergence of new forms of social interaction, particularly the social responsibility of business.

Today business operating in rural areas, has an impact on its development, and in this case it is important to guide the direction of social responsibility in the direction of the positive dynamics of rural areas development, its socio-economic indicators.

These problems are faced by the companies very strongly, for which changes in the competitive landscape are accompanied by significant transformations at the level of basic

business principles. So, for example, such enterprises should include the Russia's largest coal company called SUEK — Siberian coal energy company.

### **3 Results and discussion**

It should be noted that social responsibility of business is a complex, multidimensional concept, which should specify, for example: sustainable socio-economic development of the territory, condition the possibility of expanded reproduction, promote the growth of business potential, increase of competitiveness, improvement of the status of the company.

We believe that social responsibility should be considered from the point of view of its basic functions: ecological, economic, social, managerial. They are part of the strategy, define the essence of the concept and aimed at solving the acute problems of rural territories of the industrial region, such as: pollution of land and water resources, atmospheres, the depletion of natural resources, change of landscape, loss of biodiversity, hazardous waste, etc.

These and other problems are solved by ecological function of social responsibility of business which causes the search for new projects in the environmental field for the development of rural areas. It should be noted that this feature is key for businesses in the area of solving problems in entrepreneurial activity in the territory of presence, in our case it is in an industrial region (the Kemerovo region).

In this regard, we note that in the Kemerovo region three-quarters (63%) of total primary production is the extraction of minerals, this indicates a significant impact on the rural territory of the region for the enterprises of the coal complex, including Siberian coal energy company SUEK. [15]

In addition, it should be noted that as a result of intensive development of the coal industry agriculture annually losses land areas under cultivation of crops. Despite the overall positive dynamics of some key socio-economic indicators of rural areas of the Kemerovo region, for example, the output growth of agricultural production in 2016 compared to 2015 amounted to 115%, it is still the risk of deterioration of indicators such as: investment in fixed capital - 67%, expenses of the regional budget on agriculture -59%, a slight share in the gross regional product in different years varies from 3.8-4%. Also in agriculture of the Kemerovo region there is a high depreciation of fixed assets, increasing the amount of disturbed land over the last 5 years by 19%, from 63.8 thousand hectares to 76.3 thousand hectares, and as a consequence reduced the acreage under the crops in 19, 5% [15]

Therefore, the use of the designated functions of the social responsibility of business, particularly to SUEK, would be a positive change in the problem, in a so-called "weak point" in the field of rural development.

So, the economic function needs to be aimed at achieving the efficient use of resources, including labor, business development, creating new jobs, etc..

Social function has a rapid effect, manifesting itself in a number of actions aimed at the interests of the personnel of the enterprise and the interests of the local community, particularly in professional development of staff, improvement of infrastructure of rural territories, increase in the quality of life, support community organizations, sponsorship of social projects, charity, volunteering, increased employment, development of the presence regions, etc.

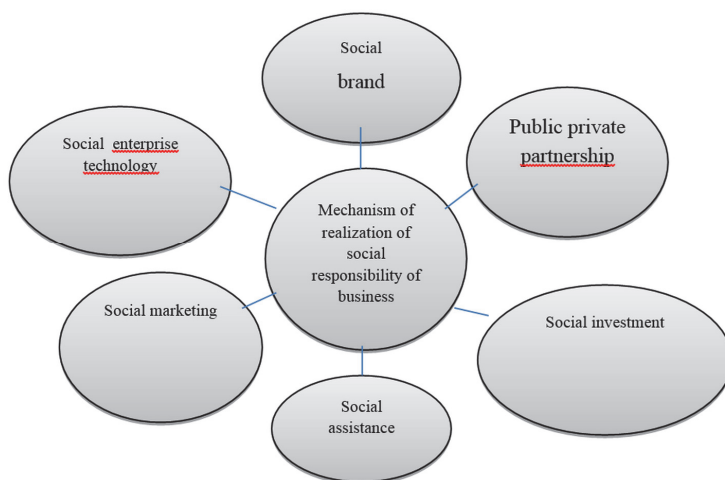
It is important to emphasize that social responsibility of business provides legal obligations imposed by the applicable law, ranging from safety regulations to employment law, the law on environmental protection, and respect for human rights.

The features of social responsibility of a business mentioned above are interdependent. They should complement each other and been carried out by enterprises in the process of their activities. Since today the business is the main actor in the market, ensuring the wel-

fare of society, its social responsibility is a paramount concept in the control system. It must be emphasized that in this case the social responsibility of business is positioning the enterprise in the first place, in terms of the benefits that it provides in the field of corporate image of the company and involve its stakeholders (suppliers, customers, shareholders, employees, governments, local communities, non-governmental, international and other organizations involved in the activities of the enterprise).

However, we believe it is necessary to understand that social responsibility of business in the framework of the mentioned above should be based on the implementation mechanism, presented in the Figure.

It is the tools of the mechanism of implementation of social responsibility of business would allow basic functions that ensure the sustainable socio-economic development of rural areas, which are mentioned above.



**Fig. 1.** Tools of mechanism of realization of social responsibility of business.

A distinctive feature of social responsibility of business of enterprises in the industrial region for the development of rural areas is not just a combination of the identified functions, and the allocation of priority to resolve urgent problems, their ranking, but given the priorities facing the area presence of an industrial enterprise.

## 4 Conclusions

Socio-economic and environmental issues in the mining region is particularly felt today in the modern “sanction state” of the economy, for which it is necessary to use a number of preventive measures, mainly the use of the instruments of implementation of social responsibility of business. Subject to comprehensive, systematic application of the proposed mechanism for the possible increase of efficiency of activity of the enterprise, using social responsibility of business as a fundamental postulate to the execution of strategic decisions. In addition, such an approach in the activities of business structures will allow the rural areas to go on a distinct trajectory of its socio-economic development.

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