The development of social entrepreneurship in the territories of oil and gas condensate complex projects

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Abstract. The development of social entrepreneurship aims to solve problems of reducing social tension in society and raising the standard of living of the low-income segments of the population. Social entrepreneurship is a business, but the profit obtained is invested in further development, serving as a resource for achieving social goals. Social entrepreneurs create employment for local residents, socially disadvantaged groups of the population with subsequent reorientation to meet local social needs to create positive changes in society. The development of social entrepreneurship is an innovative solution for the interaction between the business community and the public. Representatives of Russia’s largest businesses such as Rosneft and Gazprom are implementing a program in Eastern Siberia, which has become a powerful engine for the socioeconomic development of the Eastern regions of our country. Social investments of these companies are focused on social problems by increasing the level of social and business activity in the Eastern regions of the Russian Federation. The adoption of the law on legal regulation in the field of social entrepreneurship in July 2019 will allow socially responsible businesses to realize the support of social entrepreneurs with new expanded opportunities.

1. Introduction

Economic sanctions against the Russian Federation by the countries of the European Union and the United States of America lead to loss of income for small and medium-sized businesses due to the lack of raw materials, the inability to use new technological equipment, and a drop in investment demand. The decline in entrepreneurial activity affects the living standards and incomes of the population; real cash incomes of Russian residents decreased by 8.3% compared to 2013. According to the latest data from Rosstat, “real cash income in the first quarter of 2019 compared to the corresponding period of the previous year decreased by 2.0%” [1]. One of the innovative ways to reduce social tension in society is social entrepreneurship. Social entrepreneurship arose on the initiative of non-profit organizations, which as a result of interaction with medium and large businesses with the support of government create social enterprises. The development of social entrepreneurship aims to solve problems of reducing social tension in society and raising the standard of living of low-income segments of the population. Abroad, social entrepreneurship developed in the eighties of the 20th century, in Russia – at the beginning of the 21st century. Social entrepreneurship is a business, but the profits are used to further develop production as a resource for the implementation of social goals. Social entrepreneurs organize jobs for residents, socially vulnerable groups of the population: refugees, unemployed, and low-income people, followed by a reorientation to meet local social needs to create favorable positive changes in society. In 2011, the Government of the Russian Federation, within the framework of social support of the regions, created a center for innovation in the social
sphere for the development of social entrepreneurship. The development of social entrepreneurship is an innovative solution for the interaction of the business community and the population [2, 3]. Social innovation centers contribute to the development of social entrepreneurship by organizing training for entrepreneurs on social projects, legal support, and organization of schools for social entrepreneurship. In the Irkutsk Region, the center for innovation in the social sphere was established at the end of 2012 and is one of six “pilot” centers for solving social problems in the region. To date, more than 600 people have been trained through the training seminar program in small towns, where entrepreneurial opportunities are limited. Eleven seminars have been organized since 2012 in Irkutsk and depressed small towns of the region. The seminars were held on topical issues of entrepreneurship in the areas of ecology, tourism, sports, healthcare, preschool, extracurricular children’s education and culture. In the course of work, individual consultations were held for 164 social entrepreneurs and representatives of socially oriented non-governmental organizations (NGOs) [4].

2. Models and methods
The work uses such methods of theoretical research as analysis, comparison, generalization, systematization, and interpretation of facts. As a result of the study, using the method of economic analysis, we have examined and analyzed sources of information on the development and characteristics of social entrepreneurship in Russia as well as the possibility of using social entrepreneurship in the territories of the oil and gas condensate complex projects.

In April 2014, the Government of the Russian Federation adopted a resolution, approving the state program “Social and Economic Development of the Far East and the Baikal Region” to accelerate the development of the Eastern regions of Russia. The improvement of the industry for the development of natural oil and gas resources helps to reduce the drain of the local population, create new jobs, increase small and medium-sized businesses, and improve living standards.

Eastern Siberia and the Far East are the most dynamically developing territories of the oil and gas complex of Russia. The two largest Russian gas and oil exploration and processing companies, Rosneft Oil Company (OC) and Gazprom, a public joint-stock company (PJSC), conducting their projects in Eastern Siberia and the Far East, are carrying out large-scale socioeconomic changes in the regions of the East of Russia. Rosneft OC has entered into strategic cooperation agreements with local authorities of the Irkutsk Region. These agreements aim to develop the social infrastructure of the region. Rosneft is implementing large-scale social projects in Eastern Siberia and the Far East, which make these territories an integral part of the Asia-Pacific Region (APR). Gazprom dobycha Irkutsk LLC, a subsidiary of PJSC Gazprom, implements the Eastern Gas Program in Eastern Siberia for industrial development in remote areas. According to Yuri Shamanov, the General Director of Gazpromflot, this year the East Siberian oil and gas field is considered among the three main areas of resource potential development [5]. Vitaly Markelov, Chairman of the Gazprom Management Committee, said: “The commissioning of the Kovykta gas condensate field with gas supply to the main pipeline is supposed to be launched in 2022” [6]. In the future, when processing gas from the Kovykta field into production, it is planned to create up to 15 thousand jobs [7]. The development of the Siberian region and the growth of business activity depend not only on the capabilities of the industrial potential but also the creation of a favorable social sphere. The direction of social investments of these companies is to solve social problems by increasing the level of social and business activity in the Eastern regions of the Russian Federation. The transition from a raw material strategy to an innovative economy for the development of territorial production complexes will make it possible to significantly change the life of the population with the attraction of new investments and the influx of labor. The huge resource potential of the territory of Eastern Siberia will create additional jobs for the local population and accelerate socioeconomic development in the East of the country. Innovative solutions to the social problems of society are changing at an accelerated pace, and institutes for training social entrepreneurship in higher education are developing. Petersburg State University has developed a project management program for social entrepreneurship and has been implementing it for 8 years. Training in the basics of social entrepreneurship has been carried out at Moscow State University since 2013. The School of Social Entrepreneurship at Irkutsk State University has been operating since 2012. Irkutsk Scientific Research Technical University (ISRTU),
with the support of Gazprom dobycha Irkutsk and Rosneft, is preparing bachelors in the operation and maintenance of gas and gas condensate production facilities and the exploitation of oil fields. According to the target set of Gazprom dobycha Irkutsk, 45 people are studying at ISRTU. The administration of ISRTU supported the initiative of Gazprom dobycha Irkutsk to open a multidisciplinary vocational school in Zhigalovo to train workers for servicing the Kovykta field [8]. Students will be graduates of schools in nearby territories, which will allow professional training of local youth and reduce its drain. Social charity programs of Gazprom dobycha Irkutsk are carried out not only on the territories with gas and oil fields but throughout the Irkutsk Region. Charity events for Knowledge Day are held in the Zhigalovo District, as well as for orphans, children from low-income and large families of the Kazachinsko-Lensky District of the Irkutsk Region. Employees of Gazprom subsidiaries, members of the Gazprom at Baikal Nonprofit Partnership, conduct annual clean-up days in Irkutsk. Gazprom Dobycha Irkutsk annually supports the Stars on Baikal Festival since 2011 [9]. Rosneft's subsidiary Verkhnechonsneftegaz (VCHNG) is engaged in industrial exploitation of the largest in Siberia Verkhnechonskoye gas condensate field. The company provides jobs for approximately two thousand people, and approximately 5500 employees are involved in contracting enterprises according to the data for the end of 2017.

The budget of the Irkutsk Region for 2017 was replenished by seven billion rubles. The VCHNG works with charitable foundations whose activities are associated with the poor. Since 2007, the Russian branch of the Children's Fund of the Irkutsk Region has been receiving assistance annually to support children in difficult situations. The financing of the VCHNG was directed to the material and technical equipment of the center for the temporary residence of single mothers with children of the Obereg Fund, the purchase of vehicles and equipment for the disabled of the social settlement Pribaikal'sky Istok, the support of the Evenki national culture in the Katanga region, the organization of ethnic festivals and exhibitions at the all-Russian level [10]. The company actively uses innovations in the field of advanced training of employees: passing independent certification of professional competencies and receiving recommendations for advanced training or entering the personnel reserve; participating in professional skills contests, which made it possible to occupy the 5th team place among Rosneft subsidiaries among working specialists in 2018; scientific and technical conferences for young professionals up to 33 years old. The most demanded and funded item of social expenses falls on prevention and ensuring the health of employees and their families [7].

The Government of the Irkutsk Region and the Irkutsk Oil Company (IOC) discussed social activities that will be implemented in 2019 at the expense of IOC. The total amount transferred at the end of 2018 to social projects in the region amounted to 450 million rubles. The company implements its main projects in four municipal districts: Úst-Kut, Nizhneilmensk, Kirensk, and Katanga, and in the regional center. At the end of 2018, the socioeconomic effect included 12% of the 20.5 billion rubles allocated to the budget of the Irkutsk Region and the creation of eight thousand jobs [11].

3. Results and discussion
Corporate social responsibility of subsidiaries of PJSC Gazprom and Rosneft in the territories of the oil and gas condensate complex of the Irkutsk Region makes a significant contribution to the development of the region and mitigating social tensions [12, 13]. However, more ambitious measures to develop and support social entrepreneurship were not carried out – due to the lack of a regulatory framework. Adoption of the Federal Law of July 26, 2019 No. 245 on the consolidation of the concepts of “social entrepreneurship”, “social enterprise” opens up tremendous opportunities not only for social entrepreneurs but also supporting social enterprises, both by state authorities, local governments, and large business [11]. The law does not list provisions on the methods and conditions for supporting social enterprises for regional authorities to have the opportunity to determine and expand support for social entrepreneurs. According to the law, a social enterprise can be considered an enterprise, employing at least 50% of workers that belong to low-income socially unprotected segments of the population, and labor costs of this category of workers should be at least 25% [14]. One of such categories of citizens is retired people with huge life and high professional experience. Attention should be paid to the global growth trend in the share of the population of retirement age. The number of Russian retired employees increased from 22.7% in 2012 to 25% in 2017. Accordingly,
the demographic burden on the working-age population increased from 372.6 in 2012 to 440.8 per 1000 people in 2017 [15]. To attract this group of the population to an active life, it is necessary to interest them in the continuation of labor activity. Socially oriented entrepreneurs with the support of large business encourage by their activities to create a socially-oriented state. The Thomson Reuters news agency in 2016 published the results of a study of 45 countries on the possibility of developing social entrepreneurship. Russia was ranked 31 [2]. The new law opens up new prospects for improving the investment market of social impact in Russia. The creation by leading Russian private companies of funds to support social entrepreneurship, together with municipal authorities, will make it possible to provide not only financial but also informational, advisory and methodological support to social enterprises from large socially responsible businesses.

4. Conclusion
The Irkutsk Region is an industrial region with natural resources, where the raw material orientation of industrial enterprises is traced [16]. The innovative activities of oil and gas enterprises aimed at industrial development, including social support, will allow us to move to a new level of the socioeconomic development of the territory and expand social programs for low-income segments of the population in remote territories and the regional center [17].

An example of business activity and corporate social responsibility is Vagit Alekperov, the founder of the Our Future Fund that aims to support and develop social entrepreneurship in Russia [4]. The creation of funds to support social entrepreneurship by large Russian socially responsible companies, together with municipal authorities, will make it possible to provide not only financial but also informational, advisory, and methodological support to social enterprises.

Currently, most residents of Russia have realized that social activity is extremely important not only for the low-income categories of residents but self-awareness of their contribution to ensuring decent life for the low-income population.

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