



## Economy

### Growing Social Responsibility of Businesses

The National Research University Higher School of Economics Institute for Statistical Studies and Economics of Knowledge (HSE ISSEK) presents the results of a human capital trends study. The study methodology included big data mining using the HSE ISSEK-developed [iFORA system](#), expert sessions, and a Delphi survey of more than 400 leading international and Russian scientists specialising in human capital.

The project is being implemented by the World-Class Human Capital Multidisciplinary Research Centre and the UNESCO Futures Studies Chair (UNESCO Futures Literacy Chairs network). A complete list of trends is available in a unique open-access database at [https://ncmu.hse.ru/chelpoten\\_trends](https://ncmu.hse.ru/chelpoten_trends).

## The Trend's Structure

- **Integration of employee well-being, environmental protection, and other issues into corporate strategies**

Against the background of growing social, economic, and digital inequality, businesses are paying increasing attention to issues directly affecting people's well-being. At the same time, increased information transparency and data dissemination rates attract public attention to the policies companies pursue. Ignoring social and value issues is fraught with numerous risks for businesses such as legal costs, reputational damage, loss of investors, suppliers, partners, or clients, the emergence of a negative information background, and a loud public outcry: 71% of consumers are willing to abandon brands that value profits over people.

Corporate strategies increasingly include ESG (Ecological, Social, Governance) principles which define policies on environmental and social risks and management issues. Ninety-eight percent of institutional investors (insurance and investment companies, pension and charitable funds) monitor companies' ESG ratings. One of the effects of the COVID-19 pandemic was increased attention to the social component of employment relations. According to a 2021 survey of 166 companies (including those on the Fortune 100 list), during the pandemic 92% of the respondents have stepped up their mental health and emotional well-being support

- **Implementation of social programmes by businesses**

programmes; 74% expanded work-life balance support programmes; and 69% updated their vacation rules. Employers have begun to take into account social determinants of health, i.e., non-medical factors which affect it (such as education, economic stability, proper nutrition, etc.). This is in line with the trend towards integrating employee well-being into corporate strategies. Russian businesses also tend to gradually move on from occasional charity to systemic social investments. Due to the pandemic, the focus has shifted towards social projects; in particular, social responsibility towards employees became a more important consideration.

Social entrepreneurship, which involves providing funding for, and dealing with various social, cultural, or environmental problems is rapidly growing. In 2022 the number of social entrepreneurs in Russia increased by 27%. This is due to the systemic development of the sector and increased support from the state. Federal grants in the amount of 100,000 to 500,000 roubles were made available (in the Arctic regions up to 1 million roubles). Also, the minimum share of project funding to be provided by social enterprises was reduced from 50% to 20%.

- **Growth of social entrepreneurship**

## Key estimates

# 7%

The average annual growth rate of the corporate employee well-being market will be 7% in 2023–2028

# 55.8 billion USD

The global corporate employee well-being market may reach 55.8 billion USD in 2023

## The Trend's Characteristics



**Impact on human capital<sup>1</sup>**

1

2

3



**Weak signal<sup>2</sup>**

Распространение ESG-инвестиций



**Strongest manifestation period**

**2026–2030**



**Wild card<sup>3</sup>**

Assessing consumers' and companies' environmental behaviour becomes an integral part of life



**Effect of COVID-19 pandemic**

Did not affect the trend



**Consequences of the wild card event actually taking place**

Transition to a sustainable economy



**Presence in Russia**

Less pronounced compared to the world

<sup>1</sup> 1 – weak, 2 – medium, 3 – strong.

<sup>2</sup> Weak signals are insignificant (rarely mentioned or discussed) events which indicate the trend may radically change in the future.

<sup>3</sup> Wild cards<sup>3</sup> are difficult-to-predict events which, if they do happen, can significantly affect the trend.

## Drivers and Barriers



### Drivers

- Rising consumer expectations
- Aggravation of socio-economic issues
- Changing requirements of investors and regulators
- The need to improve businesses' performance



### Barriers

- Low level of companies' social responsibility
- Companies' low interest in implementing social projects due to economic reasons

## Trend Effects



### Opportunities

- Growth of social entrepreneurship
- Strengthening public-private partnership to implement socially important projects
- Complementing public social and environmental policies with private initiatives
- Developing educational programmes on the basics of social entrepreneurship



### Threats

- Declarative nature of sustainable development strategies
- Lack of public interest in reducing pressure on the environment