

Corporate philanthropy and social development in Russia's regions

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Abstract

The role of corporate philanthropy in Russia has increased since the 1990s. Many business companies have developed corporate social responsibility programmes that address social or environmental issues in Russia's regions. An important pillar of these programmes are grant competitions for social organizations, both from the state and non-profit sector. Examples for these corporate grant competitions include the programme "Way home" of the metallurgic company Severstal and the programme "Home cities" of the oil company Gazprom Neft. In addition, many Russian business companies have established corporate foundations, which aim at supporting social organizations, mostly linked to their territories of presence.

As a result, the share of funding from the business sector in Russian non-profit organization has continuously increased. Whereas in 2010, 17 percent of Russian non-profit organizations received funding from Russian companies, this share had grown to 23 percent in 2015 (Civil Society Monitoring, 2015). In May 2020, the Russian government introduced a new law on tax incentives for corporate philanthropy which will likely increase the relevance of corporate giving for the development of the Russian non-profit sector.

Against the background of these recent developments, this paper addresses the following research questions: (1) Why have Russian companies developed corporate grant competitions for social organizations, what are the objectives of these programmes, and how are grant competitions linked to other forms of corporate philanthropy and corporate social responsibility?, (2) What has been the effect of corporate grant competitions in Russia's regions? How have the programmes been evaluated by non-profit organizations, and have grant competition contributed to the development of non-profit organizations in Russia's regions? The analysis is based on in-depth interviews with representatives of companies and non-profit organizations in four regions. The paper aims at contributing to the understanding of the interrelations between private profit and non-profit actors.

296 words