

PRIVATE SECTOR OBJECTIVES AND BIRTH RATE SUPPORT: POINTS OF CONVERGENCE

Oksana Shubat

Abstract

Negative demographic trends encourage seeking new instruments to address demographic problems. One of such instruments may be an active involvement of the private sector in supporting reproductive health of employees and birth rates among them. The study aims to explore corporate practices and how the Russian private sector contributes to addressing low birth rates. Data of the library of corporate practices of the Russian Union of Industrialists and Entrepreneurs were used. Case studies were used as a research method. The following results were obtained. Family-friendly policies in Russian companies are neither widely studied nor implemented; however, the Russian private sector undertaking a family-friendly policy oriented at reproductive health and fertility. Promoting a positive experience of carrying out a family-friendly policy by some particular Russian companies and encouraging the private sector to initiate support mechanisms may be enabled through organising special training seminars aimed to create a positive image of parenthood and foster positive attitudes to family among businesses. The results demonstrate new benchmarks for developing the state demographic policy aimed at addressing the low birth rate. They can also be used for enhancing the effectiveness of the state control over business.

Key words: private sector, birth rate, family-friendly policy, corporate practices

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Introduction

Negative demographic dynamic has been an issue in many developed and developing countries. Although governments adopt different measures to improve birth rates, they are still decreasing in many countries. In Russia, particularly, the Crude Birth Rate has been consistently fallen since 2016. In 2020, it equalled to 9.8, which is 26% less than that in 2015 (Crude Birth, 2021). The Total Fertility Rate in 2020 amounted to 1.51, which was 15% less as compared to 2015 (Total Fertility, 2021).

Negative demographic trends encourage seeking new instruments to address demographic problems. One of such instruments may be an active involvement of the private sector in supporting reproductive health of employees and birth rates among them as well as in pursuing a family-friendly policy in general.

The contribution of business into resolving demographic issues has increasingly been a subject of debate in the international business community. Closer attention is being paid to the development of the corporate social responsibility in the demographic, reproductive sphere. At the 2017 international conference on the leadership of business hosted by the international organisation “Business for Social Responsibility”, one of the key presentations at the plenary session was delivered by Cecile Richards, President of the Planned Parenthood Federation of America and Planned Parenthood Action Fund. Her speech focused on the role of the large-scale business in supporting the reproductive health of working women; it also stressed the importance of a more intense involvement of corporations into addressing reproductive problems (BSR Conference, 2017).

Another example of how contributing to birth rates, parenting, and reproductive health becomes relevant for the private sector is an annual list of the World’s Most Innovative Companies. The rating is given by “Fast Company” – a monthly American business magazine that focuses on technology, business, and design; it includes 50 most important companies from different spheres. In 2022, the 46th position in the rating was occupied by Carrot Fertility, specialised in the comprehensive support for the reproductive health and birth rates of employees. The company works with more than 400 employers across a wide range of industries. Carrot Fertility was also shortlisted for the 2022 top 10 most innovative companies in the workplace (Herbst, 2022).

Peppy App, a digital healthcare and wellbeing platform that allows organisations to support their people during major life transitions – fertility, parenthood and menopause, is one more example. The website of the organisation presents results of its research and its own case studies showing important positive effects for business, which result from supporting birth rates, parenting, and reproductive health of employees (Peppy digital, 2022). The UK’s private sector is now becoming a more active user of the app.

Research in different countries show various positive effects for business, which result from pursuing a family-friendly policy (Breaugh & Frye, 2007; Kim & Yeo, 2019). Among such effects are the increasing attractiveness of the company, better opportunities for hiring highly qualified workers, reduced turnout, improved satisfaction of workers with labour conditions, and increased productivity (Bourhis & Mekkaoui, 2010; Kim & Wiggins, 2011). In

our previous research, where we estimated the effectiveness of parental labor stimulation programmes implemented by one of the largest Russian metallurgical plants, we suggested calculating special social and economic effectiveness indexes (Bagirova et al, 2014). According to our results, the company enjoyed the following positive effects from carrying out a family-friendly policy: increasing birth rates in employees' families, the significantly reduced number of complicated and premature births, less often sick leave because of a child's illness.

At the same time, it is important that both family-friendly policy research and its implementation are not widely popular. This study aims to explore corporate practices and how the Russian private sector contributes to addressing low – and decreasing – birth rates.

1 Data and Methods

In the research, we retrieved information from a corporate practices library, which is compiled and provided public access to by The Russian Union of Industrialists and Entrepreneurs – RSPP [11]. The RSPP is a non-governmental organization; it was set up to promote Russian business interests in Russia and abroad, to help make Russia more business friendly and attractive to investors, and to maintain the balance of interests of business, government, and society. The RSPP involves thousands of largest Russian companies; its structure has more than a hundred of industry-specific and regional associations representing key sectors of the economy.

The corporate practices library is an electronic databank of the companies' practical experience in various branches of economy operating on the territory of the Russian Federation. This library compiles corporate programmes reflecting the active participation of business in solving socially significant problems, analytical materials, as well as the results of the All-Russian competition for supporting initiatives and identifying best corporate practices. Based on the library's materials, collections of best practices are periodically published.

Six collections of successful corporate practices published by the RSPP between 2011 and 2021 were analysed. Table 1 outlines the collections analysed. Corporate practices oriented at stimulating birth rates and supporting parenting are not put into a separate section in these collections and the library itself. They are a part of the section entitled "Programs aimed at the company's employees".

Thus, case studies were used as a research method and descriptive statistics, as well as official data from Russian labor market statistics.

Tab. 1: Corporate practices collections in the study

Year	Topic	Description
2021	Russian Business and Human Rights	Includes practical experience from 32 companies, reflecting active participation in achieving labour market goals of the 2030 Agenda for Sustainable Development (SDG 2030) and protecting human rights in the context of business practice
2020	Decent Work – Sustainable Business	Reflects practical experience from 32 companies related to the development of the labour market and labour capacity, creation of favourable conditions for employment, and on this basis, economic growth
2018	Russian Business and Sustainable Development Goals	Includes practical experience from 25 companies, reflecting goals and tasks of companies' sustainable development in the ratio with SDGs UN till 2030
2016	Business. Ecology. Human Being	Includes practical experience from 35 companies, reflecting their involvement in resolution of publically important problems in the sphere of ecological responsibility
2014	Business for regions	Includes practical experience from 30 companies, reflecting their active participation in solving socially significant problems to support the territories of their activities
2011	Health at the Workplace	Presents practical experience of 18 companies, reflecting their active participation in solving social problems of health maintenance, promotion of healthy lifestyle priorities, reduction of industrial injuries and occupational diseases, and human resources development

Source: author's analysis based on (RSPP corporate, 2022)

2 Results

The study showed that the private sector in Russia is a critical subject demanding human resources and human capital. Over time, the private sector is becoming increasingly crucial. These data are shown in Table 2. We can observe significant changes in structural composition of companies between 2000 and 2020. Particularly, the share of companies of all types of ownership apart from private declined. The share of private companies, in turn, increased by more than 10 percentage points. The share of private sector workers also increased in this period by almost 15 percentage points. A half of all Russian employees and nearly 85% of all companies belong to the private sector.

The case study allowed us to identify a number of leading companies in pursuing programmes aimed at reproductive health support and birth rate stimulation. Our analysis showed that the large-scale business in Russia realises that these programmes are important and necessary; it sees their effectiveness, which, though, may be deferred. Particularly, corporate practices collections specify that timely social support measures help meet several challenges at once. For example, by constructing kindergartens and providing other support measures to

mothers, they are given an opportunity to return to work earlier and, thus, contribute to overcoming labour shortages, improving the financial status of their families and, finally, increasing the GDP of the country. Innovative medical technologies, in turn, make socially oriented industries more competitive not only in Russia but also on the world market.

Tab.2: Enterprises and organizations and annual average number of employees of organizations by type of ownership in Russia

	Percent of total		Increase	
	2000	2020	Percentage points	Percent
Enterprises and organizations – total including by ownership type:	100	100	–	–
state	4.5	2.6	-1.9	-42.2
municipal	6.5	5.2	-1.3	-20.0
private	75.0	84.6	9.6	12.8
property of public and religious organizations (associations)	6.7	3.7	-3.0	-44.8
other types of properties	7.4	4.0	-3.4	-45.9
Annual average number of employees – total of which by ownership type:	100	100	–	–
state, municipal	46.8	39.1	-7.7	-16.5
private	34.2	49.1	14.9	43.6
property of public and religious organizations (associations)	0.8	0.3	-0.5	-62.5
mixed Russian	15.0	4.4	-10.6	-70.7
foreign, joint Russian and foreign	3.2	6.5	3.3	103.1*

Source: (Russian Statistical, 2021)

* low base effect, which is the tendency of a small absolute change from a low initial amount to be translated into a large percentage change

In the analysis, we managed to determine two large companies in Russia which, firstly, carry out such programmes consistently and for a long time, and secondly, measure their effectiveness and provide public access to their costs on these programmes as well as their results.

The first case is a steel and mining company “Severstal”. Its social activities are oriented at, inter alia, addressing demographic problems in the regions of operation. Female employees of this company can receive medical help in a special diagnostic and treatment center, which also hosts a women’s consultation center, and maternity inpatient and gynaecology departments. The company has its own maternity home, which annually delivers 1900 children, according to Severstal’s records. The Mother and Child system provides support in the post-natal period.

The company also pursues a programme of child abandonment and juvenile delinquency prevention called “Journey Home”. Some of its results are directly related to meeting

demographic challenges in the regions of company's operation. Records claim that in 2016 the number of children in long-term care facilities (orphan and troubled children) decreased – as compared to 2015 – by 15% in the Vologda Region and by 18% in Cherepovets city. The number of parents deprived of parental rights fell by 17% in the Vologda Region and by 46% in Cherepovets city. Due to the programme, the standard of families' living improved and, thus, 1165 children stayed with their parents, 46 children were remained in foster families, and 14 newborns were prevented from abandonment.

Another company extensively and, according to its records, successfully pursuing reproductive health support and birth rate stimulation programmes is Magnitogorsk iron and steel works OJSC, one of the world's largest steel producers.

The company announces the following targets of its social agenda to protect the reproductive health of workers:

- to identify groups at high risk of reproductive health disorders among women and men working in harmful and difficult conditions at OJSC MMK, students of specialized medical institutions, medical professionals;

- to develop and introduce the Reproductive Health automated control system, to keep a register of men and women at high risk of reproductive health disorders;

- to organize an educational programme on reproductive health disorders for workers working in harmful working conditions;

- to prepare special literature and visuals about risk factors for reproductive health and prevention of reproductive health disorders;

- to raise awareness among the population through organizing lectures and classes in general education schools and universities, to develop special programmes aimed at the safety of young people's reproductive health.

The programme provides for a number of different measures. For example, the company funds a center called "Maternity", which is fully equipped for systematic trainings with pregnant workers, improving their health and preparing them for the childbirth. Additionally, starting with the 13th week of pregnancy, female employees are exempt of work with maintenance of average earnings provided that they visit the "Maternity" centre. The programme provides various measures to create favourable conditions for pregnant women to take care of the child after birth.

The company regularly assesses the effectiveness of the reproductive health support programme and emphasises the following positive effects:

- decreasing rate of stillbirths;

- decreasing share of children born with pathologies;
- smaller number of obstructed deliveries;
- decreasing maternal mortality;
- reduced advance stages of malignancy in reproductive organs among women (different numbers in different years);
- reduced advance stages of prostate cancer (different numbers in different years);
- reduced number of abortions (different numbers in different years).

The number of companies pursuing economically and socially successful reproductive health and birth rate support programmes can certainly not be reduced to two cases mentioned. Table 3 overviews those companies which somehow mention these programmes among their successful corporate practices.

Tab. 3: Companies with successful social responsibility programmes in the sphere of reproductive health and birth rate support featured in corporate practices collections

Year of Issue of Corporate practices collection	Number of companies featured in the collection	Number of companies which mention support programmes for reproductive health, motherhood, and parenting among their successful practices	
		number of companies	share of the total number of companies in the collection, %
2011	18	2	11
2014	30	7	23
2016	35	–	–
2018	25	3	12
2020	32	6	19
2021	32	3	9

Source: author's calculations

3 Discussion

The study shows, in Russia, the role of the private sector in consuming human resources and human capital has been increasing over time; therefore, the private sector as a crucial subject of demand for the existing and future human capital has to share responsibility for its protection, development, and supply together with the government.

At the same time, Russian corporate practices of supporting fertility have not been widely adopted yet; however, some companies have been undertaking family-friendly policies oriented at reproductive health and birth rate support for quite a long time. It clearly shows that these companies realise positive effects from these activities.

A number of large Russian organisations has the successful experience of pursuing a family-friendly policy, which positively impacts birth rates and reproductive health of their

employees; this experience should be replicated by other companies as well. To reinforce the Russian private sector’s contribution to fertility and to encourage family-friendly policies, there may be used a number of instruments. In our view, organizing special training seminars is an effective instrument which allows sharing ideas about socially responsible management. These seminars can either be run as standalone training events or become part of educational programs for entrepreneurs implemented by various training centers. The seminars should aim to create a positive image of parenthood, and foster positive attitudes to family among businesses. We propose including several modules in the training (see Tab.4).

Tab. 4: Modules in training seminars for business representatives

Module	Description
Module 1 “Fundamentals of demographic competence”	It teaches business representatives how to conduct primary analysis and assess the demographic situation, and conveys the significance of this problem
Module 2 “Social solidarity: business and state as equal centers social demographic responsibility”	The module explores the relationship between economic and demographic processes. It is aimed at developing entrepreneurs' understanding of the relationship and interdependence of economic and socio-demographic processes
Module 3 “How companies can influence demographic dynamics”	It is aimed at developing ideas about the tools available to businesses to positively influence the social and demographic situation
Module 4 “Assessing the effectiveness of corporate programs for the support of fertility, parenting and family”	The module is aimed at acquiring the skills to assess the effectiveness of the tools available to the enterprise for a positive impact on the demographic situation.

Source: author's developments

We do not consider the content and structure of the modules to be rigid or firmly fixed. The content of the modules should be adjusted to reflect the scope and duration of training programs, and also the needs of the trainees. For instance, courses aimed at new entrepreneurs may see the module on “How companies can influence demographic dynamics” amended to include less information on social responsibility in outsider and insider corporate governance models.

In general, the integration of modules developed into training programmes for entrepreneurs will help the process of involving the private sector in addressing demographic issues in today’s Russia. Moreover, this will contribute to the positive development of family and reproductive attitudes among businesspeople and improve their understanding of socially responsible management. This is a promising path for improving family and demographic policies in Russia.

Conclusion

The study yielded the following conclusions.

1. To date, family-friendly policies in Russian companies are neither widely studied nor implemented; however, the Russian private sector undertaking a family-friendly policy oriented at reproductive health and fertility support certainly enjoys positive effects from it.

2. Promoting a positive experience of carrying out a family-friendly policy by some particular Russian companies and encouraging the private sector to initiate support mechanisms may be enabled through organising special training seminars aimed to create a positive image of parenthood and foster positive attitudes to family among businesses. This will encourage the involvement of the private sector in addressing demographic issues.

3. We see further development of this research in expanding the information pool and doing more case studies. The corporate practices library by the Russian Union of Industrialist and Entrepreneurs compiles companies at their own will; placing data there is not obligatory. Certainly, Russian companies may have other cases of successful family-friendly policies and birth rate support mechanisms. To further the study, it is necessary to search for these experiences and study them closely as well as to include new positive practices into educational courses.

In general, the results of the research demonstrate new benchmarks for developing the state demographic policy aimed at addressing the low birth rate. They can also be used for enhancing the effectiveness of the state control over business.

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Contact

Oksana Shubat

Ural Federal University

Mira street, 19, Ekaterinburg, Russia, 620002

o.m.shubat@urfu.ru