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*Research Article***SOCIAL INVESTMENT AS A TOOL FOR ALIGNING PRIVATE AND PUBLIC INTERESTS IN LABOR LAW****YULIA A. KUCHINA***Ural State Law University named after V. F. Yakovlev*

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This research work attempts to assess the potential of using social investment as a tool for aligning public and private interests, which is especially relevant in the context of the impact of modern global challenges on the sphere of work. Based on such a category as ‘interest’ used by the legislators to characterize the goals and objectives of labor law, the author summarized that in the context of modern global challenges, like never before, it is necessary to align the interests of the parties in the labor relationship, as well as the government for the purpose of mutual support and mutual assistance in solving social issues. Having studied the policy declarations of the United Nations on sustainable development and the International Labor Organization on the future of the sphere of work, the author came to the conclusion that the international trend is to treat the laborer as an investment object, and the Russian Federation is ready to follow this trend. This is evidenced both by the 2020 amendments to the Constitution of the Russian Federation, which laid the conceptual foundations for the development of a social welfare state as a state of social investment, and by strategic planning documents that outline the social policy. The research work draws attention to the fact that the adopted federal law on public and private partnership provides for private investment objects that can have a positive impact on the sphere of work, however, nowadays it is not focused on social investment in this particular area. Besides, there is a kind of contradiction with the institution of social partnership, traditional for labor law, aimed at the interaction between employees and employers, therefore it seems important to determine whether these types of partnerships should interact with each other when addressing issues of social investment in the sphere of work. The author has also identified the directions in which the development of law on social investments should take place, and demonstrated some of the difficulties that investors face due to the lack of elaboration of this aspect of the labor law.

Key words: *balance of interests, social investment, welfare state, corporate social responsibility, human capital, sustainable development*

СОЦИАЛЬНЫЕ ИНВЕСТИЦИИ КАК ИНСТРУМЕНТ СОГЛАСОВАНИЯ ЧАСТНЫХ И ПУБЛИЧНЫХ ИНТЕРЕСОВ В ТРУДОВОМ ПРАВЕ

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В настоящем исследовании предпринята попытка оценить возможность использования социального инвестирования в качестве механизма, позволяющего согласовать публичные и частные интересы, что является особо актуальным в условиях влияния современных глобальных вызовов на сферу труда. Оттолкнувшись от категории «интерес», используемой законодателем для характеристики целей и задач трудового законодательства, автор резюмировал, что в условиях современных глобальных вызовов как никогда требуется согласование интересов сторон трудового отношения, а также государства в целях взаимной поддержки и взаимопомощи в решении социальных вопросов. Изучив программные документы Организации Объединенных Наций об устойчивом развитии и Международной организации труда о будущем сферы труда, автор пришел к выводу, что международным трендом становится рассмотрение человека труда как инвестиционного объекта, и Российская Федерация готова следовать данному тренду. Об этом свидетельствуют как поправки 2020 г. в Конституцию РФ, заложившие концептуальные основы развития социального государства как государства социальных инвестиций, так и документы стратегического планирования, формирующие социальную политику.

В исследовании обращено внимание на то, что принятый Федеральный закон о государственно-частном партнерстве предусматривает объекты частного инвестирования, которые могут оказать положительное влияние на сферу труда, однако на сегодняшний день он не ориентирован на социальные инвестиции именно в данной сфере. Кроме того, возникает своеобразное противоречие с традиционным для трудового права институтом социального партнерства, направленным на взаимодействие работников и работодателей, поэтому представляется важным определиться с тем, как должны взаимодействовать между собой данные разновидности партнерства при решении вопросов социального инвестирования в сфере труда. Также автором определены направления, по которым должно происходить развитие законодательства о социальных инвестициях, и продемонстрированы отдельные сложности, с которыми сталкиваются инвесторы из-за непроработанности под данным углом трудового законодательства.

Ключевые слова: баланс интересов, социальные инвестиции, государство всеобщего благосостояния, корпоративная социальная ответственность, человеческий капитал, устойчивое развитие

Introduction. In the development of any branch of law, the goals and objectives of its legal regulation are no small matter. The Labor Code of the Russian Federation, which entered into effect twenty-one years ago, consolidated the establishment of public guarantees for labor rights and freedoms of citizens, the creation of favorable working conditions, and the protection of the rights and interests of employees and employers as the fundamentals of the labor law, a ‘system of intentions’ requiring achievement under the conditions of the transition to market relations, and the emergence of new trends in personnel management. The achievement of these goals is possible only when solving certain tasks facing labor law, which are also reflected in Article 1 of the Labor Code of the Russian Federation, such as the creation of the necessary legal conditions to achieve optimal balance between the interests of the parties in labor relations, the interests of the government, as well as the legal regulation of labor relations and other relations directly related to them.

The use of such a category as ‘interest’ in the preamble of the crucial labor regulatory act is typical not only of our country: for example, the legislators of the Republic of Kazakhstan also consider as a task of labor law the creation of the necessary legal conditions aimed at achieving a balance of interests

of the parties in labor relations, without mentioning the interests of the government, however, recognizing social stability and public consent as the legal result of regulation of the relations (Article 3 of the Labor Code of the Republic of Kazakhstan). In the Labor Code of the Republic of Belarus, on the contrary, the category of interest is not designated as an objective for labor law; the legislators consider the establishment and protection of mutual rights and obligations of employees and employers as one of the basic objectives (Article 2 of the Labor Code of the Republic of Belarus). There is no doubt that achieving a balance between the interests of employees and employers at the macro level will lead to mutual consent and stability, given that balance is 'one of the conditions for social peace' [Leskina, 2020:144]; however, I agree with the opinion of Professor L. V. Zaitseva who believes that 'the indication of the government as the third interested participant in relations in the sphere of work does not seem to be accidental' [Zaitseva, 2015: 181]. I believe that the reason for mentioning the government in the Russian code as a third party, whose interests are to be taken into account, is due to the fact that public and private interests collide with each other in labor law. According to A. L. Shvedov, 'public interests' include those social interests that are aimed at the benefit of a non-specific group of persons, formalized and guaranteed by power entities, and determine the legal status of the latter. Private interest is directed at the benefit of an individual or a specific group of individuals and is determined by their independent will' [Shvedov, 2010:77].

The government, being the main regulator of labor relations, is constantly looking for the optimal balance of private interests, using the resources available to it, primarily within the framework of lawmaking. For example, by obliging the employer to establish a part-time work schedule for certain categories of employees at their request, for a long time the Labor Code has not given any explanations as to how to establish a work and rest schedule in this case if the parties cannot agree. The legislators tried to resolve the long-term conflict and in 2017 made an amendment to Article 93 of the Labor Code of the Russian Federation that a schedule is established taking into account the wishes of the employee, and the production environment (working conditions) of this employer. Subsequently, a reasonable assurance appeared as to what circumstances should be taken into account in case of a conflict of interests of the parties.

Additionally, the government also has its own public interests, which are manifest in developing state policy in general and social policy in particular. For example, in the Decree of the President of the Russian Federation No. 400 dated 07.02.2021 'On the National Security Strategy of the Russian Federation', the national interests of the Russian Federation are defined as 'objectively significant needs of the individual, society and the government for security and sustainable development', i.e., the interests of the state are declared as the needs of such entities as a person, society and the state itself. Analysis of the labor law shows that in certain cases, public interests prevail over private ones. For example, the Labor Code, since the time of its coming into effect, has been putting a ban on terminating an employment contract with a pregnant woman on the initiative of the employer, except in the event of the liquidation of an organization or winding up of an individual entrepreneur. The above unconditional ban testifies to the complete disregard by the government of the production interests of the employer, the impossibility of exercising the right to independent personnel decision-making, management of labor, and ultimately leads, on the one hand, to a feeling of permissiveness on the part of individual pregnant women, the commission of disciplinary offenses by them, indicating gross violation of labor duties, given that they are not afraid of other less severe disciplinary sanctions, and, on the other hand, to even greater reluctance by employers to hire women of child-producing age in general, which ultimately negatively affects their legal status in the labor market.

The above example shows that at of to date, the government has failed in its attempt to align the interests of the parties in the labor relationship, since it has actually set on a pedestal its interests in solving demographic problems: the aforementioned Presidential Decree No. 400 dated 07.02.2021 classifies the people's saving as national interests and strategic national priorities of Russia, one of the ways to implement which is to increase the birth rate as a prerequisite for increasing the population of Russia. This problem is solved in various ways, including with the help of the prevalence of the protective function of labor law in relation to pregnant women. This approach seems to be erroneous, since the same Decree provides for sustainable development of the Russian economy on a new background technology as another national interest, which, among other things, should be implemented by increasing labor productivity through the modernization of industrial enterprises and infrastructure, digitalization,

use of artificial intelligence technologies, creation of high-tech jobs, which proves the thesis that the production function of labor law is also significant and relevant, whereas its implementation on the proper level faces serious obstacles.

Considering that the Russian Federation is currently facing a variety of challenges affecting the sphere of work, including, inter alia, demographic challenges (population aging, falling birth rates, high mortality at working age, outflow of migrants, etc.), and digitalization of the economy (changes in the forms employment, the need to protect 'new workers' (for example, those employed on Internet platforms), the blurring of the line between work and free time, the 'withering away' of the profession, etc.), and epidemiological instability (including the COVID 19 pandemic and the threat of outbreaks of other infectious diseases, both new and old, which were considered eliminated in Soviet times), and geopolitical threats (sanction pressure from Western countries, the outflow of foreign capital, participation in a special military operation, etc.), and sociocultural challenges (deformation of value orientations, a lower level of law and order, the general level of society's culture, etc.), it has become extremely important for Russia to find effective mechanisms for aligning the interests of the employer, the government and employees, which can help the country overcome challenges. Social investment aimed at implementing a human-centric agenda, which has become the international trend in the last decade, seems to be one of such tools enabling us to take a fresh look at the balance of interests of participants in the sphere of work and contribute to the implementation of social policies in order to achieve economic efficiency and reveal the human potential.

Materials and methods. Achievement of the goal set in this research work predetermined the use of such general scientific and specific scientific research methods as scientific analysis, system and structural analysis, comparative legal method, and technical legal research method. The author studied the main aspects of the scholarly discussion on the research topic, using an interdisciplinary approach, analyzed certain provisions of Russian labor law in comparison with the law of the EAEU member states, identified provisions that may be adopted, made generalizations and independent conclusions.

Results. The research made it possible to come to the following conclusions:

1. In the context of global challenges, the mechanism for social investment has the potential of becoming a forward-looking approach to aligning private and public interests, helps to separate areas of responsibility for solving social problems between businesses and the government on mutually beneficial terms: the government receives organizational, technological, financial assistance in implementing projects of public importance, and at the same time provides financial support to the employers in conditions of uncertainty, which makes it possible to strengthen the position of employees and more effectively settle employment issues, as well as to encourage employers to further cooperate with the government in order to solve social problems.

2. Due to strengthening of the social block in the Constitution of the Russian Federation in 2020, the conceptual basis was laid for building a social investment state in Russia as a promising direction for the development of a social welfare state.

3. The basis for social investment relations is Federal Law No. 224-FZ dated July 13, 2015 on public and private, municipal and private partnerships, however, social partnership relations have been developing in the sphere of work for several decades, aimed at ensuring the alignment of interests of employees and employers on the regulation of labor relations and other directly related relations. As a consequence, in order to develop social investment, it is necessary to determine how these types of partnerships should interact with each other in order to overcome the challenges of the sphere of work.

4. The leading areas of social investment should be those aimed at ensuring greater activity by citizens in the economic and social spheres (education, employment, promoting the health of workers), i.e., investments should be related to human capital, which will allow Russia to comply with international trends and strengthen its position in the global community.

Discussion. Pursuing an active search for means of overcoming the environmental disaster, the United Nations introduced the term 'sustainable development'. In the Report of the International Commission on Environment and Development 'Our Common Future' of 1987, it was proposed to understand this term as 'development that satisfies the needs of the present without creating a threat for the future generations of inability to satisfy their own needs. The sustainable development strategy is aimed at achieving harmony between people, society, and nature'. In the Summary document of the UN Conference on Sustainable Development in 2012, the governments emphasize that sustainable development is

primarily focused on people, and in view of the above, the world must be built on the principles of justice, equality and inclusiveness, for which it is necessary to work towards sustainable and inclusive economic growth, social development and environmental protection, and thus achieve the common good.

In 2015, the UN General Assembly adopted the Agenda for Sustainable Development for the period until 2030 ‘Transforming Our World’, which established ‘a comprehensive, forward-looking and human-centric set of universal and transformative goals and objectives’. Item 27 of the Agenda emphasized that deserving work for all would be driven by a vibrant, sustainable, innovative, human-centric economy. The opportunity to get a decent job in the future will ensure a decent standard of living for people, the ‘benchmark of which is the high-tech potential of human production activity, the rational use of natural resources in order to obtain sustainable income, the distribution and redistribution of income based on the principle of social justice, excluding too stark a social difference between the rich and the poor’ [Nevinskiy, 2018:60].

Four years later, the Global Commission on the Future of Work, formed earlier within the framework of the International Labor Organization, presented the report ‘Working for a Better Future’, in which the members of the Commission invited social partners – employers, trade unions, governments – to participate in developing policies aimed at investing in the future sphere of work. The first thing that the ILO representatives chose as an object of investment was human capabilities, including the realization of the right to lifelong learning, gender equality, universal social protection from birth to old age, institutions, policies and strategies that support people during transition processes in the sphere of work; the second thing was the labor market institutions (establishment of a universal labor guarantee, strengthening control over working time, reinforcement of social dialogue with the active participation of the government, introduction and use of technologies for the benefit of worthy work); while the third thing was decent and stable employment, including encouragement of investment in the most significant areas of the economy (care economy, green economy, rural economy, and digital economy), change in the structure of business incentives by developing long-term investment relations, including by updating the fiscal policy, accounting, and forming additional indicators of human development and well-being. Thus, the ILO considers investments from the state, employers and employees to be the main driver for the future of the sphere of work.

Currently, a new concept of a social-welfare state, called the ‘social investment welfare state’, is widely used in world practice, ‘the main goal of implementing the programs of which should be as follows: creating employment opportunities for the greatest possible number of people; growth in labor productivity; ensuring the overall economic stability of society in combination with overcoming the consequences of recurrent socio-economic crises’ [Samygin & Samygina & Popov, 2021:62].

The concept of ‘social-welfare state’ for the first time received a detailed legal justification in the middle of the 19th century in the works of the German legal expert and economist Lorenz von Stein who believed that such a state ‘shall maintain absolute equality in rights for all different social classes, for an individual self-determined individual due to its power. It is obliged to contribute to the economic and social progress of all its citizens, because the development of one is a condition for the development of the other, and in this sense we are talking about a public or social-welfare state’ [Stein, 1876:215]. This concept was embodied in the Constitutions of many states that created a system of guarantees as part of pension benefits and health care, free education, social services, and insurance. However, by the middle of the 20th century, in developed Western countries, the social-welfare state began to compete with the ‘state of universal prosperity’, ‘well being state’, ‘prosperity state’ (‘welfare state’). For example, the Encyclopedia Britannica proposes understanding the state of universal prosperity as a ‘concept of government in which the state or a well-established network of social institutions plays a key role in the protection and promotion of the economic and social well-being of citizens. It is based on the principles of equality of opportunity, equitable distribution of wealth, and public responsibility for those unable to avail themselves of the minimal provisions for a good life¹’. According to O. S. Zabalova, the social-welfare state and the welfare state are not identical in their content: ‘the ‘social-welfare state’ rather indicates the social orientation of state policy, the desire to ensure a high level of social guarantees; whereas the ‘welfare state’ characterizes the already existing quality of social relations, and manifests the achievement of the goals of social policy’ [Zabalova, 2022:23].

¹ *Welfare state*. Britannica, available at: <https://www.britannica.com/topic/welfare-state>.

The need to rethink the concept of the social-welfare state is due to the crisis in its traditional model: according to Professor T. Yu. Sidorina, this crisis went through three stages, namely, economic (rising unemployment and the emergence of new forms of poverty, late 1970s), ideological (bureaucratization of the machinery of government, 1980s), and conceptual (rethinking the concept of social solidarity, dependency, social rights and the legitimacy of state intervention in the social sphere, 1990s) [Sidorina, 2005]. The 2008–2009 crisis revitalized the ideas of neo-liberals who believe that social spending diverts capital from production, and therefore it is necessary to implement a policy that provides for a reduction in state social spending, increasing the requirements for their beneficiaries, and the ‘privatization’ of certain state and municipal services in the social sphere [Seresova, 2021]. However, the ideas of the neo-liberals also met with resistance, since the final political decisions, although they contributed to economic growth, could not overcome poverty. That is why the concept of the social investment state began to develop, the economic foundation of which, among other things, was laid by Nobel laureate A. Sen, according to which social policy should ultimately contribute to broadening the chances for people [Sen, 2004].

The idea of a social investment state is based on the concept that ‘programs that create employment opportunities and ensure productivity growth contribute to the economic sustainability of the state... the social-welfare state is converted from a burden into a resource for economic development’ [Sinyavskaya, 2020:23], whereas social investment ‘should be understood as a transition from the traditional passive state, which focused on income support, to a state that contributes to the creation of economic opportunities and prospects associated with fulfillment of the individual’s potential and their inclusion in the labor market’ [Chubarova, 2015:19]. According to researchers of the social investment state, it has certain advantages as compared to the traditional welfare state, since it is based on:

1) striving for aligning the economic and social policies, since without a society with a good education, health care, housing and other social infrastructure, the knowledge-driven economy cannot function effectively;

2) commitment to equality of opportunity – in the social investment state, it is not just the increase in economic growth that matters but also the fair distribution of its results;

3) increase in participation of citizens in the economy, their greater activity in economic and social terms [Chubarova, 2015].

The social investment state involves the implementation of an active policy in the field of employment, with several main directions of investment: firstly, this is investing in general and vocational education, retraining and advanced training, especially for those people who are exposed to high risk of social exclusion; secondly, social insurance, primarily in terms of being granted social leave for child care; the third direction is the system of social services for the family, aimed both at organizing child care so that their parents can resume their employment activity, and at caring for elderly people, the disabled, again, to enable the employable relatives caring for them to combine care with work [Seresova, 2018].

The state in this case plays the role of an ‘investor of the first instance’ (the term was introduced by Professor of London University College Mariana Mazzucato), since ‘it is the state that must anticipate the emergence of markets and provide long-term or ‘patient’ capital in the early stages of project development’². The state also plays the role of the organizer in supporting and developing the social investment market, developing both strategic directions for investment projects and improving the legislative and incentive framework to attract investors. For example, in 2017, the Australian government adopted the Social Investment Principles, which are binding when governments are involved in a social impact investment transaction, and a year later, a social innovation and social finance strategy was developed in Canada. As the regulator of the investment process in relation to the development of the social sphere, the state should ensure the following: ‘providing a legislative framework for the economic behavior of business structures and households; formation of conditions for placing a state order and rules for the functioning of enterprises in the public sector of the economy; support and cooperation with civil institutions; elaboration of general guidelines for the development of social investment; development of mechanisms for interaction between the social investment subjects; control over investment processes in the social sphere; assessment and monitoring of processes in the social sphere... social profile of the budget, which would provide sufficient amounts of consolidated spending on social development’ [Derkach, 2014:108–109].

² Buev, M. (2019) *The State as an investor of the first instance*. Vedomosti, available at: <https://www.vedomosti.ru/opinion/columns/2019/12/22/819385-gosudarstvo-investor>.

Since the state needs to attract private investment to solve social problems, it needs not only to appeal to the social responsibility of businesses but also to make them interested in the investment process, to show the associated benefits. 'Social impact investing' (impact investments) has become such a tool. The Global Impact Investors Network, which currently unites more than 2,000 investors, further proposed interpreting this term as 'investments in companies, organizations and funds in order to obtain both a social and environmental effect, as well as financial return'. The European Sustainable Investment Forum has proposed the concept of 'sustainable and responsible investment', which, in its opinion, is 'a true manifestation of the major changes in thinking associated with the huge environmental and social problems facing our world'³.

Despite a number of terminological approaches, impact investing is always characterized by the fact that it leads to a combination of financial and social/environmental outcomes, the latter of which is not a side effect of the financial outcome but rather a pre-designed goal that can also be assessed and measured. In view of the above, impact investing is closely related to corporate social responsibility, which, according to clause 2.18 of ISO 26000-2012 'Guidelines for Social Responsibility', refers to the 'responsibility of an organization for the impact of its decisions and activities on the society and the environment by means of exercising transparent and ethical behavior that promotes sustainable development, including the personal health and well-being of the society at large, accounts for expectations of stakeholders, corresponds to the requirements of applicable law and is consistent with international behavioral standards, which is integrated into activities of the organization in general and is applied in its relationships'. At the same time, the relationship between these concepts can be different: some companies consider social investment as an ideology of corporate social responsibility, while others consider it a type of social activity of a corporation, often implying public and private and multilateral partnerships for the implementation of environmental and social projects.

After the adoption of the Agenda for Sustainable Development for the period until 2030 by the United Nations in 2012, 17 goals and 169 their corresponding objectives, as well as indicators for sustainable development started to be used as indicators that are tracked as part of the investment cycle. For example, if we talk about the sphere of work, there is no doubt that every sustainable development goal can bring a positive effect to the sphere of work as well, but the most suitable targets for investment seem to be such sustainable development goals as the elimination of poverty (goal 1), good health and well-being (goal 3), high quality education (goal 4), gender equality (goal 5), decent work and economic growth (goal 8), reduced inequality (goal 10), and partnerships in the interests of sustainable development (goal 17). The last sustainable development goal is to establish inclusive partnerships at 'the global, regional and local levels, built on principles and values, shared vision and common goals, aimed at satisfying the needs of people and the planet', which can be done through mobilization of domestic resources, additional financial resources from a variety of sources for developing countries, and the adoption and application of investment incentive regulations for the benefit of the least developed countries.

Most often, impact investing is implemented in four directions:

'refusal to invest in 'harmful' risks;

innovative solution to social problems of society under the market conditions;

intra-corporate investments in the human capital of the corporation's employees;

investments in the development of regions of presence' [Chudinov, 2016: 55].

For example, investors are not ready to support companies that do not comply with labor laws, allow discrimination, violate the fundamental rights of citizens in the field of labor, produce alcohol, cigarettes, weapons, are environmentally unsafe, engage in birth control, etc. At the same time, they are interested in investment projects related to creating and organizing jobs for citizens facing the threat of social exclusion, raising the educational level of employees, and improving their health.

If we assess the readiness of the Russian Federation to introduce the approach of social investment into the basic goals of sustainable development on labor issues, we can say that certain steps in this direction have already been taken. Almost thirty years ago, the Constitution proclaimed Russia to be a social-welfare state 'the policies of which are aimed at creating conditions that ensure a decent life and free development

³ EFAMA Report on Responsible Investment 2014. Available at: https://www.efama.org/Publications/Public/Responsible_Investment/140228_Responsible_Investment_Report_online.pdf.

of a person'. The characteristics of the social-welfare state, including, among other things, the basic standards of the sphere of work, were strengthened by fundamental human-centric values and principles, thanks to amendments to the Constitution in 2020: in particular, Article 72 establishes joint jurisdiction of the Russian Federation and its constituent entities for 'coordination of healthcare issues, including ensuring the provision of affordable and high-quality medical care, maintaining and strengthening public health, creating conditions for a healthy lifestyle, building a culture of responsible attitude of citizens towards their health; social protection, including social security'; it was determined that the system of pension benefits for citizens should be based on the principles of generality, justice and solidarity between generations, subject to the indexing of pensions at least once a year (Article 75), and Article 75.1, added to the Constitution, proclaimed readiness of the state to create 'conditions for sustainable economic growth of the country and improvement in the well-being of citizens, for building mutual trust of the state and society', to guarantee 'the protection of the dignity of citizens and respect for the laborer', to ensure 'a balance between the rights and obligations of a citizen, social partnership, economic, political, and social solidarity'.

Through the amendments to the Constitution of the Russian Federation, 'instead of a benefactor social-welfare state, we have a social-welfare state that in many respects acts as a partner to civil society and its institutions. A state that, on the basis of close interaction and social solidarity with civil society and its institutions, creates favorable living conditions for a person. By interacting with such a social-welfare state, both civil society and a particular person will be forced to change the role of a dependent and passive observer to the role of an active partner participant in the social-welfare state in improving the standard of living, their own well being and the development of the social and economic sphere' [Saudakhanov, 2021:61].

It should be mentioned that the concept of 'laborer' appeared in the Constitution of the Russian Federation, which can also be discussed from the viewpoint of social investment. We can say, 'the basis of the 'laborer' concept is the movement of a market participant as a new force of social progress and intellectual activity' [Kritskiy, 1991:17]; the paradigm of the development of a laborer is represented by the theory of human capital, which requires investment both from society and from the person himself. Since human capital is considered as 'a reserve of knowledge, skills, abilities, intellectual and physical abilities developed and mastered as a result of investments by the state, enterprises, individuals, which can be used or are used in order to obtain or to increase the income of a society, enterprise or employee' [Bychenko, 1999:49], the areas of investment in it are quite diverse and include lifelong education, health, career guidance, formation on moral values, motivation to work, mobility, and realization of reproductive capabilities. Moreover, timely and purposefully made investments in human capital, both tangible and intangible, become even more valuable over time than investments in equipment, technologies, etc.

However, it should be recognized that there has not yet been adequate regulatory control over social investment in the sphere of work. The institution of social partnership, understood by the legislator as 'a system of relations between employees (representatives of employees), employers (representatives of employers), state authorities, local governments, aimed at ensuring the alignment of the interests of employees and employers on issues of regulating labor relations and other relations directly related thereto' (Article 23 of the Labor Code of the Russian Federation) is traditional for labor law. I would like to emphasize that the institution of social partnership is aimed precisely at aligning the interests of employees and employers. At the same time, a few years ago, Federal Law No. 224-FZ of July 13, 2015 'On Public and Private Partnerships, Municipal and Private Partnerships in the Russian Federation and Amendments to Individual Legislative Acts of the Russian Federation' was adopted, which defined these types of partnerships as 'cooperation between a public partner, on the one hand, and a private partner, on the other hand, which is legally formalized for a certain period and based on the pooling of resources, the distribution of risks, which is implemented on the basis of an agreement on public and private partnership, an agreement on municipal and private partnership, concluded... in order to attract private investment to the economy, ensure the availability of goods, works, services and improve their quality by public authorities and local governments', which means that the state considers social investment precisely as an agreement between a private investor and the state. Based on this definition, two conclusions can be made: firstly, despite the fact that this law defines more than 20 targets for attracting private investment, which, of course, can have a positive impact on the sphere of work, however, it lacks investment targets that are

important specifically for developing labor law; currently, the law is still aimed at resolving issues of social infrastructure. Secondly, public and private partnership does not involve citizens or their representatives as a party. As applicable to the area of social investment on labor issues, both types of partnership have pros and cons, therefore, it is necessary to develop a mechanism for their interaction and develop it from a legal standpoint and in the area of labor law.

When determining strategies, directions, sources of investment in a laborer, one should not forget about the balance of interests of the parties and the state, about assessing the intermediate results obtained, and adjusting the tools for achieving them if warning signs of their inefficiency are identified.

For example, the state investment in the health of citizens is screening medical examination of citizens. It should seem that the chosen tool for the implementation of the goal of sustainable development 'good health and well-being' was chosen optimally: it does not require financial costs for the population, it has a positive connotation, i. e., it is aimed at caring for citizens, but it is not yet possible to assert its real effectiveness. The Ministry of Health of the Russian Federation, summing up the results of screening medical examinations in 2022, noted that about 68 million citizens (46 %) were medically screened, and within a year, the coverage should increase by almost half and reach 70 %. However, in the opinion of the Audit Chamber, these figures are overestimated and, based on the results of execution of the budget of the Federal Compulsory Medical Insurance Fund, its auditors came to the conclusion that much fewer citizens were medically screened, accounting for only 51 million people⁴.

As experts note, it is not the number of people who have undergone periodic medical screening examination that is important, but its quality: 'disease detection has become an end in itself, and not a tool for selecting patients for subsequent effective treatment', 'the relationship between conducting screening medical examinations and subsequent actions to treat identified patients has not been worked out; existing resource constraints are not taken into account, primarily the weakness of primary health care' [Sheiman & Shishkin & Shevsky et al. 2021:22], especially in small towns. Additionally, periodic screening medical examination does not always achieve an effect due to the peculiarities of its labor and legal regulation. In particular, the employee does not have the right to choose the day of screening medical examination, they must coordinate it with the employer, which leads to the situations when medical institutions refuse citizens to undergo periodic screening medical examination, since on the dates specified by their representatives the employee is not allowed to be absent from work, and the employee is supposed to choose the convenient dates without the approval of the medical institution. At the same time, employees under the age of 40 are guaranteed only one day to undergo a screening medical examination, which is often not enough to pass tests and consult with specialists, while Article 128 of the Labor Code does not provide unpaid leave of absence for this case. For this reason, employees often either do not complete the screening medical examination, or immediately refuse to participate in it; accordingly, the employment and labor laws need to be improved. I believe that the area of investing in health care can also be supported by the activation of corporate programs to improve the health of employees, which are one of the most effective forms of investment in human capital. For example, Severstal PJSC, has developed and is implementing a comprehensive program 'Health of Severstal', which just solves the problem of weakness in primary health care. The Severstal medical unit includes paramedic health centers, polyclinics, a hospital, dental surgery, a maternity hospital with a female consultation; there is outpatient observation, there are schools for treating diabetes, arterial hypertension and weight loss, and a system of voluntary medical insurance is used actively.

Vocational education and training also opens new opportunities for investment in the framework of achieving sustainable development goals, helping people in difficult life situations. For example, since 2021, the Russian Federation has been actively involved in financing and organizing additional vocational training for citizens, while implementing the federal project 'Employment promotion' the national 'Demography' project, under which more than 67 thousand people have completed training courses. This project is designed to overcome the difficulties in finding employment that people may face, for example, due to age, having children of preschool age, the threat of dismissal, being unemployed, etc., which means that it prevents or combats social exclusion. Through the implementation of this project, it has

⁴ *Statistics passed medical examination* (2023). Kommersant, 62, available at: <https://russiasnews.com/the-statistics-passed-the-medical-examination-newspaper-kommersant-no-62-7507-dated-04-11-2023/>.

become possible to improve skills and demand in the labor market, change the type of activity or start one's own business. It should be noted that the regulatory framework of the federal project – Decree No. 800 of the Government of the Russian Federation dated May 27, 2021 'On Implementing Measures to Organize Vocational Training and Additional Professional Education for Certain Categories of Citizens for the Period until 2024', is being improved on an ongoing basis, which is a manifestation of actual monitoring of the effectiveness of the project and the prompt elimination of problems. For example, currently, those who wish to receive education in a public sector, must be provided by the public service for vocational guidance (which was not included in the original version of the document), as a result of which the issue of the feasibility of undergoing vocational training or receiving further vocational education is decided, which means that budget money for education is saved that will not bring the return necessary for the state and the individual. At the same time, the 'Digital Professions' project of the federal project 'Personnel for the Digital Economy' of the national program 'Digital Economy', which is in demand in the face of the challenges of the digital economy, intended to train citizens in digital competencies in demand for the Russian labor market on a fee-paid basis from 50 % to 100 % of the cost of training, was forced to be frozen due to a lack of financing. In the context of economic and political instability, this situation testifies precisely to the social orientation of the state and the conscious choice of a project subject to state support – assistance in training in order to promote the employment of those who cannot afford to pay for education.

It seems that investing in education related to the implementation of corporate social responsibility can help citizens and the state in a situation where they need to constantly improve their qualifications. For example, employers can enter into agreements with educational institutions, both providing financial support to students and teachers, and organizing internships, giving employment opportunities to promising students. The above can be evidenced by interaction between Tambov State Technical University and the Black Bears IT Company, which develops mobile games that are played by more than 15 million people. In November 2022, they signed an agreement on implementing a grant program to support tutors teaching students modern software development tools. This company also sponsors IT marathons among students, the winners of which receive not only valuable prizes but also the opportunity to have an internship in the company⁵. The creation of corporate universities is also an example of social investment. For example, Sberbank of Russia PJSC, Sibur Holding PJSC, Russian Railways JSC, MTS PJSC, etc. have corporate universities. In 2022, at the federal level, it was decided to create a corporate university to develop quantum computing using the facilities of Rosatom State Corporation, which will involve leading educational organizations of higher education implementing programs of advanced education related to the development of quantum computing and best practices⁶.

In addition, while implementing the ideas of social investment, the government should actively develop mechanisms to protect investments and investors in this process. For example, an obligation for the employer to provide employees who successfully finished in-person and remote and part-time forms of education, provided that they receive an education of the appropriate level for the first time, additional paid holidays for passing intermediate and final certification. However, it is not uncommon for an employee to quit after receiving an education, and the employer, having paid vacations, and in certain cases travel to the place of study, does not receive a positive effect from the completion of the training course by the employee, primarily in the form of a return on the acquired qualification. There could also be the situation when an employee receives an education in the field that initially does not meet the interests of the employer but has to bear an obligation to provide state guarantees. In this matter, the labor law needs to be revised, since it puts the employer in the position of a 'forced investor'.

Conclusion. Thus, due to social investments, a transformation of the social state is taking place, the main task of which is to maintain the income of citizens, into a social-welfare state that pursues a policy of promoting employment, which ultimately leads to the creation of opportunities and prospects associated with the revelation of human potential, including with the help of labor.

⁵ Volodina, O. *Tambov University signed an agreement with the IT company Black Bears on grant support for teachers.* Available at: <https://www.tambov.ru/tambov-news/economics/item/10925-tambovskij-vuz-podpisal-soglashenie-s-it-kompaniej-chenye-medvedi-o-grantovoj-podderzhke-prepodavatelej.html>.

⁶ Gureeva, U. (2022) *A corporate university for the development of quantum computing will appear in Russia.* Available at: <https://rg.ru/2022/11/24/v-rossii-poiavitsia-korporativnyj-universitet-po-razvitiu-kvantovyh-vychislenij.html>.

Social investment is aimed at mutual assistance to businesses and the state in solving problematic issues of education, maintaining and strengthening the health of citizens, mobility, overcoming difficulties in finding employment and choosing a profession.

The task of the state as the 'first investor' is to make the sphere of work attractive for investment, ensure the protection of the rights and interests of investors, help companies, individual entrepreneurs who are ready to engage in social entrepreneurship, as well as all employers of small- and medium-sized businesses if they encounter problems associated with the threats that our country has faced in recent years.

To implement social investment programs, it is also necessary to modernize labor law, especially on the issue of employee training. I believe that the interest of the state in this tool for aligning interests indicates its prospects and demand in the sphere of work, which means that it implies the future study of the chosen topic.

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