

3.2 From Izhma to Kortkeros, building development partnerships and networks in the Komi Republic: Challenges for young entrepreneurs

Valeria Gjertsen

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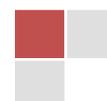
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Introduction

In this chapter, I am going to describe two community development projects that the University of the Arctic's Thematic Network on Local and Region Development (TN) ran in the Komi Republic of Russia in 2010 – 2012. The first one covers the Izhma region and the second refers to the Kortkeros region, both in Komi. My special concern is to introduce some of the essential ideas the TN activities stands on, as I see it. I will use the project conducted in Kortkeros "Organizing of regional partnership for social and economic development, local and regional workshops and business school in Kortkeros region of Komi republic" (PWBS) as an exemplifying case. Ideas that I will describe in Part I were the basis for PWBS in Kortkeros in 2012, which I am going to focus on in the second part of this chapter. These ideas were fundamental for all the four community development projects the TN cooperated with in the rural territories of Komi republic – Izhma (year 2010-2011), Ust-Tsylma (year 2012), Kortkeros (year 2012), and Ust-Kulom (year 2013). I will also highlight how PWBS influenced young entrepreneurs in Kortkeros who participated in the business school.

Part I

Cooperation with the republic of Komi started for the TN partners in Izhma region, which is a home for Izhma Komi Indigenous ethnic group. In early fall 2010, a first "gentleman's agreement" of cooperation in community and economic development between the TN and Izvatas, the Izhma Komi people's regional voluntary movement, was achieved (Gjertsen 2010). The main reason for establishing the relationship with Izhvatas and offering it ownership of the project was the strong position of the movement in the Izhma region. Inhabitants trusted Izhvatas and relied on it in defending Izhma Komi's interests. This was the best way to anchor



the project. However, I have to mention that regional and local public authorities were initially offered the role of coordinator of the project, but at that time the head of the region and his team were coming up for reelection and did not have strong support from the population.

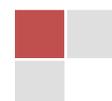
- **Therefore, the first idea that secures successful implementation of community development projects is that one must find a way to anchor a project firmly in the community one is planning to work with.**

The network chose two representatives from Izhma to participate in the annual international Gargia conference 2010 – a forum for practitioners engaged in northern community development all over the Circumpolar North. The leader of the Izhvatas civil movement, Green Peace activist Nikolay Rochev, and Irina Koroleva, Izhvatas member and Head of the Department of Agriculture at the regional administration, reported on the social, cultural, and economic situation in the region “with emphasis on positive and negative tendencies in the regional development process going on the time” in October 2010 (Gjertsen 2010, p.1). During the brainstorming session followed their presentation, the participants helped to sketch an action plan for initiating the Izhma development partnership, workshops, and business school. Participants from Finland, Norway, Canada, Yakutia, and Archangelsk in Russia contributed with their experience and ideas. Here is a comment by Nikolay Rochev on participation in the Gargia conference 2010:

The international level of the Gargia conference let us realize one important thing: different countries systematically face very similar challenges in the sphere of Indigenous people issues, but what can be useful is the experience of each country dealing with these challenges. With no doubts, all the knowledge we have managed both to get and contribute with during these 5 fruitful days in October on the generous Norwegian land will serve as a solid basis for development of our native Izhma region and Komi Izhma people (Rochev 2011).

Therefore, the second idea to support a successful community development is:

- **Once a project is getting its form and content, take it to forums where people with rich experience in community development on different territories can comment on**

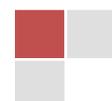


the project and introduce it to networks where needed competences for successful implementation can be gained.

The next step was to secure start-up funding for the Izhma-project on both the Russian and Norwegian sides. The network applied for funding to the Norwegian Barents Secretariat, an institution “aiming at developing the Norwegian-Russian relations in the north by promoting and funding Norwegian-Russian cooperation projects” (www.barents.no). Support was granted to cover the expenses of Norwegian participants going to take part in the initial meeting with Izhma development partnership members, mapping of potential productive and social projects for the business school, and planning two local and one regional development workshop. Izhvatas managed to secure local, private, and republic funding to cover some of the internal costs.

Initial meeting with Izhma development partnership members had as its goal to present the concept of collaboration between three sectors of society - municipal authorities, civil organizations, and the business sector (Aarsæther 2004). According to the Norwegian experience described by Andersen and Roeiseland, if the development partnership is functioning right, it can be an efficient tool for successful community development. The need for such partnerships has emerged as an answer to social and economic challenges the global environment offers generously to sparsely populated northern territories – territories which as a rule tend to lack infrastructure, human resources, knowledge, and competence. Development partnerships aim to unite efforts on sharing and coordinating available resources to overcome difficulties which one sector – municipal, voluntary, or business – cannot deal successfully with on their own. Partnerships are important tools when the issues one is trying to cope with are complex, but one is uncertain what they consist of, “or one faces complex coordination problems” (Andersen and Roeiseland 2008, p. 17). This is exactly the case of community development in the Nordic periphery. Therefore, a third key idea for successful development partnerships is the idea of synergy:

- **Community development projects need all the partners on all the levels of society to learn to function as a team to produce an overall better result than if a single partner was working toward the same goal individually. Only by uniting forces and focusing on finding solution to a complex challenge together positive results can be achieved.**



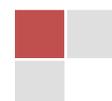
The Izhma development partnership consisted of fifteen persons represented public authorities, volunteer organizations, social institutions, the business community, knowledge and competence agencies, sport and culture institutions on local, regional, republican, national, and international levels. The partnership was supposed to be a coordinating body for connections in horizontal, vertical, and diagonal networking between different levels of power and social sectors. This kind of networking turned out to be an essential condition for successful community development in northern remote areas, as the research carried out by Nils Aarsæther and his team of social scientists showed (Aarsæther 2004).

The development partnership in Izhma coordinated mapping of potential productive and social projects for the business school. The mapping process together with planning of local and regional development workshops and business school took place during the winter 2010-2011. This preparatory work is a key to another fundamental idea behind the way TN acts:

- **Development workshops and business school have to be linked to each other. Workshops provide a great deal of information on strengths and weaknesses, opportunities and threats for community development and make visible the environment where potential productive and social projects developed during business school are going to be established.**

It is extremely important to map the project ideas beforehand so the business school organizers can adjust the education program to the peculiar needs of participants and meet their demands more accurately. The mapping process provides an overview of spheres and market that the projects are going to evolve within. It helps to see what spheres are possibly overloaded with similar productive ideas and what spheres are lacking activities. This process gives a chance to participants to reconsider and improve their concepts which, therefore, increase their chances to succeed in the future.

The Syktyvkar business incubator developed an education program for the Izhma summer business school considering TN's recommendations. This institution had been working for a long time on training new beginners in rural entrepreneurship and obtained experience of extremely importance. It was the Incubator that provided the Izhma business school students and students of the follow-up business schools in Kortkeros and Ust-Tsylma with certificates documented their new knowledge and competence. These certificates guaranteed access to



the financial support instruments the Ministry of Economic Affairs of Komi had at its disposal, and to municipal and regional funding programs.

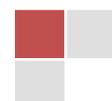
The next idea, therefore, is:

- **Ensure connections with existing networks and institutions of support on all possible levels and in all possible dimensions for community projects' participants after the project is over. This is immediately essential for the development of new projects. Moreover, it is the task of development partnership to secure and coordinate these connections.**

The Syktyvkar business incubator played an extremely important role in the education of young entrepreneurs under all the projects the TN engaged in Komi in 2011 - 2012. I should mention that the TN had from the beginning the intention to involve higher education institutions. Representatives of Ukhta State Technical University and its Department of Economics, Syktyvkar State University and its Department of Finance, had mainly an observer role under the Izhma school and workshops, and were engaged in follow-up arrangements after the school and workshops were over.

Two local and one regional workshop followed by the business school took place in Izhma region in June 2011. Workshop took up to 5-6 hours each. SWOT analysis and alternation of plenary sessions and smaller group work served as the structure for the events. Representatives of village public authorities, civil society organizations, educative and cultural institutions, and the business community discussed the main challenges the region was facing, looked at the resources and opportunities they had, and debated weaknesses and threats for implementing specific steps towards community development. The Izhma development partnership was responsible for following up of the conclusions the participants came to.

The business school in Izhma educated 22 persons who wished to develop their own projects. Initially around 50 inhabitants from the region desired to take part in the school, and 31 project descriptions were mapped during the winter of 2010-2011. Here is a comment on the local and regional development workshops and summer business school by Izhvatas leader Nikolay Rochev:



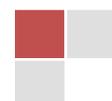
We consider it to be a good result. The very fact of holding a business school in Izhma has aroused interest to the region not only within its borders but within the republic as well. ... In general, we evaluate the business school and the workshops positively. Such kind of partnership is crucial for the development of the region because the relationships between the municipality and the business community are rather stiff. Participation of local and regional authorities' representatives in the workshops and business school is the first step to establish productive relationships with entrepreneurs and "Izhvatas" movement (Rochev 2011).

Yulia Yushkova, the Syktyvkar business incubator trainer and director of "Marketing project" private consulting firm, evaluated the Izhma school as an effective and open high-level project:

In my opinion, the project of cooperation within the Barents region has opened up great opportunities for development in Izhma: creating trustworthy relationships among international and local partners, experience exchange, creating of new knowledge and competences in entrepreneurship. I want to mention in addition that the project has allowed to get new competence and knowledge not only for entrepreneurs but also for representatives of the public sector and civil society, it leads to broader development of the region in general (Yushkova 2011).

Nikolay Rochev's and Yuliya Yushkova's reflection on the community development project in Izhma confirms the next idea that has already been mentioned earlier in this article:

- **Public authorities, voluntary organizations, and the business community must find a way to cooperate above all the conflicts and disagreements if they want their community to evolve positively in both social and economic senses. The culture and mechanisms of such cooperation are learned and trained while the community development project is run.**

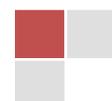


The opportunity of expanding the Izhma-project to the other rural regions of Komi was on the TN's agenda from the very beginning of cooperation with the Komi republic. Therefore, representatives of Ust-Tsyla and Kortkeros regions were invited to the final reporting and evaluating seminar on Izhma-project in Syktyvkar in the autumn of 2011. The main task for the reporters and speakers during the final evaluation was to analyze the project's process, share concrete results, and then plan future cooperation. Observers from Ust-Tsyla and Kortkeros had to present their relevant experience with community development, the tasks and challenges they wanted to solve, as well as their expectations and vision of collaboration.

Participants of the final reporting and evaluating seminar discussed another fundamental idea behind the development partnership's functioning. This was still a "sticking point" for the project participants, but here is how I see the reason: the partnership is "steered by the logic of networking ... where participants are mutually depend on each other, but there's few hierarchical relationship to base interactions on" (Andersen and Roiseland 2004, p.19). Meanwhile hierarchical relationships are very much the basis of the way Russian society is functioning today. Control and hierarchy are the two concepts that penetrate everyday social and economic life in the country. This is the reason for the slow development of civil society and its mechanisms. The whole idea of partnerships for local and regional development is mainly based on democratic principles where creating a trustworthy and open environment is essential. These principles are still very much in the formative process in Russian, both among people in remote rural areas and central offices of public authorities and governmental institutions.

Control, and a hierarchical approach, has created rather passive attitudes among rural inhabitants through the years. A great number of people are used to waiting for support, especially financial transfers, from public authorities. It is a huge mental challenge for many northerners to learn to rely on their own resources that are available here and now.

I can conclude that the six ideas that have introduced some of the principles behind the TN activities in northern sparsely populated areas were of great importance under the PWBS – community development project in Kortkeros region of Komi republic. I will illustrate it in the second part of this article. Let me first name these ideas briefly once again:



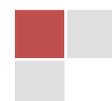
1. Anchor a project firmly in the community it is planned to cooperate with;
2. Introduce a project to other networks and forums that can give useful feedback;
3. Develop synergy by teaching partners to function as a consentient team;
4. Make the multiple facets of the social and economic environment that participants are working within as visible as possible;
5. Secure that participants will be connected to existing networks after the project is over;
6. Make sure that public authorities, voluntary organizations, and the business community learn that they must cooperate above conflicts and misunderstandings.

Part II

Kortkeros region took over the challenge of creating the development partnership and organizing development workshops under the supervision of the Izhma project initiators, mostly Izhvatas leader Nikolay Rochev who had a well-developed network of partners in the republic. Thanks to Nikolay, the Ministry of National Policies represented by Galina Gabusheva, the Minister, and Ministry of Environmental Protection represented by Tatyina Tyupenko, head of Ministry's International Cooperation Office, guaranteed their support to this daring takeover. The head of the republic, Vyacheslav Gaizer, requested thorough information on promoting social and economic changes in rural Komi by development partnerships. TN partners were quite happy with the fact that republican authorities were interested in the community development projects and found these efficient and worthy of support.

Anchoring the PWBS project

Project transition from Izhma to Kortkeros was one of the desired results of collaboration within the TN in Komi. In contrast to Izhma, which is located in the northern part of the Komi republic, Kortkeros is a satellite region of the capital town of Syktyvkar. On one hand, it was a great research and development opportunity for the TN members to carry out a community development project in a region that lies in a shadow of a big city. On the other hand, it was not exactly the priority of the TN to engage "southern" regions of Komi. However, Kortkeros was in great need of a business school and received a lot of good will from national and regional public authorities at that time. It assured the TN partners that the project had got reliable anchoring in the community of Kortkeros. In Izhma region, the voluntary organization of Izhma Komi people



had more legitimacy among the region's population, while in Kortkeros it was the regional authorities whom the population trusted enough.

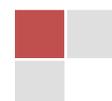
On the level of regional authorities, it was first the head of Kortkeros region Vasiliy Goncharenko, former republican minister of sport, who supported the PWBS. As we know from the research carried out by Nils Aarsæther and his colleagues at the University of Tromsø in Northern Norway the coordinative role of municipalities in social and economic development has recently become of high importance. The so-called "new regional policy emphasizes research and development, innovative activity by local people and the role of municipalities as facilitators of economic development" (Aarsæther 2004, p. 85). Therefore, PWBS got a good start with regional authorities as coordinator of the project. The TN partners were aware of the risk that PWBS could be steered "from top-down", but it was emphasized from the very beginning that the project activities had to a "down-to-top" approach.

Social and economic challenges forced partners to cooperate in a new way

Kortkeros is a vast forest region consisting of 18 municipalities with a total population of about 19,000 people, and about 6,300 of them are young people between 14 and 30 years old. The number of registered individual entrepreneurs in January 2012 was 447 persons (www.kortkeros.ru). Forestry and agriculture are the main sources of income.

An industrial forestry giant joint-stock company "Mondi" was about to stop some of its activities in Kortkersos at the time the TN cooperated with the region. The forest had been turning unprofitable for large-scale industry. This meant that a large number of people were about to lose their jobs as were a number of young people. Those hoping for a stable job in forestry had to find something else to live on or move to the capital city of Syktyvkar. This was possibly the most important and urgent reason to hold the business school and development workshops – to help inhabitants work out coping strategies for these social and economic challenges.

I would like to mention that republican authorities obliged Mondi to provide financial support to help those who lost jobs get new knowledge and competence so that they would have better chances of new employment or establishing private businesses. In 2012, Mondi sponsored



1,614,000 rubles for this purpose, and republican authorities came up with 1,617,000 rubles. This kind of support is a well-known strategy and it was partly useful, but it did not answer the challenging social and economic situation the Kortkeros region faced. A much deeper and complex approach was needed.

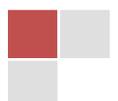
Public authorities, voluntary organizations, and the business community had to find new ways of cooperation if they wanted to achieve prosperity and economic growth in the region. The TN had exactly the right kind of knowledge the situation in Kortkeros demanded. The nordic periphery had faced that kind of big industry crisis and accumulated good experience in overcoming those challenges that the TN partners were happy to share. A special education module on this experience was included in the business school and development workshops.

Complex Social and economic environment

Attempting to answer the challenges Kortkeros was facing, the regional Department of Economy and its advisor Ella Podorova identified a list of priority small and medium-sized entrepreneurship needs in the Kortkeros region for 2012-2014. They were:

- Production of food and manufactured consumer goods;
- Small forestry, timber processing;
- Construction and installation works;
- Public services;
- Folk-art crafts and handicrafts;
- Tourism;
- Innovative technologies;
- Industrial and biological waste recycling (Danilova 2012).

The threats the municipality was aware of at that time were poor infrastructure for the support of small and medium-sized firms; imperfect local and republican legislation; limited access to financial resources in the form of loans; the absence or lack of start-up funding for business creation and development; a lack of qualified personnel; and an immature entrepreneurial consciousness among the population. In this way, some of the multiple facets of the social and economic environment of Kortkeros were emphasized. This was the environment that project participants were going to work within and focus on. Development workshops had as their goal



to create a more nuanced and deeper picture of the social and economic environment of Kortkeros.

Introducing PWBS to networks of support and trying to make synergy work

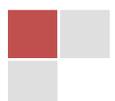
Having these priorities and challenges in mind, municipal authorities worded a short explanation of what the development partnership, the workshops, and the business school in Kortkeros were and spread this message across the region and beyond its boundaries. The goal was twofold. Firstly, “to form an effective team of people who are genuinely interested in the development and prosperity of the Kortkeros region and willing to try new forms of cooperation” and secondly “to come to shared vision of social and economic development of the region based on the sustainable use of local resources, combining efforts, knowledge and desires of local population” (Danilova 2012).

Getting feedback from the local population and external experts on the PWBS’ goals and activity plans allowed for adjustments in the way of approaching partners and participants to help them work more smoothly together. I can call it an initial stage of synergy formation: people with different backgrounds, tasks, and competencies were working on team building and forming a development partnership.

Conducting development workshops and business school

The TN announced early during the initial meeting with regional authorities on PWBS that the youth of the region should be a focus under the business school. The regional departments of economy, youth, and culture joined forces and recruited 60 persons to participate in two development workshops and 31 persons, also primarily youth, to participate in the business school summer in 2012 (Danilova 2012).

Participants of the workshops represented a combination of younger generations and community elders. That caused a lot of hot discussion on how youth saw a future and how mature inhabitants expected it to be. Despite the intense discussions, youngsters and elders both benefited from the workshops and left the locality enriched with a better understanding of each other.

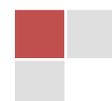


Young people recruited to the business school had project ideas to work with that belonged to one or another development priority that had been identified the regional Department of Economy mentioned above. Nineteen students showed up when the business school started. Aware of the social and economic environment in the region after taking part in the workshops, they produced in total 14 business projects in the field of agriculture, provision of services in rural communities, production of construction materials, social services, and low-cost shops.

Securing connection to networks of support

When the workshops and business school were conducted, the Kortkeros regional authorities had managed to review their budget and raise republican money to support some of the business ideas. One of the means of support was a long-term municipal funding program “Development and support of small and medium-sized enterprises in the Kortkeros region”. It included 3.2 million rubles for business project funding in 2012, compared with 1.8 million rubles for this purpose in 2011. The plan for 2014 was 4.8 million rubles for supporting entrepreneurship in the region. Along with financial support, entrepreneurs were also going to get consulting services (accounting, juridical assistance), help with property and business rent, marketing assistance, and help with the search for qualified personnel. Thirteen entrepreneurs got support of 1.5 million rubles each in 2012 from this municipal funding program. Five of them were the students of the business school the TN partners planned and conducted. One more student got a special grant of 800,000 rubles from the republican Ministry of Agriculture (Danilova 2012).

Two another important actors got interested in TN activities in Komi after the project was over. The first was the Center of Sustainable Development of the North under the Syktyvkar State University. The second one was the voluntary organization “Native Komi women”. Both had Professor Galina Knyazeva as a leader. The Center provided follow-up support for workshops and business school participants. Several follow-up sessions were run in Kortkeros communities. The Center’s experts provided renewed information on forms of support in the republic and in the country that was available to Kortkeros students via the Center. “Native Komi women” ran several village assemblies to get feedback on the challenges and successes the business projects experienced. The Center had also this kind of cooperation with

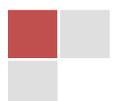


neighboring regions, such as Ust-Kulom where the TN continued its activities after PWBS was over. In that way, Kortkeros was embraced by the networks the voluntary organization of Native Komi women and the Center for Sustainable Development of the North had at their disposal.

I would also mention that more and more self-governance groups were emerging in the villages of Kortkeros at that time. Many of those who participated in the development workshops and/or business school continued to work with their ideas on social and infrastructural improvements for the well-being of inhabitants of the region. Self-governance groups of different villages interact with each other, share experiences and enthusiasm, and support one another when the challenges seem too demanding.

Conclusion

I would conclude that the six ideas of successful community work I shaped out in the first part of the article were of great importance for the PWBS project conducted in the Kortkeros region of the Komi republic. Anchoring the project at regional and republican levels of government allowed using public authorities as a coordinator of the project. Introducing the community development project to existing networks and forums on regional, republican, and international levels allowed useful feedback and improved planning and implementation of the development workshops and business school and helped create a feeling of ownership and higher engagement among the local population. The focus on teamwork (not conflicts and misunderstandings) let participants to get as close to the synergy effect as was possible and produced better results than if a single partner was working alone towards a goal. Analysis of resources, weaknesses, opportunities, and threats in the social and economic environment also allowed project participants to work with better and more appropriate business ideas and social initiatives. Connecting PWBS's participants to existing networks of support and providing follow-up solutions created a feeling of solidarity, kept enthusiasm high, and helped to hold the focus on the implementation of concrete ideas. All these have led to better cooperation between local and regional public authorities, the business community, and voluntary organizations in the Kortkeros region of Komi republic.



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Valeria Gjertsen

UiT The Arctic University of Norway

