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Problems of the Formation and Development of Diaspora Business in the Regions of Western Siberia

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ABSTRACT

Using the example of the Tyumen region, the experience of inter-ethnic interaction, formation and development of diaspora business is summed up. The results of the social research, conducted in 2013-2015 within the framework of the scientific community “The Social Responsibility of Business” on the basis of the Tyumen State Oil and Gas University are presented. The representatives of the regional public service and ethnic business took part in the research.

Keywords: Ethnos, Ethnic Community, Diaspora, Inter-ethnic Interaction, Diaspora Business

JEL Classifications: M38, M21, R11, R58

1. INTRODUCTION

The ethnic communities comprise more than three quarters of all peoples living on the Earth. As an integral part of the global community, they, together with other peoples, form the mankind as some integrity, expressing the unity of the ethnic lifestyles diversity (Bernal and Knight, 1993). The interaction of ethnoses forms a complex system of ethnic relations affecting all spheres of social life. Ensuring the cohabitation of different ethnoses within a single society and the stability of social development in it is a particular challenge for multi-ethnic regions, which are in the vast majority of the world (Okamura, 1981).

2. METHODOLOGY

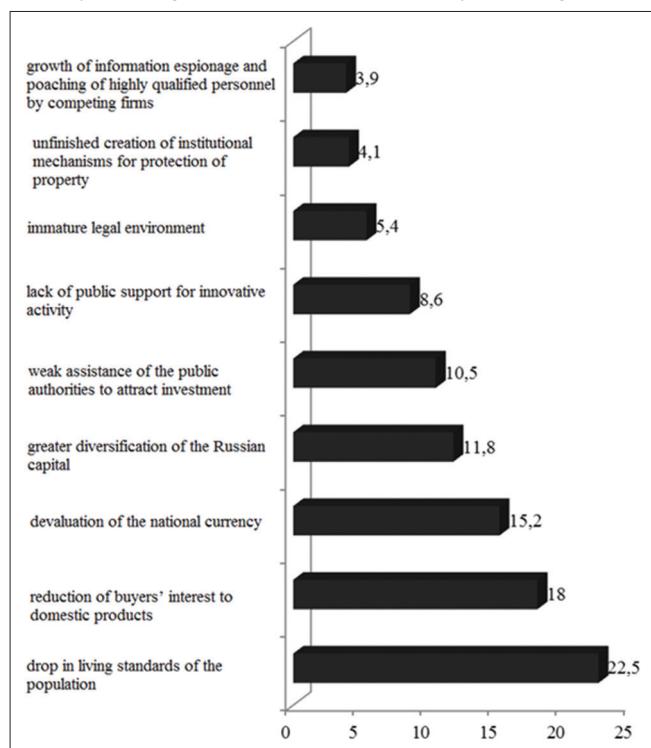
To study the problems of inter-ethnic interaction, including the process of the formation and development of diaspora business as part of a major industrial region, we have used a variety of methods (method of analysis and synthesis, method of analogies, statistical method, expert evaluation method, questionnaire survey

and interviewing, etc.). The above methods, first of all, involved over 200 people representing the Azerbaijani, Georgian, Armenian, Ingush, Chechen, Dagestanian, Uzbek, Kazakh, Kyrgyz, Tajik and other diasporas and ethnic groups living in the South of Western Siberia.

3. DISCUSSION AND RESULTS

Our social research suggests that in such vital region of Western Siberia as Tyumen region, the motives for ethnic communities to maintain social stability are the following (Figure 1). They put a certain drop in the living standards of the region population in the context of the ongoing economic crisis and Western sanctions that affected not only Russia, but all countries of the Eurasian Economic Union (EEU: Russia - Belarus - Kazakhstan - Armenia - Kyrgyzstan), which affected the extent of effective demand of the regional society for the products of “second tier” business (22.5%), in the first place. These ethnic communities put the reduction of buyers’ interest in the products of regional manufacturers and the increasing volume of purchases of similar products, coming

Figure 1: Motives for representatives of ethnic communities of the Tyumen region to maintain social stability in the region



from near and far abroad (18.0%), in the second place. The third motive in the rank of importance the respondents considered the devaluation of the national currency resulting in higher prices for import raw materials and import goods and services overall (15.2%). The greater capital diversification of the EEU member countries, in particular, Kazakhstan, to Russia from the border regions (North Kazakhstan Region, Kostanay Region, East Kazakhstan and Pavlodar Regions), contributing to the risk of absorption of domestic business structures (11.8%), was put in the fourth place.

In the fifth and sixth places the respondents put the weak, in their opinion, assistance of the public authorities to attract investment in the regional business sector (10.5%) and lack of their support for innovative activity of the latter one, providing the formation of new market segments in high-tech industries in the region (8.6%). Next, in descending order of importance, such motives as the immature legal environment of business functioning within the EEU (5.4%), unfinished creation of institutional mechanisms for the protection of property of subjects of the Russian business (4.1%) and the growth of information espionage and poaching of highly qualified personnel by competing firms (3.9%) follow.

The aggravation of social tension in some regions of Russia necessitates the study of inter-ethnic interaction in general and diaspora business as its important part. In this regard, we've studied the contemporary situation in lifestyles of the Tyumen region diasporas and identified the social and economic potential of their representatives.

The Tyumen region is a complicated structure subject of the Russian Federation, inhabited by more than 125 nations of the

total population of 3.1 million people. The representatives of many ethnic communities take an active part in economic and socio-cultural development of the region. Some insight into the process of diasporas formation in the region is provided by the data presented in Table 1 (Simonov and Khamatkhanova, 2011).

A high percentage of representatives of a number of ethnic communities that do not speak the native language are noteworthy. Also a low level of employment in some diasporas of the studied region is of concern.

The first diasporas (Polish and Korean) in the Tyumen region were registered in 1993. As we can see, they began to organize among the external migrants, which is determined by internal and external factors, as the geographical distance from the historical homeland contributes to the development of more heightened feeling of ethnic identity and memory about the historical past of the State - the outcome.

An external factor of diasporality is the awakening interest and support from the historical homeland, recognition of the significance of diaspora for lobbying public interest, because the diaspora is not only a socio-cultural phenomenon, but also a political and economic tool (Cohen, 1997).

Diasporas of internal migrants (Armenian and Azerbaijani) started to function actively from 1995-1997. By this time the main flow of migrants of these ethnic groups had stopped, the goals of a separate representative had formed and the prospects of the community had designated. The link mechanism of all representatives of any ethnic community different in education, age, objects of arrival, gender was found. The basic material became cultural values, traditions of the ethnos, skills and abilities, areas of employment, entrepreneurial skills, etc.

Formalization and realization of the legal aspect of this process began in 1990, and in 1997 a new public body - the Coordinating Council, uniting all the national public associations and national cultural autonomies on a voluntary basis - was founded with the assistance of regional authorities. The State was interested in the preservation and development of ethno-cultural peculiarities of the peoples living in the Russian Federation, and the adoption of the Federal Law "On National Cultural Autonomy" in 1996 provided the impetus to create the national cultural autonomies and national public associations in the region. First Congress of the Assembly of the Peoples of Russia, which was held in April 1999 and adopted a resolution on the organization of the House of Peoples of Russia in Moscow and its branches in the regions of the Russian Federation, was of great importance for the implementation of the state national policy in the country (Simonov and Khamatkhanova, 2007).

The representatives of ethnic groups needed the organization and functioning of cultural-national centres, as a body dealing with the unity and support of representatives of various diasporas. In 2001 the regional Palace of National Cultures "The Builder," which consisted of 11 departments, each of which represented its ethnos, was established in Tyumen. The program "Main directions

Table 1: Ethnic communities of the Tyumen region

Ethnic communities	Total, people	Percentage of the total population	Including ones speaking native language			Of the total population employed population	Percentage of diasporas	
			Of their nationality	Percentage of diasporas	Speaking other language			
Caucasian diasporas	104,957	3.3	73,270	69.8	30,213	28.8	42,400	40.4
Non-caucasian diasporas	45,387	1.5	33,338	73.5	11,203	24.7	17,739	39
Local population	2,790,217	88	2,547,681	91.3	235,740	8.5	1,361,903	48.8
Other ethnic communities	180,680	5.7	65,869	36.5	114,136	63.2	101,212	56
Indigenous population	47,002	1.5	19,044	40.5	27,555	58.6	14,980	31.9

of the concept of preservation, revival and development of national cultures of the Tyumen region on the basis of consolidation of efforts of state structures, national social movements and local governments,” approved at the enlarged meeting of the Coordinating Council of National Public Associations of the region, allowed beginning to plan activities.

The most important public forms of work of the Palace were holding regional holidays “Bridge of Friendship” and “Rainbow,” traditional national holidays and days of national cultures in the regional center and in the districts of the South of the Tyumen region.

Currently there are more than 20 national-cultural autonomies, about 50 national public associations, more than 200 religious organizations and communities of various faiths in the region. The centres of Russian, Tatar, Chuvash, Ingush, German, Khanty, Mansi and some other cultures function. In Russian, Ukrainian, Tatar, German, Chuvash, Khanty and Mansi languages the newspapers or the pages of newspapers are published, there are three versions of the national TV and radio broadcasting.

All this contributes to the raise of consciousness of each ethnos living in the region, to the development of culture, language, rituals, customs of different nations, to the achievement of civil consent. Thus, Frolov, highlighting the characteristic features of the region, noted that the Tyumen region, as a zone of inter-ethnic interaction, is not only a mono-ethnic entity of the Russian Federation, but is the result of centuries-old transformations of the economic and spiritual cultures of peoples historically living therein (Frolov, 2003).

After the adoption of several legislative acts in national politics in the 1990s more than half a dozen national centres and associations became operational in the region - public organization of Ukrainians of the Tyumen region “Batkovshchina,” Kazakh Tyumen regional public organization “Dostyk” (Friendship), Jewish national-cultural autonomy of the city of Tyumen “Aviv,” Tyumen regional public organization “National-Cultural Society “Belarus,” the National-cultural autonomy of the Siberian Tatars and Tatars living in territory of the Tyumen region, Tyumen regional centre of Polish culture and enlightenment “Lyatarnik,” the Regional National-Cultural Autonomy of the Russian Germans of the Tyumen Region, Tyumen regional public organization of Azerbaijanis “Dostulag” (Friendship), Tyumen regional branch of all-Russian public organization “All-Russian Azerbaijani Congress,” Tyumen regional public organization “The association of Chuvash “Tavan,” Tyumen regional public organization The Ingush Cultural Center

“Magas,” Tyumen regional public organization of Koreans “Unity,” Tyumen regional public organization Kyrgyz National and Cultural Association “Ala-Too,” Tyumen regional cultural-educational public organization of Armenians “Ayastan,” Tyumen regional public organization “Georgian community,” Tyumen regional public organization of Vainakh people “Vainakh,” Tyumen regional public organization of indigenous ethnic minorities “Kedr,” Tyumen regional public organization of Turkmen “Ashkhabad,” Tyumen regional public organization Tajik community “Sonomi,” Tyumen regional public organization Center of the Kazakh culture and creativity “Arman,” regional Tatar public organization “Heritage” in the Tyumen region, Tyumen regional public organization - the Uzbek national society “Novruz”, Tyumen regional Uzbek public organization “Timurlan” (Tamerlane).

The revival of the economic culture of ethnic communities in the region has led to wide spread development of diaspora business. In the business environment, each diaspora found its own niche, in which it could fulfill its potential to the fullest extent, use the centuries-old traditions of the people representing it and compete in the market with representatives of other ethnoses successfully (Hobsbawn, 1989). Thus, for the Azerbaijani diaspora such niche was a wholesale trade in food products, for the Armenian one - non-manufacturing construction and repair of roads and buildings, for the Kazakh one - procurement of agricultural products and livestock, for the Uzbek diaspora - retail sale of fruit and vegetables, for the Kyrgyz and Tajik ones - the minor and service works sector, etc. Interestingly, in some sectors of the region economy diaspora business fitted organically into the market environment of the activities of other long-functioning business structures, in other sectors it was a good “stimulus” for the latter ones in terms of competition, and in third ones the business appeared as a kind of monopolist.

It should be noted that currently diaspora business began to play an increasingly prominent role in the economy of the region. This is reflected, in our view, firstly, in its diversification, the ability to rapid flow of capital from one sphere of activity to another one. Secondly, it is reflected in the increase in the share of diaspora business in the gross regional product of the Tyumen region. Thirdly, by changing the vectors of migration flows of workforce of Commonwealth of Independent States countries and a number of labour-abundant republics of Russia, it provides almost all sectors of the region, even those that have long been considered nonprestigious because of low wages, performing simple unskilled work, etc. with human resources.

Today the regional business is actively trying to attract workforce of a number of diasporas (Tajik, Kyrgyz, Uzbek), relatively cheaper and mostly used to perform hard physical and service work (Makhmudova, 2015). Of the announced 347 posts, professions and occupations more than 2/3 (67.2%) is accounted for nonprofessional occupations.

Some understanding of the current labour market in the South of the Tyumen region in the context of the skill level of the attracted diaspora workforce gives Table 2 (Simonov et al., 2012).

The share of the skilled labour in the total number of attracted diaspora representatives is only 4.2% (professionals, executives, managers, etc.). The need for diaspora workforce, stated by the economic entities of the South of the Tyumen region, is mostly related to the need to perform work that requires no skill (Makhmudova and Koroleva, 2014). The local workforce is reluctant to implement it because of low pay, monotony, hardness and nonprestige of unskilled labour. This staffing niche is to be filled with workers from Kyrgyzstan, Tajikistan and Uzbekistan, whom the conditions, content of work and labor earnings suit. At present 36.2% of the total foreign workforce, attracted to the southern districts of the Tyumen region, is claimed by businessmen for engaging in professions not requiring special skill. First of all, it concerns auxiliary workers, loaders, cleaners of industrial premises and territories, road workers, road sweepers, watchmen and guards, etc.

In the total number of immigrants, attracted to the region, there is a fairly high percentage of low skilled occupations (15.3%). They are regarded as a known competitor to the local workforce, however, in a range of nonprofessional occupations (salesmen, drivers, storekeepers, bakers). By other jobs, not requiring high and medium skill, the need for the immigrants, stated by the economic entities of the South of the Tyumen region, relates to the painters, concrete workers, installers, growers, molders of reinforced concrete products and structures, etc.

In 2013-2014, to study the problems of the formation and development of the business activities of diasporas of the Tyumen region, we carried out social research. During it more than 200 people, working in different business areas and representing ten largest diasporas of the region (Azerbaijani, Armenian, Georgian, Chechen, Ingush, Dagestani, Kazakh, Uzbek, Tajik and Kyrgyz), were polled. According to the results of socio-diagnostics it turned out that 28% of diaspora entrepreneurs started their businesses in the region since the second half of the 1990s, 49% - in 2000-2007, the rest - in the last 5 or 6 years. The scope

of application of their capital is quite diverse, and the capital dimension increased during the study period in 58% diaspora entrepreneurs, in 42% - they didn't change or even decreased.

At the initial stage most representatives of diaspora business faced with money scarcity, lack of right contacts, and experienced pressure from the racket (71%). They didn't always manage to solve the latter problem independently, so in those years, the representatives had to seek help from the law-enforcement authorities, friends of their own nationality and even from the criminal "authorities" (Bekryashev et al., 2014).

The current situation, as our research showed, has changed greatly. First came the problem of high competition in the regional market, where diaspora business began to experience the highest pressure from the competitors-representatives of other diasporas and local entrepreneurs-acquaintances in the business environment.

Having strengthened, the entrepreneurs of aforementioned diasporas began to resort to someone's help much less and largely solved their problems independently. Thus, 15% noted that they have no problems concerning the pressure on their businesses today.

It is curious that at first family and friends of the entrepreneurs' nationality helped them, now also the representatives of local state authorities and acquaintances of other nationalities help them. However, the State provides assistance, as a rule, not in the form of government contracts or soft loans, but in the form of legal support and advice. And this is good, according to the representatives of diasporas.

From this perspective, the evaluation of the officials' activities in the region by the subjects of diaspora business is worth noticing. Thus, 20% of all the respondents said that the officials "work well, help my business," 27% - "many officials work well, but there are also bad ones," 14% - "there are more bad officials, they interfere with my business," 35% - "they work well, but could work better; the officials provide support, but it is insignificant," 4% of the respondents found it "difficult to answer." We'll add that the need for bureaucratic services is marked by the overwhelming majority of ethnic entrepreneurs (90%).

When figuring out with whom it is more convenient to do business, the entrepreneurs put the members of their diaspora first, and then ranked the representatives of other nationalities. It is important to note that the percentage of those who were indifferent, with whom to do business, was relatively high.

The answers to the question, what advantages the businesses of "local" ethnoses (Russians, Tatars, etc.) have in the region, and by what diaspora business manages to compete with them successfully, were of particular interest. According to the results of our research, such advantages, primarily, included: "More capitals" (37%), "more contacts" (24%) and "more protection from the officials" (22%). Concerning the second part of the question, the representatives of diaspora business called higher quality of goods, works and services (33%), the broader range of them (26%) and

Table 2: The proportion of diaspora workforce in segments of the labor market in the South of the Tyumen region

Sub point no.	Segments of the labor market	The number of foreign workforce	
		People	Percentage
1	Unskilled labor	12,084	36.2
2	Low-skilled labor	19,895	59.6
3	Skilled labor	1,403	4.2
4	Total	33,382	100.0

the best (loyal) attitude to customers (24%) as the main factors of their success in the competition.

It is symptomatic that, in the opinion of the representatives of diaspora business, the success of the latter one affects primarily not the nationality itself, but rather the traditions of national culture: Respect for elders, hospitality, respect for laws, corporate solidarity and honesty, tolerance in relations with customers, etc.

Speaking about the changes of business culture in general, the entrepreneurs were not so unanimous in their opinions. A quarter of them indicated that it had slightly changed for the better (25%); near the same part saw no changes in it (23%); 21% considered that the business culture had slightly deteriorated; the less share of the entrepreneurs marked the significant positive changes in it (18%); finally, the remaining 13% were pessimistic in their evaluations, stating about great changes of business culture for the worse.

Great resonance in the ongoing research was raised by the question of what is to be done for more successful development of business in general and diaspora business in particular. Thus, along with the general suggestions (to create a favourable mode of crediting, to provide a sparing level of taxation, to remove the corruption of authorities, etc.) the representatives of diaspora business noted the reduction in the number of inspectors (the Azerbaijani, Uzbek and Ingush diasporas), the review in the direction of reducing legal restrictions (the Tajik and Kyrgyz diasporas), ensuring fair competition in tendering and bidding (the Armenian and Georgian diasporas), providing targeted financial support for diaspora business (the Kazakh and Dagestani diasporas), etc.

But, perhaps, a fundamentally new suggestion of the ones for business development, expressed in the answers of almost all diasporas, was the attraction of the latter to the process of adoption of regional laws and their representation in the deputy corps and bodies of legislative power.

4. CONCLUSION

In the medium-term forecast of the development of their businesses in the Tyumen region till 2020 most representatives of diaspora business consider the organizational and economic changes for the better (48%) rather optimistic and most probable. This is largely associated with the creation of the EEU on the basis of post-Soviet space and accession of other countries to the Union in the short

term. However, there is still a number of unresolved problems or problems being at the stage of solving, including the creation of start opportunities for “promoting” business, equal in respect to indigenous ethnic groups (Russians and Tatars), the distribution of common methods of business management and evaluation of the capital investment effectiveness to all the regional business community regardless of ethnicity, the expansion of the practice of granting tax incentives, favourable credit, etc. to economic entities, founded by representatives of diasporas. This even more aggravates the problem of the development of diaspora business that takes an active part in the process of expanding trade relations and inter-ethnic interaction.

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