



The Role of Institutions for Development in the Ivankiv region

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Introduction

It has been a privilege to be welcomed into Ivankiv. We have been humbled by the hospitality and friendliness we experienced; we have been inspired by the heroic work and passion shown by those involved in development; and we have been saddened by the challenges and setbacks that individuals have faced in trying to improve the region. After spending more than three weeks with the community we leave hopeful for the future development and prosperity of the region.

We are in no means developmental experts. Neither do we mean to assume that we know more than the local heroes who live and work in Ivankiv. Our recommendations, therefore, should not be treated as “room for improvement”. Rather, they are some humble suggestions at how all the local heroes can collaborate better, in order to maximise the impact they can have on the region.

The paper is structured in the following way: we start by summarising the key social and economic challenges in the area. We then focus separately on each of these areas by identifying what we consider should be done; and comparing this with measures that are already taken. We end with some general recommendations.

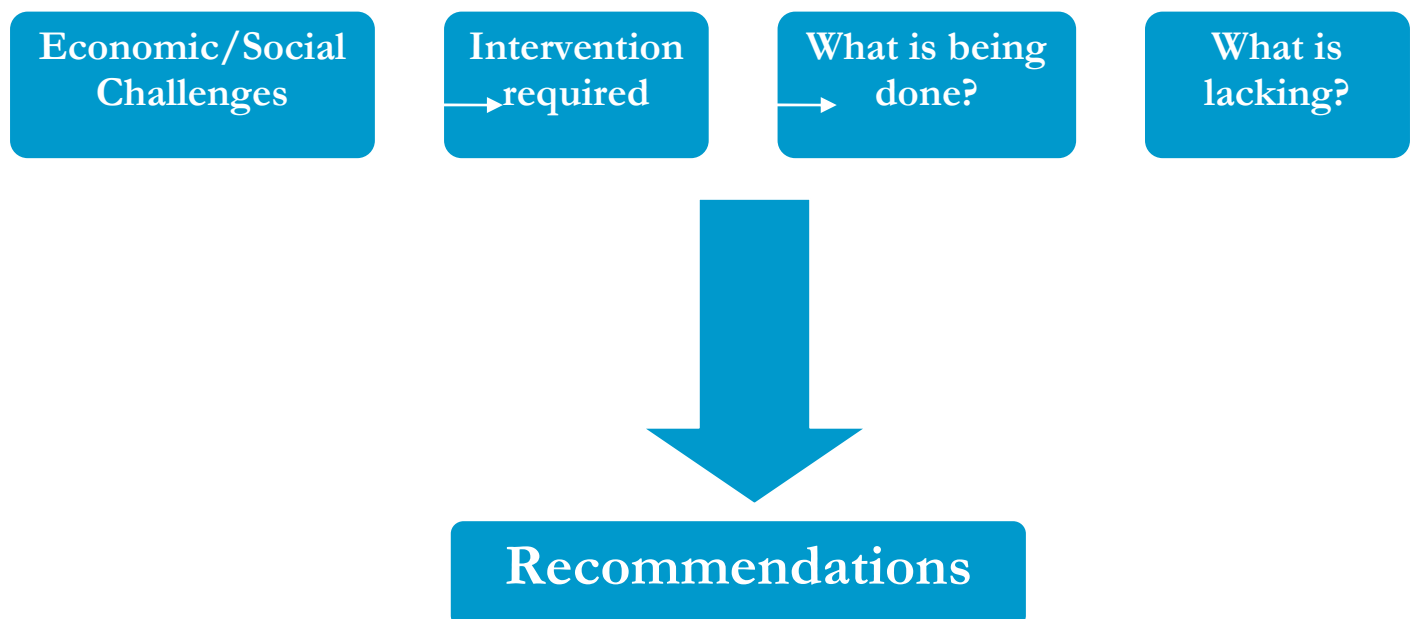


Figure one: general framework

Economic and Social challenges facing Ivankiv Region

Although the initial impact of the Chernobyl accident was radiological, the largest challenges facing the Ivankiv region today are socio-economic in nature. Firstly, As a result of the contamination of the surrounding soils, legislation was passed that placed restrictions on exports of agricultural products, and prohibited the creation of new enterprises. This has stifled the economic activity of this agricultural dependent region. These laws have remained unchanged since the accident, resulting in limited business opportunities for the Ivankiv residents. Furthermore, as a result of these laws and because of the stigma of the Chernobyl accident, it has proven difficult to attract foreign investors to the region. Since there has been little demand for such capabilities, the rayon administration does not possess the capabilities to facilitate such relations with foreign organisations.

Both as a consequence of the accident and as a result of the ensuing economic decline, the region also faces a number of social development challenges. First of all, low economic activity and household incomes have led to high tendencies for alcohol and drug abuse. Moreover, people are highly reliant on Chernobyl subsidies for liquidators, giving them a sense of little control over their own future. There are few prospects for youth in the region, leading to youth migration out of the region to seek higher education or better job prospects in Kiev. Youth have a limited number of recreational activities to occupy their time giving further grounds to leave the area; or to occupy themselves in self-destructive activities.

Economic development

- **What could be done?**

In terms of economic development, we identified three areas of intervention that could foster business growth: support for current businesses; encouragement of entrepreneurialism; and attraction of foreign investment. Firstly, businesses already set up in the city must have access to support structures which would provide them with training on how to improve their current businesses and serve as an information point for their technical queries.

Secondly, support in starting up of new businesses and the promotion of an entrepreneurial spirit is needed. People need coaching on how to discover new business ideas and assess business possibilities in the region. There is a need for technical assistance on how to start up a business, legal aspects of new businesses and how to apply for various permissions from the rayon administration; and how to gain access to credit and seed capital. We also see language and IT courses as a very important component to help adults acquire the skills needed in the modern business world

Finally, the area is lacking promotion of external investment opportunities. There is very little information available to potential foreign investors on these possible opportunities as well as general information about the area and its infrastructure. The local administration has no system in place to facilitate interactions with potential investors. As the restrictive legislation on enterprise is expected to change soon, there is a window of opportunity for attracting external investment in the future.

- **What is being done?**

There are currently three organisations in place which aim to promote business development in the region: the business centre; entrepreneurial training at the rehabilitation centre; and the EU Economic Development Plan. The business centre was founded 5 years ago by the CRDP as an Economic Development Agency of the region. The decisions relating to the business centre were made by a board of trustees comprising of nine businessmen. During the three years, the business centre served as a “one stop shop” for any business questions Ivankiv residents might have. There was an office manager who received any individual queries and the businessmen who were in charge of the business centre assisted in solving these queries or directed the individual to those who might be more of help. The business centre also provided training and seminars. The main goal of the business centre, however, was to advocate the rights of businessmen in the town. The businessmen founders strived to get their needs heard by the rayon administration and currently one of the founders is the head of the rayon council. The building of the business centre itself is newly renovated and has all necessary office necessities such as internet, fax and copier (which are rare to find elsewhere in Ivankiv).

The business centre is currently not in use. Since the CRDP only provided the initial funding to start up the business centre, there are no funds to pay for someone to spearhead the program. We also perceived a lack of direction in the current leadership. They do not seem keen to seek additional funding. They want to broaden their support to social initiatives. However, this will dilute the primary aim of the centre, as well as decrease its chances of gaining funding as a Business Development Agency. The board of directors comprise of busy businessmen whose priorities understandably lie in the development of their own business and care of their families. Although the concept behind the business centre is appealing, and the resources highly necessary, it will not be effective unless there is someone who has the resources, time, energy, and will to drive the centre forward.

The Centre for Social and Psychological rehabilitation (“Trust” Centre) has also recently begun promoting business development through “Innovation and Technology in Business” workshops. These workshops are organised by one of the

Centre employees and are run, either by her, or by experts brought in from Kiev. They focus on a wide range of business issues such as legal aspects of starting a business as well as how to come up with innovative businesses to promote growth. As of now, due to the lack of a working business centre, this is the only occasion on which Ivankiv residents can receive professional business advice.

Finally, the EU is developing a regional development program. This project consists of three phases the aim of which is to determine three potential business opportunities. During the first phase, there is comprehensive research of business challenges and opportunities in the Ivankiv region. The end product of this phase is the recommendation of 10 business programs. The steering committee² then decides on three programs to be implemented. During the second phase case studies of each of the programs are run, in order to ascertain which programmes will be successful. .

Phase three of the program is to build the capacity of the Rayon Administration. EU plans to coach the administration in funding application, so that it can employ more people to implement the programs. One of the recommendations is the creation of a Regional Development Agency, which can facilitate all the business development programs.

² The 10 members of the steering committee are drawn from the Ministry of Emergency (the beneficiary of the program), Ivankiv Rayon Administration (those who will ultimately be responsible for implementation); and a sight monitoring unit (SMU).

- **Recommendations for improvement**

We have the following recommendations for business development:

- Investor attraction and information through an agency which would be capable of professionally handling inquiries from foreign businesses and organisations.
- Easy access to credit unions
- Strengthening of farm cooperatives
- Training in encouragement of entrepreneurialism: seminars up to now have focused on technical training. However, it seems as if a larger challenge is the mindset of the people. Workshops that encourage initiative and entrepreneurial activities could this stimulate business initiative.
- Links to experts in Kiev who would be able to provide training
- More focused goals from the Business Centre
- Professional training in language and computer skills of Ivankiv residents

The above mentioned organisations are in place to provide the services recommended above. However, the largest problem is the lack of collaboration between these organisations. The Business Centre already possesses good facilities and legitimacy in terms of a representative body of businessmen. The rehabilitation centre possesses a dynamic individual, with contacts in Kiev, who is willing to run training seminars. However, she lacks the access to resources and local business knowledge that the business centre can provide. Finally, EU-Dev is planning to help the Rayon Administration get funding to set a RDA. However, the role of the RDA will be very similar to that of the Business Centre; and funding is exactly what the Business Centre requires!

Lack of communication between EU Dev and the Business Centre might be a product of deep-rooted tensions in the regional political structures. The Business Centre has gained political representation at the Rayon Council, with the previous head of the Centre currently head of the council. However, we sensed lack of a working relationship between the Business Centre and the Rayon Administration. There is a perception that the Administration does not care for business development, and does more to hamper than to help. EU Dev, on the other hand, has opted to work

only with the Administration, since it believes that sustainability of its proposed programs can only be assured with central government funding. To limit redundancy and potential future mutual sabotage, the Business Centre and EU Dev needs to collaborate. Furthermore, EU Dev also needs to engage with the Rayon Council.

Social Development

- **What needs to be done?**

In terms of social development, we identified three main areas of potential intervention: empowerment programs; youth activities; and counselling. A key focus for us is the youth, in the form of youth empowerment and the availability of daytime activities to keep them busy and stimulated. On a similar note, because of the health consequences associated with Chernobyl a healthy, active lifestyle must be encouraged, including opportunities for children to involve themselves in sport.

- **What is being done?**

There are several institutions which focus on social development. These include the Rehabilitation Centre, youth centres and various independent organisations. The Rehabilitation Centre is involved in a range of programs to address the above-mentioned needs. It provides after school activities and games for children; as well as anti-drug and anti-alcohol volunteer programs. It provides sex education classes, theatre opportunities and computer and language classes for children from larger families. For adults, the centre has numerous therapists and life coaches which can assist them in a wide range of personal and social problems. More than educational informational activities, it has also started promoting youth activism. One of the centre staff members runs political activist workshops.

The Rehabilitation Centre faces possible restructuring within the next year. Its funding expires in 2010. As the centre falls under the Ministry of Emergency, the Ministry wants it to focus purely on dissemination of health information regarding radiation in the future. Therefore a large challenge remains in allowing for the continuation of the host of social programs that Rehabilitation Centre has up to now responsible for.

The youth centres in the neighbouring villages were formed for the same purpose of youth development. However, despite the large availability of resources at these centres, their impact is minimal, if at all. The computer centre was used for video games and social websites. The absence of organised programs in the centre made the centre just as appealing to the kids as playing outside amongst themselves.

One possible reason for lack of impact could be geographical isolation: the youth centres are in small rural areas where there are a limited number of children who can benefit from it. For example, in Rozvazhi there are only 150 children in the school which already provides a wide variety of after school programs. The smaller villages also have a smaller pool of people to draw from, making it harder to find a competent dynamic leader to drive the programs forward on a sustainable basis. With limited funding the centres rely too much on voluntary initiative which, although valuable, cannot reliably provide dynamic leadership on a long-term basis to initiate and sustain projects.

A range of independent organisations are also involved in youth empowerment. They keep the youth involved with a variety of informative performances, non-alcoholic discos and other fun activities. Furthermore, martial arts classes (called free fighting) have grown immensely in popularity in the last 5 years. Not only do they promote a healthy lifestyle but they also encourage a positive attitude to life as a result of the principles that form the basis of free fighting.

- **Recommendations for improvement**

A wide range of projects aimed at social development in Ivankiv are impressive. We could, however, make the following recommendations:

- Shift resources in the Youth Centres, such as the gym equipment and computers and internet, to Ivankiv.
- Even if a reallocation of resources is not possible, there is a great need for more sport opportunities in Ivankiv in the form of a gym or a swimming pool available for public use.
- Internet in public places

- Larger collaboration between the rehabilitation centre and neighbouring villages. This could be in the form of joint youth activities or an extension of some of the workshops to the villages. There have been attempts to promote such collaboration, but due to limited resources for basic necessities such as petrol, these collaborations have ceased.
- Language and computer classes for adults

General Recommendations

The range of projects and depth of involvement in the Ivankiv region by government agencies, NGO's and international organisations is impressive. We have, however, found that many projects struggled to reach sustainability. As a result there is a misallocation of resources to certain initiatives that are no longer effective, as well as limited collaboration between agencies. Deeper collaboration between organisations is therefore crucial for future development plans. One reason for the lack of sustainability of projects is the inability of the projects to attract additional funding. Interventions aimed at training, support and encouragement of these organisations in applying for funding, seeking global partners, and increasing their effectiveness, could thus reap large rewards.

Conclusion

Ivankiv is a beautiful region with wonderful people. It is exactly this, the *people of Ivankiv*, which make us hopeful for its future. Furthermore, it possesses a key comparative advantage in its geographical proximity to Kiev, which has not yet been fully exploited. We see a wonderful opportunity to do this when the prohibitive legislation is changed. Ivankiv does not lack people who are willing and able to take on this opportunity. What it lacks is sufficient co-operation between key players; so that a concerted, collaborative movement can form that drive its future development plans.