The Potential of Intersectoral Collaboration for Development of Russian Regions

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Abstract: the article contains description of contemporary problems of intersectoral collaboration development for realization of regional innovative investment projects in the Vladimir region. Crowdsourcing is considered to be the instrument for public-private partnership activation.


Key words: intersectoral collaboration, public-private partnership (PPP), fundraising, crowdsourcing, crowdfunding

1. Introduction

More complicated and more diverse relations within socio-economic systems, the necessity to solve urgent problems of forming innovative economy require new instruments of collaboration between government, business and the so-called third sector of economy (nongovernmental nonprofit organizations).

Intersectoral collaboration regulation abroad is far more advanced in comparison with intersectoral collaboration in Russia. There are a lot of examples of successful intersectoral collaboration in the European countries.

Moreover the history of some countries (Japan, Germany, China) has shown that the process of modernization is more effective if the majority of the population shows social, cultural, politic and communicative qualities. That means that not only formal but informal rules as well, which form institutional environment of society, determine the result of the changes.

Evolution of economic system and economic relations is always followed by evolution of the institutes. There is a direct connection between the way the institutes change and the strategy of economic development. That is why it is important which social forces are involved in the changes. Traditionally such force in Russia was the government. While abroad other forces (business or noncommercial partnerships) usually create new institutions. Providing such opportunity to them creates a so called “social capital”, the main idea of which is trust, understanding, and mutual help of one subject of society to another based on the law.

All the above mentioned information leads to conclusion that one of the most important components of innovative strategy in Russia should be creating an effective mechanism of intersectoral collaboration as a basis of new cultural environment for creating the economy of the future.

Regions of Russia have experience of collaboration between government and business and government and nonprofit organizations. But the opportunities of intersectoral collaboration are not fully used.

Intersectoral collaboration together with other actions undertaken by government could provide additional ways of attracting non-budget funds to modern projects, including innovative projects. Activization of intersectoral collaboration is one of the most important tasks of national economy and the key task of strategic management.

2. Statement

Intersectoral collaboration is realized in many ways. Most popular ways of attracting non-budget funds in intersectoral collaboration are government-business partnership and fundraising - a process of attracting funds of various social entities: government, business, public organizations, action groups, citizens to a project [1]. To be more exact, fundraising is activity providing stable funding allowing a nonprofit organization to fulfill its' mission [2].

In the Vladimir region the following projects are being realized on the basis of government-business partnership: heat supply system development in Vladimir and in the Vladimir region - the project of housing and communal services; long term program "Clean water"; construction of poultry complex in Kameshkovo; creation of agro-industrial park "Stavrovsky" in Stavrovo.

The government of the region collaborates with nonprofit organizations, 1500 of which exist in the region [3]. The government of the region supports socially oriented non-profit organization with subsidies, grants, communal service payments, pecuniary aid, information, consulting, property and organizational help. In 2012 915.6 thousands rubles
were paid as subsidies, 1.63 millions of rubles were paid as grants on a competitive basis, 765,071 thousands rubles were paid for communal service for non-profit organizations. Property help was provided in the form of free of charge lease or lease with minimal payments of premises, vehicles and equipment.

In 2012 the long term program “Supporting socially oriented nonprofit organizations of the Vladimir region in 2013-2016” was approved in the region. Due to this program the whole amount of funding will be 33,192.6 thousands rubles [4].

Although there is experience in collaboration between government, business and nonprofit organizations, there are not so many examples of collaboration between all the three sectors in the region.

A good example of collaboration between government, business and nonprofit organizations is a warming station for homeless people, where homeless people are offered not only food and medical aid but help with obtaining documents, getting a job at an agricultural enterprise or construction as well. This project was initiated by entrepreneur E. Signunov and supported by the Administration of the Vladimir region and the Vladimir branch of RANEPA.

3. Results And Discussion

Despite of existing examples of usage of intersectoral collaboration, it is still too early to talk about the efficiency of collaboration because of the following reasons: government tends to participate in one time projects; business lacks social responsibility; nonprofit organizations do not have much influence. Intersectoral collaboration should be developed using new instruments as well.

A modern innovative instrument of funding is crowdfunding (crowdfunding as a particular case of crowdsourcing), which is widely used abroad.

The terms “crowdsourcing” and “crowdfunding” appeared almost simultaneously in 2006 thanks to Jeff Howe, who has discovered the advantages of new instruments in his works [6]. Using these instruments funding is attracted to creative projects in the sphere of art, literature, new technologies, design etc. and during the last time in the sphere of funding startups as well [7].

Crowdsourcing now is funding project using the Internet. Sponsors are those who have money. Mass media are supervising the projects. They pick interesting project, calculate the budget and offer anyone to participate in the funding [7].

The crowdfunding market abroad is growing rapidly. The most interesting crowdfunding resources are Kickstarter.com; Indiegogo.com; Cousins.com; IamScientist.com [8]. In 2011 the crowdsourcing resources reported income increase of 75%. 60% of income was received from working with small companies and startups [8]. In 2012 2.7 billion dollars were gathered, which is 81% more than in 2011. Due to the forecast in 2013 5.1 billion dollars are expected to be gathered, which is twice as much as the number in 2012 [9].

Crowdsourcing (crowdfunding) is developing in CIS countries and in Russia. In the CIS countries the following examples exist: the “RosPil” project, the analogs of kickstarter – “S miru po nitke”, “Time to start” and IT-rockout [9], Startwithme.ru [1]. The most famous crowdfunding sources in Russia are Boomstarter and Planeta, which appeared in the middle of 2012, RuStarter and the group Russians on Kickstarter in Facebook [9]. The pioneer of share crowdfunding in Russia is StartMarket.net, which is intended for quite big investors (the minimum sum is 30 thousands rubles).

Within the Manufacturing System of Sberbank there are 2 platforms for crowdfunding projects: “Ideas exchange” – the resource available to all the employees of the bank, which is intended for working with innovations within the bank and www.sberbank21.ru which offers customers to take part in the projects of the bank. The participant offered 175,000 ideas for the banks’ work improvement. The effect of the ideas exceeded 50 billion rubles [10].

A good example of crowdsourcing usage by the government was the election of Sochi Olympic Games 2014 talisman, street names, city names, names for bridges etc. To some extent crowdsourcing elements exist in the governmental resources in the runet, which are intended for discussion of the law projects (GosBook, Gosdiscuss etc) [11].

It will require a lot of efforts to develop efficient implementation of innovative instruments of intersectoral collaboration in Russia, but the advantages of these instruments, especially crowdsourcing, are indisputable: the possibility to attract funding without a bank, venture fund or exchange; transparency of the usage of funding; democratization of investment activity; low costs; avoiding losing funding to foreign projects abroad via Internet; the possibility to solve problem fast etc.

Russian crowdsourcing (crowdfunding) platforms should implement fair principles, clear to the participants, attract highly professional teams for realizing projects based on certain laws, salving technological and tax problems, dealing with electronic payments regulation questions etc. [12].

R. Petrova and I. Simento expect that in the future a decision on financing almost any social
project may be taken in the Internet. It will be possible to track any earned ruble and to send this ruble to solving any problem, which everyone will consider important. Obligatory payments will remain but only for those services, which cannot be funded jointly – for example, defense [13].

This is not a tomorrow or the day after tomorrow perspective, but the perspective of economic development in an innovative way using instruments of intersectoral collaboration such as crowdsourcing is evident.

References

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