Mechanisms of Interaction Between the State, Businesses and Small-Numbered Indigenous Peoples of the Russian Federation Under Global Transformations

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Sustainable social and cultural development of small-numbered indigenous peoples of the North, Siberia and the Far East of the Russian Federation (hereinafter referred to as SIPN) under global transformations, besides the mobilization of the inner resources of the peoples themselves, depends on the currently functioning mechanisms of interaction between the state, businesses and such peoples. Consequently, the article makes an attempt to take an insight into foreign, and, first of all, Russian experience of implementing various mechanisms of interaction, targeted at the preservation of the original habitat, traditional lifestyle and cultural values of SIPN.

The article remarks, that despite the presence of multiple examples of mutually profitable cooperation between business entities and SIPN, we may state that unlike foreign practices, Russian examples are not regular and bear an incentive character (first of all, due to absence of clear mechanisms established at the federal and regional levels, obliging each business entity to get engaged into such interaction).

Keywords: small-numbered indigenous peoples; state; business; original habitat; political and legal mechanisms; interaction.

Introduction into the problem. Under the conditions of expanding globalization processes, the fundamental role in further preservation of the original habitat and identity of SIPN is played by political and legal mechanisms of interaction between the state authority bodies, businesses and ethnocultural SIPN groups. There is no doubt that the main subject of this interaction is the state as the body which determines political and legal mechanisms not only for its own interaction with SIPN, but for building similar communication of SIPN with other entities, such as, first of all, publically owned joint-stock companies and private business entities engaged in industrial development of the SIPN original habitat. At the same time, the existing geopolitical trends provide the grounds to assert, that the scope of industrial development of such territories is expected to be rapidly expanding both in the short and the long-term prospective.

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due to the exhaustion of natural resources in the traditional extraction venues.

**Conceptological grounds of the research.**
In Russian scientific and journalistic works, researches of political and legal mechanisms of interaction between the state and SIPN were described by famous scientists, politicians, public officials and community leaders. All existing works may be divided into two categories:


2) fundamental and practical works directly dedicated to the analysis of the problems of building such political and legal mechanisms of interaction between the state and small-numbered indigenous peoples. First of all, these are works by Abashidze A.Kh., Andrichenko L.V., Arakchaa K.D., Donskoy F.S., Zaydfudim P.Kh., Krylov B.S., Kriazhkov V.A., Samar Iu.A., Pik A.I., Khabrieva T.Ia., Khariuchi S.N. etc.

It is worth mentioning that recently in Russia a significant number of researches dedicated to the issues of management of nature use and industrial development of the Northern territories in the context of ethnical and environmental problems has been published, such as those by: Ananidze F.R., Arakchaa K.D., Bakhtin N.B., Bogoslovskaja L.S., Mischenko V.L., Murashko O.A., Pavlov P.N., Rayshev I.A. etc. First of all, this tendency is connected with the new stage of industrial development of such territories.


For better understanding of the genesis of the political and legal mechanisms of interaction between the state and small-numbered indigenous people of Russia, the most interesting research is the dissertation by Doronina I.A. “Political and Legal Basis for Forming Traditional Nature Use of SIPN Territories in the Russian North (Based on Nenets Autonomous Okrug)” [Doronina, 2005].

The conducted analysis brought the dissertation author to the conclusion, that, despite the succession of the special indigenous peoples’ status, throughout the whole history, at different temporal stages the state policy has been undergoing conceptual transformations: from non-interference into administration and conservation of the traditional aborigine lifestyle in the 16th – 19th centuries, through the attempts of integration and organization of their customs in the Soviet epoch, to the modern principles of respectful attitude to their right for preservation of the traditional lifestyle, methods and means of traditional nature use.

Studying modern (from mid-80-s of the 20th century) state policy concerning SIPN, I.A. Doronina outlines three main development stages [Doronina, 2005]:

1) Mid-80-s – early 90-s: “political” stage. Throughout this period it is possible to trace the change of SIPN policy priorities in regulative legal documents connected to the recognition of the peoples’ specific interest and right for self-government in these or those forms, for the lands and natural resources.

2) Years 1994-1998: “regulation-creating” stage. This stage is characterized by drawing up
a legislative system for solving SIPN problems at the federal and regional levels, making up regulations and Constitution clauses concerning SIPN interests. The practice of creating small-numbered peoples’ communities and assigning free-use lands begins.

3) Since 1999 until present time: “law implementing” stage, which begins with passing the Federal Law “On the Guarantee of SIPN rights in the Russian Federation” in the year 1999 and continues with multiple laws intended to regulate SIPN rights in these or those fields. This stage is specific for the attention demonstrated by the state to SIPN problems, and for adoption of a significant number of acts intended to safeguard and actualize rights and interests of the peoples, which proves the fact, that the state does recognize its obligation towards small-numbered peoples.

As a result, the author comes to the conclusion, that at the modern development stage the necessity to safeguard the rights and interests of SIPN in Russia was finally recognized at the governmental level. The proof is the fact of forming target policies and legislation for solving SIPN problems.

For better study of the mechanisms of interaction between the state and SIPN it is essential to remark the fundamental work of the Doctor of Law, Professor Kriazhkov V.A. “SIPN of the North in Russian Law” [Kriazhkov, 2010], which, based on the deep insight into Russian and foreign legal practices, studies the topical issues of constitutional and legal SIPN status: it researches the retrolegal aspects of the status, modern state of the legislation and international legal regulation of the sphere; reveals governmental and alternative mechanisms for safeguarding them.

As a result of the conducted research, Kriazhkov V.A. suggests to improve the existing political and legal mechanisms of interaction between the state and SIPN in the following way [Kriazhkov, 2010]:

1) determine procedures for free identification of ethnicities classified as peoples of the North, and of the ethncial groups seeking for being included into this category;

2) consolidate the conditions of the special right obtaining process for the persons belonging to small-numbered indigenous peoples, and provide the exercise of such rights by people not belonging to this category but related to an indigenous people, living traditional lifestyle;

3) establish mechanisms for exercising group rights of small-numbered peoples, including assignment of an authorized representative status to certain persons;

4) strictly fix the right of the Northern peoples and persons categorized as belonging to such for free unlimited use of lands in the places of their traditional habitat and the right for priority use of such lands and natural resources following from the existing rights for reimbursement and compensation of damage caused by their relations with the entities leading non-traditional economic activity in the territories;

5) enforce the Northern peoples’ right for administrative and territorial autonomy;

6) recover the right of small-numbered peoples for quota-based representation in the regional legislative bodies and representative agencies of local government;

7) guarantee the right of the Northern peoples and persons belonging to such peoples for their native language and education concerning the lifestyle and culture of the peoples, along with the right for their cultural heritage, folklore and traditional knowledge.

Moreover, we cannot help agreeing with the author, that the strategic prospective of creating new political and legal mechanisms in the subject sphere is mostly determined by the engagement of SIPN into current global processes. First of all, we mean globalization, the phenomenon which means the expansion of common values
in the elements of the global economic, social and legal systems. As a consequence, we may forecast the enforcement of the majority, dilution of traditional economy, extinction of languages and cultures of minor ethnic communities, which stimulates the group activities of SIPN, striving to preserve their identity. Under such conditions the state, exercising its legal tools and considering international and legal demands, has to temper the negative tendencies connected with the lifestyle of such peoples, at the same time, striving not to conserve it or “pay their indemnities”, but to encourage their new traditions and modernization, creating the background for development of independence and self-government of SIPN, their territorial, national and cultural autonomy.

**Problem statement.** At the same time, in the world and especially in Russian practice the mechanisms of interaction between businesses and SIPN bear more individual than systematic character. For this reason, today we analyze the most indicative foreign practices, where such mechanisms were best developed and supported by historical circumstances (USA, Canada, Australia, Finland), but most important, where business entities, unlike the majority of Russian companies, understand the significance of their own social responsibility to SIPN.

Foreign experience analysis is best presented in the research by Maximov A.A. “Realization of Interests of the Northern Peoples Under Industrial Development Situation: From Foreign Experience to Russian Practice” [Maximov, 2007].

The principle of supporting indigenous population, according to which the local population is entitled to receive the full volume of profit from local resources’ development, to be protected from any possible hazard, was recognized simultaneously with the rights of indigenous peoples for lands and resources. This principle was practically implemented in one of agreements for providing social and economic profits and advantages to local population.

Paying royalty (monetary compensation for the use of natural resources) is typical for Australia, which at the present moment practices several flexible mechanisms of royalty rate calculation. For example, one of the agreements foresees low fixed rates at the initial stage of project development (construction of mines, processing enterprises, development of ore extraction), higher rates from the derivative product for the community to receive optimal profit at all stages of project development.

Another way of interaction between businesses and SIPN is the participation of the latter in the joint-stock equity of companies: if an indigenous peoples’ community possesses the main property rights for a resource deposit or its part, or if it is entitled to control the access to such resources, then the community becomes the joint venture shareholder. For example, such practice was implemented in the agreement with indigenous peoples of Alberta, or in the agreement concluded in 1995 for providing profits to Inuvialuits of North-Western territories of Canada under Darnley Bay project of non-ferrous ore extraction [Maximov, 2007].

Maximov A.A. remarks, that development of entrepreneurship assumes new opportunities for the aborigines’ businesses, their corporations, enterprises, individual ventures as contractors and subcontractors. For contract organizations the priority belongs to those managed by aborigines.

Social and cultural support may include measures on settlement infrastructure development (for example, construction of new roads), on adaptation of the population for industrial work, on solution of the most acute local social problems.

Other conditions are resolution of disputes, management of the agreement performance through a special Committee with a certain range
of authority, through the company’s and special committees’ reporting on each point of the agreement [Maximov, 2007: 28].

Another example of interaction between the state, businesses and small-numbered indigenous peoples is the situation in Alaska (USA), where two opposite interaction models co-exist at the same time [Maximov, 2007: 31-32]:

1) “Mainstream” model. All population of the state of Alaska has equal access to natural resources and equal relation to common institutions of municipal and regional authorities. The authority and property are separate in the aborigine communities. Local authority institutions are separated from the village and district corporations, which own the major amount of lands and resources.

2) Communal model. The reaction to destructive assimilative forces was the movement for sovereignty (self-government) of aborigine peoples of Alaska. The key institution of the communal model is a national settlement, which acts simultaneously as a source of political authority and a collective economic venture.

**Discussion.** In modern Russian reality there are examples when Russian companies, enhancing their corporate image, would take up social obligations not only to their own employees, but also to the territories of their economic activities. However, the most advanced in the development of corporate and territorial relations are the largest oil and gas corporations of the Russian Federation, stimulating the influence of their business on preservation of the original SIPN habitat through various political and legal mechanisms. At this level they conclude agreements on the priority aspects of the regional economic policy, which concerns the interests of the whole population of the region.

The next level is concluding agreements with the municipal entity administrations. This is the level at which the agreements of greatest significance for SIPN are concluded (e.g. Yamal-Nenets Autonomous Okrug). Before 2003, such an agreement was based on providing companies with considerable tax exemptions.

A different form of agreement targeted at gaining profits for SIPN is agreement concluded with reindeer-breeding economies, family and tribal communities. In this situation relations between subsoil users and the communities are mostly of informal character and are based, as a rule, on personal relationships.

Analysis of the positive Russian experience in arranging interaction between a large business and SIPN was presented in the dissertation by Koroleva Iu.A. “Interaction Between the State Governmental Bodies and Commercial Entities in the Sphere of Social Security of Northern SIPN” [Koroleva, 2007], where the author remarks, that thanks to the work of certain companies a stable tendency for forming a Russian model of corporate social responsibility of the state, businesses and society to the small-numbered indigenous peoples has begun to develop. One of such examples is Salym Project run by oil extracting company Salym Petroleum Development (SPD), which has been developing not only when the mentioned research was being done, but until the present time [Web-Site of the Company]. For this reason, the examples presented are taken from the last five years’ practice, which, for natural reasons, were not included into the work by Koroleva Iu.A., for instance:

- in the year 2008 SPD signed a 5 years’ cooperation agreement with the government of Khanty-Mansi Autonomous Okrug, which outlines the obligations of SPD on actualization of social investments at the amount of 15 million dollars in the years 2009-2013;
- Salym residents participate in selection of social projects to be conducted by SPD. They form a communal committee, which,
besides SPD representatives, includes representatives of the local authorities and population. The committee regularly discusses the social projects run by SPD in Salym. At the end of each year SPD carries out a social investment project competition among local organizations;

– conducting its activities with the minimal influence on the environment is one of the basic principles of SPD. The company strictly follows safety regulations to avoid any pollution of the atmosphere, soil, water or damage of flora and fauna in the process of its work;

– SPD supports and sponsors a wide range of incentives and projects, such as: purchasing modern equipment for hospitals and advanced training courses for local doctors, providing microcredits to small businesses located in the settlement of Salym, providing academic and occupational opportunities to local school graduates, organizing summer camps for children from poor families etc.

Another example of a give-and-take cooperation between the residents of national settlements and commercial entities is the development of raw hydrocarbon deposit by Kholmogorneft Company. The deposit is located in the lands historically owned by 32 families of Khanty and Nenets. In the process of the project, economic agreements with each family were concluded, under which the families received significant assistance from the company, such as, monetary compensations, snowmobiles, fuel and lubricants, construction materials etc. [Korolea, 2007: 124].

As a conclusion, Koroleva Iu.A. explains the prospective of sustainable and well-balanced development of social sphere in the Northern regions by the following factors:

a) capital investments into Russian oil and gas deposits made by large foreign companies, which contribute their money in the development of social infrastructure, environment protection and social security of SIPN;

b) occupation of foreign managers at the deposit development sites, which provides higher requirements for the personnel and work organization, which, along with the use of high-tech equipment, provides flawless oil and gas extraction;

c) a stable tendency of assigning large business representatives for governing positions of the regions rich in natural resource, which leads to the decrease of the state sector share in the modern economy, and, as a consequence, causes re-distribution of responsibility for the social wealth of the indigenous peoples between businesses and the state.

At the same time, the territory of Russia becomes a site for active development of transnational companies, which prefer to lead their own policy in their relationships with the small-numbered indigenous peoples. A positive example is Kinross Gold Corporation, one of the world leaders in gold mining. Having started their work in Russia in the year 1995, today the Company generally focuses on managing large-scale gold mining projects in Chukotka Autonomous Okrug (CAO).

Participation in the local population’s social life is the basic principle of the company as a responsible subsoil user. Within this framework, the company performs the following actions:

– provides annual gold mining report;

– carries out public consultations and round tables with the participation of the local population;

– in the year 2009, the Company founded Social Development Foundation “The
Kupol”. The initial target contribution made by Kinross counted one million dollars. Today the Foundation has financed and launched 26 socially significant projects for the total value exceeding 16 million roubles;

- provides economic and social support to local indigenous population by creating jobs, purchasing goods and services including partnership agreements with 50 local enterprises and entrepreneurs;
- provides logistic support for solving medical and other vital issues to the people resident in the areas inaccessible without a helicopter;
- granting great importance to environmental issues: in December 2009 “The Kupol” deposit became the first Russian company to be certified for compliance to International Cyanide Management Code;
- in April 2011, Chukotka Mining and Geology Company (affiliate of Kinross Gold Corporation) concluded a social and economic cooperation Agreement with CAO Government.

From modern Russian companies, one of the most active ones to cooperate with the local population is LLC “LUKOIL – Western Siberia” [Web-Site of the Company], which concludes agreements with tribal leaders for social and economic development of their districts and natural habitat of the Northern SIPN for the sake of environment protection. All issues concerning the relationships between the company and the indigenous peoples are solved at the meetings of the company management with the representatives of SIPN Assembly, municipal entity representatives and tribal leaders.

In Yamalo-Nenets Autonomous Okrug (YNAO) “LUKOIL – Western Siberia” takes an active part in implementation of the program for “Preservation of Traditional Lifestyle and Cultural Heritage of SIPN of the North”, makes a significant contribution into the preservation of their natural habitat by increasing environmental friendliness of their industry.

Another example of effective interaction between a large business and local population is the work of “Sakhalin Energy” Company, which, in cooperation with the Sakhalin Region Administration and the Regional Council of Authorized Sakhalin SIPN Representatives, prepared a plan for assistance and encouragement of 3,500 representatives of indigenous peoples of the island, the majority of whom is resident in the rural area [Web-Site of the Company]. The Plan is developed to solve three key tasks: to avoid or soften the potential negative impact of Sakhalin-2 project; to increase the living standards and conditions of the Northern SIPN; to expand the opportunities for such peoples to take active part in the Cooperation Plan implementation.

Norilsk Nickel Company also has a certain experience of cooperation and assistance provided to the indigenous peoples, resident in the territories of Taymyr (Dolgano-Nenets) Municipal District of Krasnoyarsk Region. At the present time, besides tax payments and implicit subsidies to the municipal entities (financial assistance to housing and utilities, transportation services etc.), the Company conducts a charity program for the local settlements populated with the small-numbered indigenous peoples of the North.

Conclusion. Therefore, despite the presence of a great number of positive examples of interaction between business entities and SIPN, we may conclude, that, unlike foreign practice, Russian examples are not the result of a consistent resource management and natural habitat preservation policy followed together with the SIPN, but single and individual phenomena (which occur, mostly, due to the
absence of sufficient legislative mechanisms at the federal and regional levels, obliging each business entity to engage itself into such an interaction). It is proved by quotation from the article “Aborigines and Oil” by Vinogradova O. [Vinogradova, 2012: 59]: “The problem is, that the existing laws only create the background for solving a problem instead of offering certain mechanisms. For example, the basic Federal Law “On the Guarantee of Rights…” states, that the national government of the Russian Federation, entity administration and local authority bodies “may” and “are entitled to” protect the interests, traditions, habitat and economic activities of SIPN, though nothing states that such protection to be compulsory”.

At the same time, the existing examples should be treated as positive examples of international experience adoption by the Russian companies, reflecting the general process of forming social responsibility of businesses manifested not only in tax payments, but also in conduction of various programs for social and economic development of SIPN. At the same time, such activity is to be carried out by means of all business entities engaged in any work in the territories of the historical habitat of small-numbered indigenous peoples of the North.

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Механизмы взаимодействия государства и бизнеса с коренными малочисленными народами Российской Федерации в условиях глобальных трансформаций

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Устойчивое социально-культурное развитие коренных малочисленных народов Севера, Сибири и Дальнего Востока Российской Федерации (далее – КМНС) в условиях глобальных трансформаций зависит не только от мобилизации внутренних ресурсов самих народов, но и от реальных механизмов взаимодействия государства и бизнеса с данными народами. В связи с этим в статье предпринята попытка рассмотрения зарубежного и, в первую очередь, российского опыта внедрения разнообразных механизмов взаимодействия, направленных на сохранение исконной среды обитания, традиционного образа жизни и культурных ценностей КМНС.

В статье отмечается, что, несмотря на наличие примеров взаимовыгодного сотрудничества бизнес-субъектов и КМНС, можно заключить, что существующие в российской практике примеры в отличие от зарубежных не являются системными и имеют инициативный характер (в первую очередь из-за отсутствия четких законодательных механизмов на федеральном и региональном уровнях, обязывающих осуществлять данное взаимодействие каждого бизнес-субъекта).

Ключевые слова: коренные малочисленные народы, государство, бизнес, исконная среда обитания, политико-правовые механизмы, взаимодействие.