



Innovative Directions of Drawing Up Socio-Economic Programs of Rural Settlements of Armenia

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Currently, in the conditions of intensive development of the market economy, the development of agriculture and the correct planning and implementation of steps for the sustainable development of rural communities can become important driving forces for the development of the economy of the Republic of Armenia. Despite their low share in the GDP, agriculture and rural development are considered key strategic sectors even in developed countries. Moreover, the development of agriculture, as well as sustainable community development, have driven successful economic reforms in a number of countries. Today it is also a matter of national security for Armenia, as young people in the border villages leave their homes and move in the search of a better life. At present, the increase of the viability of rural settlements in Armenia, the full financial independence of communities, and the improvement of the rural economy can have a great impact on the productive activity of the country, the employment of the population, and the development of the economy in general.

Since independence, Armenia has been looking for the right path of development for many years. The main emphasis is on the economic development of the communities, because the community is the environment where enterprises are born, and where the necessary resources - market, raw materials, finances - begin to develop. Armenia emphasizes the role of investments in the development of communities, takes steps to attract as much investment as possible, and considers investment policy one of the most important directions of community economy

development. The Government of Armenia pursues an investment incentive policy, encouraging investments from both the country's residents and foreign investors. By attracting investments in the communities, developing the community economy, not only jobs will be created and general welfare will be ensured, but also another important function will be performed: to provide means for the balanced development of the social sector (education, health, etc.) and uninterrupted infrastructure (roads, gas, water, electricity)

More recently, the private sector has begun to contribute to the solution of social, environmental and other issues through corporate social responsibility and charity. And the latest development of this trend is the formation of the idea of social entrepreneurship. Social entrepreneurship is a fast-growing, dynamic field that has been the focus of development theorists and key structures for the last decade. The main targets of social entrepreneurship are vulnerable communities and groups, vulnerable segments of the population, regions where resources are scarce, and where additional support is needed. Here, social entrepreneurship can create sustainable and continuous opportunities and means to solve community problems, create additional jobs, develop and provide a variety of services, provide training courses, as well as engage in other activities that lead to positive social change.

A vivid example of our research is the community of Kalavan in the Gegharkunik region. For many years, Kalavan suffered from a whole range of problems typical for Armenian rural communities, until one of the young men of the village, Robert Ghukasyan, took on the burden of community development and began to work with the locals in small steps, influencing the mentality of the population. Today, Kalavan community has become a tourist center with no shortage of tourists.

The list of development issues should include the effective organization of education, counseling, science, and philosophical training. Students of agriculture are mainly urban, and only a few of them work in the agricultural sector after graduation. The interrelationship between education, science and production is weak. Rural professionals who received agricultural education years ago may not be fit for their communities. The exception is the small percentage of them who were once involved in the consulting system and subsequently participated in regular staff training.

The best way to solve the problems is through collective action. Cooperation is the only way to overcome obstacles, for some it is the main thing, for others it is more or less favorable. We can list all the areas of agriculture that will significantly benefit from cooperation. However, it is clear that without proper social activism, this universal means will remain unused. Since social policy is aimed at solving social problems, the question arises, what is a social problem, how does a problem become social, who decides, how are social problems solved and legalized? Over time, NGOs were formed to address issues that the state was unable (or unwilling) to address. More recently, the private sector has begun to contribute to the solution of social, environmental and other issues through corporate social responsibility and charity. And the latest development of this trend is the formation of the idea of social entrepreneurship.

I have built a model for the development of rural areas of Armenia, based on the ideas of social entrepreneurship and self-interest.

- At the first level of the pyramid, development takes place through the community (**self-government**); each community receives a financial subsidy from the state budget, which is aimed at solving functional problems, as the communities of Armenia are not yet able to provide their own budget revenues.

Within the framework of the study, I visited Karinj village of Tumanyan community of Lori region. Karinj was founded in 1841. Most of the ancestors of the inhabitants settled here from Artsakh. The village is located at an altitude of 1230 m. was awarded the brush of in 1952, the great Armenian painter Martiros Saryan made a painting of Karinj with its beautiful geographical position and beautiful nature. The road to the village is unpaved, which makes it very difficult to reach the village. According to the villagers, 1 billion drams are needed to renovate the road. The total budget of the Tumanyan community in 2018 was just about 122 million drams, of which 88 million are subsidies provided from the state budget.

The state of the education sector also cannot be assessed as satisfactory. There is a school in the village with an average of 80-85 students, but the school has a shortage of teachers in many subjects, for example, they have not had an English teacher for years. Young people dream of getting a normal education. Some of them study at Vanadzor State University, but that also comes at an additional cost. However, after the recent unification of Armenia's rural communities, Karinj community was merged with several others, and some positive facts were registered in the village. For example, the situation with garbage collection has improved, and a bus stop and water line have been built. But overall, the young people of the village liken the enlargement of the community to a "lottery". You have to wait for your luck to get funding from the community budget one day. As a competitive advantage, the village has wonderful nature and can be turned into a tourist area using the tools of social entrepreneurship to turn it into a business model. So far, the lack of basic infrastructure does not allow it to become reality. The example of Karinj is, arguably, at the first level of the pyramid, that is, the village develops exclusively with the limited means of the community and local government, without the support of external entities.

- The next level of the pyramid is **community-state cooperation**. The state supports communities, giving them subventions for creating and improving infrastructure (paving streets, creating water lines, building lighting systems, etc.), which encourages but does not ensure the development of entrepreneurship in communities.
- The next level of the pyramid is **Community + Civil society + state + other persons**, Civil society acts as a mediator between the community and the state (or other individuals). Drakhtik village of Gegharkunik region is one of the first examples of such a development model in 2018 a group of volunteers decided to develop the village and achieved strong results

In October 2018, we established an NGO called "New Semyonovka" with the aim of developing various branches of agriculture, tourism and infrastructures, education, and non-agricultural entrepreneurship in the Semyonovka village in the Gegharkunik Province. In this way,

we aimed to support population growth and the raising of living standards. The members of the NGO who have different professions represent different areas, plan projects to develop social entrepreneurship and entrepreneurship generally, supporting the overcoming of unemployment, raising of living standards and the population growth. After the Nagorno-Karabakh war, the members of "New Semyonovka" NGO decided to expand geography of activities, including all communities: From December 29, 2020 "New Semyonovka" NGO was renamed to "To the Community" is new with a new mission. The goal of the organization is to promote the realistic development of communities by creating conditions for identifying the potential of communities and maximizing their implementation. We and our team are now focused on implementing programs aimed at the development of border communities and villages. Let me tell you a little about our own experience. When we entered the Semyonovka community, we decided to buy one of the houses for sale in that community. The goal was very clear, in the first stage it was integrated into the rural settlement. Today, when strangers enter a community or village, the residents and the head of the village accept these new people very negatively. It is very clear that we are witnessing the old way of thinking and the fear factor. Because everything new will be scared, and for the representatives of the older generation it is more expressive. And so in 2019 we bought one of the village apartments, which cost \$ 1000-1200. We acquired it as a team with the right of co-ownership. One person spent \$ 100 on that house. A little funny but a fact. Later, for the second stage, we planned to renovate it and finally turn it into a guest house. Because there was no guest house in the village. Our plan did not work out because after 44 days of war, the family of refugees from Artsakh, who had lost their home after the war, settled in that house indefinitely. Naturally, new plans will be made for this house in the future. If we describe what projects we have done, I will mention the creation of a house of culture in the village, the creation of a playground for children, the financial support of one of the villagers, which he used to build a living room for tourists and a cafe in the village, vocational training classes for about 20 women in the village, etc.

- Although civil society has a huge role to play in community development, we believe that without self-interest and motivation, volunteering in the long run cannot be the basis for community development. **Social entrepreneurship** is important at this stage. It can be created by both civil society (NGOs) and community members.

Let's take the example of "Barik Sarer" enterprise. Founded in Vardenik community of Gegharkunik region, this enterprise is mainly engaged in collecting, processing and selling wild vegetables. The company has promoted employment in the community by involving residents of the surrounding communities. Dozens of citizens from different communities gather and hand over to the organization wild vegetables and edible herbs growing in the region, such as lilies, thyme, and surplus. About 60 families are involved in this business in our community. The " Barik Sarer " has created a refrigeration facility, where it stores the harvested crops in order to sell them on time. They are looking for sales markets, accepting orders from shops in the capital of the region, from large trade outlets. They are thinking about providing export volumes and opportunities.

- Social entrepreneurship contributes to the growth of employment in rural areas, but does not ensure the stability of the community. The main guarantee of the latter, in my opinion, is the **large investments** (the last level 5 of the pyramid model that I offer).

Consider the example of Yenoqavan community. The Yell Extreme Park project was founded in 2015 in the Yenokavan community of Tavush Province. The focus was on the development of adventure tourism, which was lacking in Armenia. The initiative belongs to the Chibukhchyan family of the community, who, by investing in their own community, created an adventure garden and started their own business. In the past, the emigration rate in Yenoqavan was quite large, but today not only has emigration disappeared, but, to the contrary, people are migrating to the village from other cities in Armenia and other countries. Until 2014-2015, only the Chibukhchyan family made investments in the community, to the tune of about 8-9 million US dollars, and from 2016 other investors appeared, and it was decided to develop a new strategy. If in the first stage the main goal was for people to connect their future with Yenoqavan, now a community development strategy has been created. According to the Yenokavan development strategy, the number of tourists in the community should reach 250,000 per year by 2025, for the implementation of which it is necessary to create new tourist areas, open hotels and develop infrastructure. As a result, Yenokavan can become the center of adventure tourism in the province.