

## Excellence in Practice 2018

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GOLDMoscow School of Management SKOLKOVO  
and Monocities Development Fund

# Monocities: a long journey of transformation

**H**ow the SKOLKOVO business school and Monocities Development Fund went about solving a nationwide problem and bringing new life to territories long forgotten.

## The context and the problem.

Economics textbooks will tell you that a planned economy was in place for most of the 20th century and proved to be ineffective. But most learners outside the former Soviet Union do not realise that the planned economy was a very real phenomenon with a far-reaching legacy that affects people's lives today. The most dramatic example of this legacy is monocities: the small towns and cities built around a single factory, enterprise or mine.

This case study is about how the Moscow School of Management SKOLKOVO went about changing lives in these small and remote settlements through educational programmes.

## Why monocities?

Most monocities are remote settlements built from scratch during the industrialisation boom during the 1930s-1960s. They produced mostly coal, iron, metals, machinery or assembly parts for the Soviet military. Monocities tended to be built in remote areas: Russia's vast territory meant plenty of space for greenfield projects.

There is usually a central factory or mine, neat rows of five-storey houses for workers, a central park and a small cultural centre (the "House of Culture": the only attractive building, as cities were built in a rush with functionality in mind).

When the Soviet Union collapsed and demand for coal, metals and military products decreased, the residents of monocities were left behind and forgotten. There were no jobs and nothing to do.

The most ambitious left for larger cities, but the scale of the problem remains huge. Around 15 million people, or 10% of the population of Russia, are currently living in these areas.





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### **The beginning of the project**

In 2009, after an industrial and economic crisis in Russia, the government launched a programme to help people in monocities. Significant funds were allocated but few initiatives got off the ground.

The government realised that besides the formal process of fund allocation, you need to go deeper and change management structures and attitudes in the monocities. Some monocities were trying to change things but mayors and municipal councils lacked management skills and strategic vision.

They could not solve monocities' problems on their own. Unlike resource-rich corporations, monocities lacked their own funds and staff and relied on support from central government.

In 2013, the Moscow School of Management SKOLKOVO was contacted by the Monocities Development Fund (a government agency set up to help the monocities) to create special teams to lead development in each monocity.

These teams included the mayor of the city but also representatives of local business, the community and the city's largest factory. In most cases, regional government officials were also included.

The goal of each team was to launch a programme to transform the city by attracting new investment, repairing broken infrastructure and creating new jobs.

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**Monocities: a long journey of transformation****The development and delivery of the programme**

The Monocities Development Fund decided to run educational programmes lasting 25 days (in class and lots of work outside as well). Each cohort included 10 cities; as there are 319 monocities, there were 32 cohorts in all.

The initiative was extremely large-scale, as well as being new to the SKOLKOVO business school and practically everyone involved, so we decided to take it step-by-step.

We worked with the first cohort for six months, monitoring them closely along with the Monocities Development Fund and making changes as necessary. After that, we ran a second pilot programme for two cohorts (20 city teams), and only then were we ready for a full-scale roll-out.

The programme itself was built around a standard SKOLKOVO mix: academic knowledge; specially selected experts and field researchers; 30% project-based learning, where groups prepared a full-scale development plan for their cities; and motivational speakers and team events to inspire people and promote change.

The main modules taught in the programme were the following:

- Monocity Strategy and Positioning
- Working with Federal Support Measures and Government Programmes
- Urban Environment Management and Working with Communities
- People Management and Change Implementation.

These modules were delivered by adjunct and in-house faculty as well as numerous experts in the relevant fields. As the programme was running in cohorts, selecting experts was a real challenge: we had to find people who were willing to participate not only once but 10 or 15 times, almost becoming part-time teachers.

Some experts changed from cohort to cohort but we tried to keep the main pool of experts intact.

Russia is a large country: we had 319 monocities to teach, which worked out at approximately 1,500 people. So when we began to roll out the full programme, we decided to do it in partnership with RANEP, one of the most established educational institutions for government officials in Russia.

We contributed some parts of the programme and the methods we had come up with during the pilot programmes but RANEP helped us a great deal, contributing faculty, venues, moderators and suggesting various amendments and changes to the programme.





1564

1,564 people completed the programme in 10 cohorts

25

A least 25 days (5 modules of 5 days each) with intensive work in between the modules

240k

More than 240,000 jobs created in monocities

1149

1,149 projects of varying scale implemented in monocities

### Impact on monocities

Our main goal was to change people’s lives in monocities—and this is happening already, before our eyes. We can see new green spaces, parks and festivals springing up in the cities and it is great to see projects developed during the programme coming to fruition.

This is a long-term initiative. It takes a long time to change a whole country but what we are already seeing is an immediate change in the attitude of the teams and city managers: they are more willing to make changes, take the initiative and launch projects, a competency which monocities particularly felt the lack of.

Some of the impact is measurable:

- 1,564 people completed the programme in 10 cohorts;
- at least 25 days (five modules of five days each) with intensive work in between the modules;
- more than 240,000 jobs created in monocities;
- 207 billion roubles (US\$ 3.5 billion) investment attracted;
- 1,149 projects of varying scale implemented in monocities.

This programme has allowed us to bring new hope to the lives of 15 million people. To have improved lives, even in a small way, is something our team is undoubtedly proud of.

It has now been confirmed that we will be continuing to run programmes to develop cities and the country. We would like to thank the Monocities Development Fund, the government and all our stakeholders for that opportunity.

### Lessons learned

1. You need to start with a pilot
2. Implementing changes not just in one corporation but nationwide takes time, sometimes several years
3. You have to put significant effort into logistics and arranging hotels/transport/facilities when running programmes like this. Partnering with another organisation could be a good option if the programmes are very large scale
4. You are never completely in control but if you try to create the right atmosphere, you will be surprised by the results.

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