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### Social Well-Being of the Yakutia Business Community

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**Abstract.** The purpose of this article was to study the modern regional labor market under the influence of major challenges and to identify the features of the social well-being of the Yakutia entrepreneurial community against the backdrop of coronavirus infection in the Arctic. The results of our study showed that the coronavirus crisis has affected all areas of entrepreneurial activity, but with different territorial projections. COVID-19 had a particularly negative impact on the economy as a whole, employment and household budgets in large settlements of Yakutia, where the solvent population, service/paid services and those employed in them are concentrated, as well as on the remote but promising Arctic zone of the region. Despite the noticeable differentiation of the zonal, status level and quality of life of the population of the republic, according to the results of our survey, the positive assessment of the personal prospects of respondents from the general array of the surveyed population in the Republic of Sakha (Yakutia) and among entrepreneurs of the Arctic zone is quite comparable: 63.3% and 62.7%, respectively. Urban entrepreneurs work in more comfortable conditions (comprehensive infrastructure support, more efficient access to information, convenient logistics for receiving goods, a more extensive customer base for doing business, etc.). Rural entrepreneurs are more focused on a collective spirit, hard-working and optimistic. An important factor determining the social well-being of entrepreneurs is economic and legal mechanisms, which include issues of infrastructure support for small and medium-sized businesses, effective interaction with government authorities, targeted regional development programs and personal adaptation strategies.

**Keywords:** *labor market, small business, pandemic, social well-being, Arctic entrepreneurs, Yakutia*

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### ***General characteristics of the labor market in Yakutia***

Modern challenges of the global world — political and economic instability (inflation, level of infrastructure development, currency fluctuations, etc.), legal regulation (laws regarding business activities), competition and struggle for clients — have had an ambiguous impact on the social and labor sphere, including the further development of small businesses [1, Matannanov N.P., Valkovskaya V.V.]. The economic situation in the labor market affects the standard and quality of life of the population in such a remote subject of the Russian Federation as Yakutia, where real problems remain: low assessment/cost of labor, income inequality, structural and interregional disparities, differentiation of production and social infrastructure in urban and rural settlements, gaps in the institutional environment, etc.

Monitoring of the labor market in the republic as a whole is characterized by stable indicators. An analysis of labor market indicators in the Republic of Sakha (Yakutia), according to the regional office of the Federal State Statistics Service for 2010–2022 <sup>1</sup>, showed that in terms of participation status and gender breakdown among the employed and unemployed, the male population prevails over the female one. The post-pandemic period (2021–2022) was no exception: there were 239.9–242.9 employed men compared to 227.2–227.4 employed women, while 20.1 and 19.5 thousand men were unemployed compared to 14.3 and 13.0 thousand women, respectively. The employment rate among men has stabilized over the past decade at 66.8–66.9%, while among women it has decreased from 58.3 to 57.7% over the past two years. The level of real unemployment among men is higher than the national average by 0.9% during this time, and in fact the decrease is recorded at the level of 7.8 to 7.4%; among women, the real unemployment rate is always lower than among men and on average in Yakutia, it is constantly decreasing and is equal to 5.9–5.4%.

Among the employed, there is a decrease in the proportion of people with higher education, which is quite consistent with the ongoing policy to adjust the personnel policy on issues of training specialists and employing young people in the industry. In Yakutia, the level of education has always been distinguished by gender imbalance, with women exceeding men in terms of educational attainment. In 2022, 33.6% of the employed population in the Republic of Sakha (Yakutia) had higher education, including 27.0% of men and 40.7% of women. Only 41.3% of the employed population had secondary vocational education, including 43.9% of men and 38.5% of women. The average age of the employed population in the Republic of Sakha (Yakutia) labor market in 2021 was 40.9 years, compared to 41.8 years in the Russian Federation and 41.2 years in the Far Eastern Federal District. The average age of unemployed people in Yakutia is also lower than in the Russian Federation and the Far Eastern Federal District and is 33.9 years, 36.9 years and 36.2 years, respectively.

<sup>1</sup> Statistical Yearbook of the Republic of Sakha (Yakutia): Stat. collection / Territorial body of the Federal Service of State Statistics in the Republic of Sakha (Yakutia). Yakutsk, 2022, 542 p.

In general, Yakutia has seen a trend towards stability in the size of the economically active population and its employment rate, an increase in the number of people employed in the economy and a decrease in the unemployment rate. However, during the pandemic, the qualitative indicators of the labor market have noticeably worsened (Table 1).

Table 1

*Dynamics of the main indicators of the labor market in the Republic of Sakha (Yakutia)*

|                                                 | 2010  | 2015  | 2018  | 2019  | 2020  | 2021  | 2022 <sup>2</sup> | 2023  |
|-------------------------------------------------|-------|-------|-------|-------|-------|-------|-------------------|-------|
| Economically active population, thousand people | 493.6 | 501.3 | 500.5 | 501.4 | 501.6 | 500.6 | 504.1             | 517.3 |
| including:                                      |       |       |       |       |       |       |                   |       |
| employed in the economy, thousand people        | 449.9 | 464.5 | 465.8 | 467.0 | 464.6 | 466.2 | 471.1             | 487.9 |
| unemployed, thousand people                     | 43.7  | 36.7  | 34.7  | 34.4  | 37.0  | 34.4  | 33.0              | 29.4  |
| Employment rate, %                              | 62.0  | 65.6  | 63.3  | 63.3  | 62.7  | 62.4  | 62.0              | 63.3  |
| Registered unemployment rate, %                 | 8.9   | 7.3   | 6.9   | 6.9   | 7.4   | 6.9   | 6.5               | 5.7   |

The unemployment rate in the republic remains one of the highest among the regions of the Russian Federation and the Far Eastern Federal District. Thus, the level of general unemployment during 2000–2022 has been constantly decreasing from 11.2% of the economically active population to 6.5% (exception: the peak of the pandemic in 2020 — 7.4%). In terms of age groups, the indicator is less stable among young people of working age.

The gender structure of the unemployed in the Republic of Sakha (Yakutia) is characterized by a constant predominance of men, since they have lower qualitative characteristics in terms of education and labor qualifications than women. Thus, among the unemployed, every fifth resident of Yakutia has higher education, including every third woman who applies to employment services for assistance in finding a job, as well as every third man. More than half of job seekers ask friends, relatives or acquaintances, while women have intensified their job searches in social networks and on the Internet.

The average age of employed people in the republic is 40.9–41.1 years, including 40.0–43.0 years for men and 41.8–41.9 years for women.

***Indicators of the entrepreneurial climate in the Republic of Sakha (Yakutia)***

At the territorial level, there is a sharp differentiation in the indicators of employment of the population and the entrepreneurial climate <sup>3</sup> in the Republic of Sakha (Yakutia) between urban and rural settlements.

<sup>2</sup> The data has been recalculated taking into account the results of the 2020 Census.

<sup>3</sup> Entrepreneurial climate — common to entrepreneurs operating in a particular territory, opportunities and conditions for achieving entrepreneurial goals.

The study identified groups of indicators that have a positive impact on the entrepreneurial climate: target, information, infrastructure, and educational indicators. Indicators that hinder the development of entrepreneurship in the region include communication, organizational, partnership, value-oriented, and stimulating indicators. Target indicators are manifested through the definition of target guidelines for the formation of an entrepreneurial climate. Since the 2000s, small and medium-sized businesses of the republic have had information, consulting, financial and credit support, primarily in large cities and administrative centers — this is stated by 75% of the surveyed small business managers. The creation of a developed regional infrastructure to support small businesses in the form of infrastructure facilities (business schools, business centers, SME support funds, business incubators) is of significant importance. The organizational group of indicators includes numerous public associations of entrepreneurs whose actions influence business development, since they create relevant organizations, unions and are themselves headed by leaders of the entrepreneurial community [2, Baisheva S.M.].

The republic has experience in preparing priority areas in strategic documents and programs for supporting small businesses at all levels (federal, regional, municipal); creating programs in the system of additional education, providing retraining and advanced training of entrepreneurs<sup>4</sup>. During the pandemic, remote and electronic technologies for preparing citizens for entrepreneurial activity have developed, and the role of communication indicators associated with the need to establish direct contacts between business representatives and government agencies has increased. The partnership indicator in solving economic (public-private partnership) and social (anti-corruption) tasks is not always successful, as it is affected by the costs of sanctions, rising prices for energy, equipment, and other factors [2].

Due to state support measures, including from the Ministry of Entrepreneurship, Trade and Tourism, the Republic of Sakha (Yakutia) managed to maintain sustainable growth in the field of entrepreneurship in the context of unprecedented sanctions pressure: the number of people employed in this sector increased by 20% in 2018/2022, from 90 to 110.8 thousand people, and 1480 SMEs received subsidies from the supervising agency in the amount of 405.7 million rubles<sup>5</sup>.

Social diagnostics of the entrepreneurial community of Yakutia is based on identifying the level/degree of social well-being of the studied group using indicators against the background of the consequences of social challenges, including the pandemic [2].

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<sup>4</sup> Strategy of socio-economic development of the Arctic zone of the Republic of Sakha (Yakutia) for the period until 2030. URL: <https://mr-momskij.sakha.gov.ru/news/front/view/id/2974677> (accessed 25 January 2024); Decree of the Head of the Republic of Sakha (Yakutia) of August 14, 2020 No. 1377 "On the Strategy of socio-economic development of the Arctic zone of the Republic of Sakha (Yakutia) for the period until 2035". URL: <https://www.sakha.gov.ru/news/front/view/id/3204989> (accessed 12 January 2024); Message of the Head of the Republic of Sakha (Yakutia) A.S. Nikolaev to the State Assembly of the Republic of Sakha (Yakutia). URL: <https://mineconomic.sakha.gov.ru/> (accessed 02 January 2024).

<sup>5</sup> Nikolay Borisov. In Yakutia, the number of entrepreneurs has increased by 20 thousand in five years. URL: [https://ysia.ru/v-yakutii-za-pyat-let-na-20-tysyach-uvlichilos-kolichestvo-predprinimatelej/?utm\\_source=read](https://ysia.ru/v-yakutii-za-pyat-let-na-20-tysyach-uvlichilos-kolichestvo-predprinimatelej/?utm_source=read) (accessed 10 February 2024).

A review of sociological studies conducted on the social well-being of various population groups since the 2000s shows different interpretations of the levels of social well-being [3, Korel L.V.; 4, Mozgovaya A.V.; 5, Kozyreva P.M.; 6, Soboleva I.V.]. The works of well-known Arctic researchers, published in recent years, are devoted to the study of complex issues of adaptation and social well-being of the population, including entrepreneurs. The following publications stand out among them [7, Pilyasov A.N., Zamyatina N.Yu., Kotov E.A.; 8, Zamyatina N.Yu., Pilyasov A.N.; 9, Tishkov V.A. et al.; 10, Zemtsov S.P., Tsareva Yu.V.; 11, Sergeeva K.I., Mironenko K.A.]. Recently, Yakut northern studies scholars have been actively researching the Arctic region in the context of globalization, adaptation and identification of social well-being at the local, regional, status levels [12, Boyakova S.I., Filippova V.V., Vinokurova L.I.; 13, Baisheva S.M.; 14, Baisheva S.; 15, Maklashova E.G.; 16, Tomaska A.G.].

We consider social well-being using the example of the entrepreneurial community and regard it as the most important indicator of the effectiveness of the state's social policy in relation to them.

In our research, we proceed from the assumption that social well-being should be studied as an integral indicator consisting of subjective and objective components. The subjective characteristics of social well-being are aimed at studying value attitudes (priorities), assessing one's current position in new environmental conditions, general emotional state, confidence in future, i.e., the degree of life satisfaction in general.

Objective characteristics include the level of health, education, family status, and social activity in various spheres of life. At the same time, the two groups of social well-being indicators complement each other.

On the one hand, the social well-being of a given social stratum as a whole is characterized by higher rates of life satisfaction, confidence in future, due to people's involvement in socio-political processes, certainty of status-role positions and indicators of independence and self-confidence [2].

We have identified three determining factors of stabilization that play an important role in the social well-being of entrepreneurs in the North:

- formation of a relevant identity in society that responds to the constantly changing challenges of the time, including the role in the fight against the COVID-19 pandemic;
- importance of value orientations as the main determinant of society, largely demonstrated in business models;
- high ability to assume a role — "social status", which is of particular importance in the modern structure of society.

Thus, these factors, both individually and in combination, are important components of the social well-being of the entrepreneurial community. The involvement of business and its key actors (entrepreneurs) in rural areas undoubtedly includes horizontal connections, personal acquaintances, mutual support, responsibility for ensuring the functioning of the local community

(timely delivery of goods and provision of services), and joint overcoming of negative and crisis situations, which has a positive impact on social well-being.

The dynamics of the number of entrepreneurs is unstable for a number of reasons: first of all, it depends on the level of education, the level of training of personnel and their demand in the labor market, related to the availability of a speciality (and not just one). In rural and urban areas, entrepreneurs differ not only in the functional aspect, but also in the scale of activity, the number of employees (hired workers), the scope of their sphere of influence/the number of customers using their goods / services (Table 2).

*Table 2*

*Dynamics of the number of employees in small enterprises of the Republic of Sakha (Yakutia) by types of economic activity*<sup>6</sup>

| Areas of activity                                                 | 2010*  | 2015*  | 2019   | 2020   | 2021   | 2022   | 2023   |
|-------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Total                                                             | 44 828 | 43 266 | 40 967 | 37 887 | 38 143 | 36 600 | 35 094 |
| Agriculture, hunting, forestry, fishing, fish farming             | 4 927  | 3 008  | 2 370  | 1 392  | 1 698  | 1 930  | 1 687  |
| Mining                                                            | 1 086  | 1 641  | 3 089  | 2 058  | 2 579  | 2 045  | 2 611  |
| Manufacturing                                                     | 4 561  | 4 483  | 3 791  | 3 306  | 3 200  | 2 864  | 2 856  |
| Production, distribution of electricity, gas                      | 841    | 943    | 895    | 1 178  | 958    | 1 611  | 1 533  |
| Construction                                                      | 7 116  | 7 390  | 6 646  | 6 504  | 6 093  | 5 634  | 5 349  |
| Wholesale and retail trade                                        | 11 447 | 9 979  | 9 046  | 7 796  | 8 051  | 7 245  | 6 609  |
| Hotels and restaurants                                            | 1 622  | 2 081  | 1 719  | 1 753  | 1 802  | 1 777  | 1 678  |
| Transport and communications                                      | 3 269  | 2 907  | 4 243  | 3 982  | 4 193  | 4 506  | 4 166  |
| Financial activities                                              | 471    | 681    | 878    | 472    | 442    | 468    | 438    |
| Real estate transactions                                          | 8 252  | 8 258  | 2 658  | 2 861  | 2 692  | 2 836  | 2 492  |
| Education                                                         | 61     | 131    | 58     | 73     | 70     | 41     | 61     |
| Healthcare and social services                                    | 355    | 861    | 787    | 1 014  | 1 112  | 1 161  | 1 245  |
| Professional, scientific, technical activities                    | n/d    | n/d    | 2 374  | 2 755  | 2 813  | 2 457  | 2 156  |
| Provision of other public utilities, social and personal services | 820    | 902    | 2 114  | 2 366  | 2 286  | 2 025  | 2 213  |

\* data for 2010 and 2015 are based on the results of a comprehensive federal statistical monitoring of SME activities

A common form of entrepreneurship in trade and paid services is the presence of companies with branches. People from uluses who live in cities have separate branches of their companies not only in their place of residence, but also in rural settlements, in the so-called small homeland of the owner of the company, his/her spouse or close relatives. There is also a reverse trend, when rural entrepreneurs producing their local products (food, handicrafts, etc.) open retail chains/outlets in cities, where there is a market and a more solvent population.

The deterioration of economic opportunities of the country and region — decrease in cash income, purchasing power, rising prices, dependent mentality of entrepreneurs themselves, difficulties in obtaining financial investments for development, weak entrepreneurial activity (the entrepreneurial sector is represented mainly by trade and passenger and cargo transportation ser-

<sup>6</sup> Source: according to the Territorial body of the Federal State Statistics Service for the Republic of Sakha (Yakutia).

vices), shortage of available office and production space, shortage of land for new enterprises — negatively affects the development of regional entrepreneurship [1].

It is well known that the unprecedented COVID-19 restrictions, the high degree of social entropy, as well as the aggressive sanctions pressure on the economic system of Russia in the following years, have primarily tested the resilience of small and medium-sized businesses. Regional governments have made attempts to minimize the consequences and support businesses.

Thus, in order to mitigate the crisis in the consumer market and provide residents of the republic with the necessary goods and services, anti-crisis measures to support businesses were developed. The most effective among them were: providing small businesses with subsidies for the payment of wages; recapitalization of the Entrepreneurship Development Fund of the Republic of Sakha (Yakutia) — by 519 million rubles. Interest rates for all borrowers were 8% per annum; for SMEs operating in the Arctic zone and single-industry towns of the region — a rate of 6% per annum. In addition, following the decisions of the federal and regional governments, tax rates were reduced, a moratorium on scheduled inspections was declared, and administrative pressure on businesses was reduced <sup>7</sup>.

The following measures contributed to the improvement of the business environment: the postponement from 2021 to 2022 of the calculation of property tax based on the cadastral value of commercial real estate; monthly formation of the Register of SMEs.

One of the promising areas for the development of small and medium-sized businesses is the field of telecommunications technologies, the creation of favorable conditions for the expansion of small and medium-sized businesses in the provision of wired Internet services, WiFi, satellite communications, cable television, IP telephony, etc.

***Following the results of a sociological survey:  
problems of Arctic entrepreneurs amid the pandemic***

The article presents for the first time the data of a sociological survey of Arctic entrepreneurs of Yakutia, conducted within the framework of a collective project of the Institute for Humanitarian Research and Problems of Indigenous Peoples of the North of the Siberian Branch of the Russian Academy of Sciences (2021–2023). The mass sociological survey was conducted using a non-continuous survey method, covering all five socio-economic zones of Yakutia: Central, Southern, Eastern, Western and Arctic. Information was collected in the first two years of work on the project using mixed tools for conducting field research during the pandemic and strict lockdown restrictions. The study used the following survey methods: classic “face-to-face”; online (Internet); involvement of “public correspondents”, as well as a multi-stage quota (zonal/settlement) sampling of respondents. The general population according to data for 2021 is 982 thousand peo-

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<sup>7</sup> Entrepreneurs of Yakutia can receive preferential loans // Yakut-Sakha information agency. URL: <https://ysia.ru/igotnye-zajmy-mogut-poluchit-predprinimateli-yakutii/> (accessed 10 February 2024).

ple<sup>8</sup>. The sample population for the republic: 1,320 respondents (confidence interval — 95%, error — 3.5%) [14, Maklashova E.G., p. 62].

Among the problems faced by respondents during the pandemic, the following factors stand out: “problems with the availability of free time, leisure” — 43.1% of the array, including by zones: Central — 46.4%; Southern — 42.9%; Arctic — 40.2%; Western — 37.7; Eastern — 26.3%. The second most negative impact on respondents was the reduction in time spent communicating with friends, colleagues, and relatives — 45.7%, including 27.3% in the Central; 8.4% in the West; 6.1% in the South; 3.0% in the Arctic; 0.7% in the East. The high figure is due to the fact that more than half of the respondents are under 45 years old, relatively young people of Yakut nationality, mainly women, natives of the village, who mostly have well-established, warm relationships with numerous relatives. According to experts, quarantine measures, pandemic outbreaks, and travel restrictions have had a negative impact on the psychological and emotional state of the working population, particularly businesspeople. Many restrictions, especially during the summer, when the Yakuts begin haymaking, preparing for winter, and helping their rural relatives negatively affected the social mood and well-being of the region’s residents.

A negative factor in the daily life of the population is the pandemic period, which affected all segments of the population, touched almost everyone to one degree or another, and led to an increase in stressful situations and psychological tension. This was reported by 40.7% of respondents in Yakutia, including 23.9% in Central Yakutia, 7.7% in Western Yakutia, 5.9% in Southern Yakutia, 2.4% in Arctic Yakutia, and 0.7% in Eastern Yakutia. Those who live in seclusion, in nature, eating local ecologically clean products, i.e. rural and residents of remote settlements, were less susceptible to stress. Sometimes people from rural areas moved to their ancestral lands, their small homeland, and there were even some families who started moving “to the village for the summer”. Temporary outbreaks of the pandemic were caused by overcrowding in large cities of the region (Yakutsk, Neryungri, Aldan, Mirny), violation of the sanitary regime of Rospotrebnadzor, etc.

The data of the sociological survey reveal general trends. First of all, there is a wide range of opinions on the well-being of individual social strata. Thus, opinions among the respondents were divided: some of those surveyed did not observe any negative consequences of the coronavirus pandemic, while others fully experienced the negative impact of the disease directly on their lifestyle and business activities.

According to the results of the survey of Arctic entrepreneurs, there were 103 respondents in the region, including 68 men and 35 women. In terms of age, 17.4% are young people under 30; 26.2% are aged 30–39; 26.4% are aged 40–49; 23.3% are aged 50–59; and 6.7% are over 60. The vast majority of respondents (92.8%) are employees, while only 4.8% are self-employed and 2.5% are business owners. The survey revealed the self-assessment of the financial capabilities of Arctic

<sup>8</sup> Age and gender composition of the population of the Republic of Sakha (Yakutia) on January 1, 2021 // Statistical Collection No. 11/290. Vol. 1. Yakutsk, 2021, 44 p.

entrepreneurs' families. In terms of material wealth, the low-income group prevails among those employed in small business in the Arctic zone — 38.1%. A significant group of poor people among business representatives in the Yakut Arctic believes that “sometimes we cannot even provide ourselves with food, we have enough for food, but buying clothes is causing difficulties”. At the same time, the share of poor and wealthy people is equal — 23.8% of the total number of those employed in the business sector. Entrepreneurs with an average income are classified as a wealthy group — they “have enough money to buy large household appliances, but need to save money or take out a loan to buy a car”. Only 9.5% of the surveyed entrepreneurs are classified as high-income entrepreneurs — “they do not experience financial difficulties and can buy a summer house or an apartment if necessary” (Table 3).

Table 3

*Level of financial status of the population of the Republic of Sakha (Yakutia) and the SBEs<sup>9</sup> of the AZ of the Republic of Sakha (Yakutia))*

| Financial status      | CSR 2022 / 2021, % |                |
|-----------------------|--------------------|----------------|
|                       | Population RS (Ya) | SBE AZ RS (Ya) |
| Destitute/poor        | 2.0                | 28.6           |
| Poor/low-income       | 54.9               | 38.1           |
| Middle class/well-off | 33.2               | 23.8           |
| Rich/high-income      | 9.9                | 9.5            |

Personal emotional and psychological state during work-related periods and general life satisfaction are expressed more strongly among entrepreneurs themselves compared to employees. The self-assessment of the emotional and psychological state of Arctic entrepreneurs during the COVID-19 pandemic obtained during the survey revealed generally positive characteristics in terms of social status among all respondents. However, only 4.6% of employees reported an emotional uplift, while the remaining categories (self-employed, business owners) reported a predominance of balance and calm during the pandemic outbreak.

In general, 80% of respondents experience positive feelings/emotions about Yakutia as a place of residence and life. According to the survey results, the positive assessment of the personal prospects of respondents from the total population surveyed in the Republic of Sakha (Yakutia) and among entrepreneurs in the Arctic zone is quite comparable: 63.3% and 62.7%, respectively (Table 4).

Table 4

*Comparison of personal qualities among the population of the Republic of Sakha (Yakutia) and the SBE of the Arctic zone of the region*

| Assessment of personal qualities                             | CSR <sup>10</sup> 2022 / 2021 |                |
|--------------------------------------------------------------|-------------------------------|----------------|
|                                                              | Population RS (Ya)            | SBE AZ RS (Ya) |
| Positive assessment of personal prospects (total percentage) | 63.3                          | 62.7           |
| Negative assessment of personal prospects (total percentage) | 28.1                          | 23.3           |

<sup>9</sup> SME — small business enterprise.

<sup>10</sup> CSR — complex sociological research with the participation of the author.

Entrepreneurs noted the most positive aspects of the pandemic: 62.8% of them began to pay more attention to their health and monitor the health of their relatives; many everyday issues can be resolved remotely — 48.8%; a decrease in the number of visitors, migrants — 34.9%; an increase in free time — 30.2%.

In general, during the difficult conditions of the pandemic, Arctic entrepreneurs found free time to strengthen family relationships/values and actively participate in solving social problems in remote settlements in their places of permanent residence, providing moral and material support to their relatives to help them survive during this time. Analysis of the survey data shows that the level of positive assessments of current aspects of everyday life provided by Arctic entrepreneurs and the population of the republic as a whole practically coincide (Table 5).

Table 5

*Comparative level of positive assessments of individual aspects of everyday life according to CSR data (opinion of the entire population of the Republic of Sakha (Yakutia) <sup>11</sup> and the SBEs of the AZ of the Republic of Sakha (Yakutia) <sup>12</sup> in 2021 <sup>13</sup>*

| Indicators                                  | Level of positive ratings (total), % |                        | Rating          |                  |
|---------------------------------------------|--------------------------------------|------------------------|-----------------|------------------|
|                                             | I group <sup>11</sup>                | II group <sup>12</sup> | I <sup>11</sup> | II <sup>12</sup> |
| Conditions and quality of life in general   | 54.5                                 | 53.5                   | 4               | 5                |
| including by certain areas of everyday life |                                      |                        |                 |                  |
| Environmental situation                     | 47.6                                 | 67.4                   | 6               | 3                |
| Quality of health care                      | 39.7                                 | 39.5                   | 8               | 7                |
| Quality of education                        | 59.3                                 | 44.2                   | 3               | 6                |
| Quality of leisure                          | 45.5                                 | 32.6                   | 7               | 8                |
| Social state support                        | 51.7                                 | 62.9                   | 5               | 4                |
| Interethnic relations                       | 72.4                                 | 76.2                   | 2               | 2                |
| State of the native language                | 73.9                                 | 78.5                   | 1               | 1                |

Entrepreneurs consider the following factors to be the most influential in terms of their negative impact on everyday life: problems with leaving the region for vacation, holidays, work, or study — 60.5%; problems with the availability and spending free time, leisure — 46.5%; health problems — 41.9%; increased stress, psychological tension, and reduced communication with friends, colleagues, and relatives — 41.9% each.

Entrepreneurs who are dissatisfied with the work of the authorities to minimize the negative consequences of the pandemic cited the poor performance of health authorities and medical institutions in the North and Arctic regions among the reasons for their opinion. In particular, they believe that “there is no work to minimize the spread of the virus being done or it is being done at a low level”, “it is almost impossible to get through to specialists”, “they practically did not work, I cannot get through, because we (a child, elderly parents) are scheduled for urgent surgery under the quota of the republican hospital”, “there is a lack of involvement from the federal government”, etc. The inappropriate attitude towards the health of those living in the Arctic zone was previously explained to the population by the lack of qualified medical personnel, insufficient funding, weak material and technical base, etc. In the post-pandemic period, taking into account

<sup>11</sup> Results of research involving the author.

<sup>12</sup> The results of the author's own research.

<sup>13</sup> Note: Group I — population RS (Ya); Group II — SBE AZ RS (Ya).

the lessons of the pandemic, it became clear that the losses and damage from COVID-19 (material, social, and resource) were significant in areas with the highest population density. Unlike Central, Western and Southern Yakutia, the Arctic zone, with its low population density and remoteness from the centers, found itself in forced isolation and, as a result, was the least affected by the consequences of the viral epidemic in Yakutia.

When asked, “Are you satisfied with the current socio-economic situation of your locality, district, Yakutia and Russia?”, more than half of the respondents gave a negative assessment of a specific area of residence: their settlement — 55.8%, their administrative district — 53.5%, while on a Russian scale and at the level of the republic, positive assessments prevail: 65.1% and 69.8% of respondents, respectively.

According to entrepreneurs, the attractive/special features of the Republic of Sakha (Yakutia) consist only in the fact that they are surrounded by “beautiful nature” — 79.1%; there is “access to natural products” — 58.1%; “kind, sincere people” live there — 41.9%. Only 25.6% and 23.3% of respondents mentioned the high level of tolerance and respect for the language and culture of indigenous and other peoples living there and the support of agriculture and traditional farming, respectively. At the same time, according to respondents, the characteristic features of Yakutia’s unattractiveness include: harsh climate — 51.1%; low level of social and infrastructural development of the territory — 39.5%; very limited labor market, as well as clannishness and localism — 25.6% each.

In general, the social well-being of the Yakutia entrepreneurial community should be characterized as rather unstable and even contradictory, which is associated with its strong dependence on economic conditions. At the same time, compared to other social groups, even Arctic entrepreneurs have a higher level of life satisfaction, including confidence in their future (Table 6).

Table 6

*Arctic entrepreneurs’ confidence in their future<sup>14</sup>, %*

| Indicators                           | Employees | Self-employed | Business owners | Total |
|--------------------------------------|-----------|---------------|-----------------|-------|
| Yes, I am sure                       | 27.9      | 2.3           | 2.3             | 32.5  |
| More sure than not                   | 41.9      | -             | -               | 41.9  |
| Confident<br>(cumulative percentage) | 69.8      | 2.3           | 2.3             | 74.4  |
| More unsure than yes                 | 16.3      | -             | -               | 16.3  |
| No, I am not sure at all             | 4.7       | -             | -               | 4.7   |
| Unsure<br>(cumulative percentage)    | 21.0      | -             | -               | 21.0  |
| Difficult to answer                  | 2.3       | 2.3           |                 | 4.6   |
| Total                                | 93.1      | 4.6           | 2.3             | 100.0 |

In daily life, entrepreneurs are forced to interact with the communities and individuals in the course of their activities. Their role and influence can be both positive and negative. According to the survey results, the highest level of trust in the entrepreneurial community was found among family members/relatives (76.2%), friends (61.9%), work colleagues (47.6%) and judicial authorities

<sup>14</sup> Based on the author’s research (2021–2023).

(33.3%). To a certain extent, trust is placed in: fellow countrymen from the same nasleg or ulus — 69.0%; Internet publications (in Yakutia, YSIA, etc.) — 64.3%; Russian government authorities, official media (newspapers/television), neighbors — 59.5%; Sakha Republic (Yakutia) government authorities — 57.1%; police, prosecutor's office — 52.4%.

Overall, the business community's level of trust in the state during the pandemic and the accompanying new global economic and political challenges remained at least at the same level and varies depending on the field of activity, age group, level of education, place of residence, and distance from centers of civilization.

The pandemic caused the most serious difficulties for business owners who had already experienced a decline in economic indicators (low profitability, problems with lending, rent payments, etc.), insufficient education, lack of partnerships and reliable connections among like-minded people, and low material well-being. Among other businesspeople, owners of commercial real estate, who were required to pay rent by law, had a particularly difficult time. The abolition of the simplified single tax on imputed income (which had been in force for 20 years) and the transition to new taxation regimes had a certain impact on social well-being.

Personal value orientations, combined with adaptability and creativity, will allow entrepreneurs to step out of their comfort zone and focus on positive social attitudes.

Changes in the socio-economic policy of the state and the republic have led to the emergence of an innovation-oriented part of the entrepreneurial community, especially among young people. The predominance of business motivation is typical for urban and rural entrepreneurs. Due to the pandemic, the number of entrepreneurs engaged in paid medicine, education, transport (both freight and passenger) has increased, while its number in culture and leisure, the restaurant business, and tourism has decreased. Due to the unstable situation and sanctions costs, measures taken at the federal and regional levels, such as preferential taxation and obtaining credit funds in a simplified manner, debt write-off, availability of personnel, etc., did not pose any particular difficulties for doing business. However, increases in rent for premises, tariffs for electricity, gas, heating, and communication services, instability and inconsistency in regulatory and legal acts at the federal and regional levels, competition, and rising prices for goods and services are hindering the development of small businesses regardless of the type of activity and location of the entity [2].

The results of the expert survey indicate that entrepreneurial activity is developing in a largely positive way. Thus, limited financial resources are most often cited as a significant problem for SMEs in Yakutia when starting their own businesses. However, there is a slight downward trend in the relevance of this issue. This is largely due to the work of microfinance organizations supporting entrepreneurship at the regional and municipal levels, in particular the state's position on "reducing" bank rates through preferential loans. In addition, in the context of the pandemic, experts pointed out the shortcomings in approving the regional list of affected industries for the provision of state support measures; issues of strengthening the monitoring of the administrative

pressure index to reduce the number of inspections and fines, expanding the practice of prevention and warning of violations, etc.

As part of social diagnostics through expert surveys and in-depth interviews, it was found that during the difficult pandemic and post-pandemic periods, the progressive part of the Yakutia business community demonstrated such noble qualities as willpower, work ethic, endurance, and the ability to provide both moral and material support. Regional entrepreneurs managed to survive during the coronavirus pandemic and even open up new areas of business, and this was primarily facilitated by their flexibility, anti-crisis and systemic support measures from the state, as well as their own efforts, long-established connections with partners, and assistance from relatives, friends, and fellow countrymen.

Among the indicators of social well-being, external indicators, mainly related to social, economic, legal factors — measures taken to protect entrepreneurship by authorities at various levels, including local governments, developed target regional development programs, infrastructure for supporting small businesses created in pre-pandemic times — facilitated the adaptation of the entrepreneurial community in the face of external threats and new challenges. In addition, social indicators related to the family and personal spheres of life of an individual entrepreneur directly influence the assessment of social well-being [2].

Our measurements of social well-being demonstrate a negative assessment of measures to support small and medium-sized businesses. In particular, this is a shift away from non-repayable subsidies to preferential terms for entrepreneurs in the form of credit loans. It turned out that a service such as business consulting support from state structures is in high demand. At the same time, entrepreneurs point to an improvement in the quality of such services.

The relations of entrepreneurs with financial and banking institutions are quite volatile and expensive, which in turn makes them unprofitable and difficult to maintain. This is particularly relevant given that businesses in rural areas largely do not meet the formal criteria and conditions for financing. In turn, complex lending mechanism leads to low demand for business loans. One of the key factors restraining development is the problem of recruiting staff, where both the shortage of personnel and the lack of interest on the part of applicants in applying their efforts and knowledge to small and medium-sized businesses are relevant issues.

Entrepreneurs in the status of employers agree that in the current situation they are unable to pay decent wages or ensure the stability of these payments. In rural areas, the majority of hired workers in business are family members and relatives. Despite the difficulties, there are also positive trends, in particular, actions taken by municipal authorities, such as reducing administrative barriers, creating favorable conditions, attempting to expand support measures, and encouraging residents to start their own businesses.

Based on the results of the analysis and surveys of small business representatives, it is necessary to propose systemic measures at the state level to improve support and development of entrepreneurship in the republic:

- provide assistance to entrepreneurs at the municipal and regional levels in the formation of markets for manufactured products and services;
- in order to assess competitiveness, clarify the zonal, regional, municipal positioning of SBEs of the Republic of Sakha (Yakutia) in the regional and interregional markets and adjust the priority areas of the economy with their participation;
- along with traditional information and consulting services, expand consulting for entrepreneurs on issues of leasing and buying municipal property, organizing non-standard retail facilities, advertising activities, etc.
- improve the quality of services provided to small businesses, aimed at focusing efforts on the state's priority tasks: involving new market players in the support infrastructure, increasing the coverage of educational events on the conditions, measures and organization of interaction with development institutions on the part of the state and large business.

The social well-being of the entrepreneurial community is the most important indicator of the effectiveness of the state's social policy towards it; therefore, in the face of new challenges, it is necessary to learn the lessons of the past difficult stage of testing and checking for resilience:

- it is possible to mitigate the negative impact of COVID-19 and other challenges of globalization in business only through joint efforts: the state, business structures, public organizations and the entrepreneurial community itself;
- a new social and labor mentality and individualization are important components of the transformation of the labor market and the socio-psychological, socio-cultural consequences of globalization; the social dependence of an individual on a certain socio-professional environment or group is gradually decreasing, professional mobility is growing;
- difficulties in adaptation and social inequality of SBEs depend on: the imperfection of the state support mechanism, including regulatory and information support; the level of education; personal qualities of entrepreneurs, etc.

In general, the impact of the pandemic on the activities of SBEs of the Republic of Sakha (Yakutia) was reflected in the following aspects:

- business restrictions during the pandemic negatively affected traditional types of entrepreneurship, which, for objective reasons, are focused only on the offline environment, and intensive digitalization is premature for this type;
- monetary policy measures related to the provision of the so-called "tax holidays", measures to compensate for rent payments during the pandemic served as a strong incentive and support from the state;
- not all small businesses and entrepreneurs could take advantage of state support due to incorrectly established criteria;

- the pandemic and mass restrictions increased the digitalization of business and communication with consumers of goods and services in the online environment;
- the decline in consumer spending power pushed the least digitally prepared small and medium-sized enterprises out of the market, without giving them the opportunity and time to transform business processes in the online environment;
- small businesses that received government support and were able to work with consumers in the online environment found themselves in a more advantageous position.

The survey data confirm that the efforts of the executive and legislative authorities of the republic and the country, undertaken as part of the implementation of state programs to support entrepreneurship and national projects, are insufficient. It is necessary to adjust strategic documents at the level of the Arctic zone of Yakutia and the republic as a whole, taking into account the opinions of interested parties: the scientific and business communities, civil activists, entrepreneurs themselves and their leaders. The core of tension in regional society, creating risks of erosion of public consensus, trust and unity, is the unresolved socio-economic problems, violation of the principles of the social state (including the right to work, education, health care), which complicates further technological and innovative development of the territory and in the long term creates additional risks for increasing social inequality in the Arctic zone of the region.

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