

SOCIOECONOMIC SITUATION IN AGRARIAN SEGMENT OF REGIONAL ECONOMY: PROBLEMS AND SOLUTIONS

SOCIOEKONOMICKÁ SITUACE V AGRÁRNÍM SEKTORU REGIONÁLNÍ EKONOMIKY: PROBLÉMY A ŘEŠENÍ

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Abstract:

The paper deals with the relation between agriculture and socio-economic situation in Stavropol rural areas. An expert survey among the region rural shareholders show the problems in the rural life (especially the perceived issue of poverty). Based on the research result the authors suggest some measure how to improve the situation. These measures (especially in the area of institutions) are in accordance with the views of questioned experts.

Keywords:

Stavropol rural areas, social and economic situation, agriculture, institutions

Anotace:

Článek se zabývá vztahem mezi zemědělstvím a socioekonomickou situací v Stavropolské venkovské oblasti. Odborné průzkum mezi regionálními venkovskými akcionáři ukazuje problémy venkovského života (zejména postřehnuté otázky chudoby). Na základě výsledků výzkumu doporučují autoři některá opatření pro zlepšení situace. Tato opatření (zejména v oblasti institucí) jsou v souladu s názory dotazovaných odborníků.

Klíčová slova:

Stavropolská venkovská oblast, sociální a ekonomická situace, zemědělství, instituce

INTRODUCTION

The modern state of agrarian economy of some Russian regions in general and in Stavropol region particularly, challenges a certain warning. Efforts of the country authorities during the last years have already provided a considerable increase of an output of agricultural products. For instance, the annual average harvest of grain – the main trade culture in the Stavropol region – rises steady and for the period of 2002-2004 it overtops plank of 5,4 mn ton.

However the questions of rational using of agricultural products and economical relationships in agrarian segment are still opened. These relationships are between partner-industries in processing chain and government which restrict the strengthening of agricultural commodity producers' growth power. We can compare production costs, which reached approximately 28 mn rub in 2003, with an eye to one enterprise of the Stavropol region's agro-industrial sector, with 2,7 mn rub of sales profit for the same agricultural enterprise. This comparison shows that in such ratio the succeed husbandry is almost impossible. That's why the situation, when the sum of short-term obligations of the agricultural commodity producers in Stavropol region overpasses the eventual benefit by factor of 5-7 or more. As a result debts rise, and troubles of loss of financial stability and [bankruptcy](#) become real.

OBJECTIVES AND METHODS

Agro-industrial enterprises in most rural territories of our agrarian region form the budget and this fact shows us a profound character of social problems in the country. A real improvement of a rural life becomes problematic in these circumstances and the most part of the country population may be considered as poor one. Through centuries, the social inequality between peasantry and another population in Russia as a problem does not have solutions.

In July of 2004, we have carried out the expert survey of rural managers of different management levels from the Stavropol region (chiefs of the state territorial administrations, heads of rural administrations, chiefs of the agricultural entities), which have showed the objectivity of such conclusion.

MATERIAL

Questioned respondents agree that for the last three years the living standards of the rural population continue decline. So, more than 40 percent of respondents declared that the poverty in the country has mass character (i.e. more than 50 percent), 18 percent of respondents consider that almost all population is poor, 12 percent think that only one-third is poor.

Respondents marked the difficult economical situation in agrarian sector of the country and region as the main cause of such low living standards. They think that imperfection of agrarian laws, collapse of agricultural enterprises, insufficient development of rural infrastructures (both production and social) and nonfarm activity, lack of accessible housing market, low salary and as a result lack of initiative among agricultural workers. The resume of this situation is the growth of dissatisfaction with today's state, threatening by strength of social tension. But the last is the serious risk factor in country's and region's agrarian sector.

DISCUSSION

It is clear that these and other negative moments, characterizing the modern state of agrarian economy, challenge the profound need for searching the ability to solve the important problems. Respondents consider that it is important to use following arrangements:

- carrying out and realization of the state agrarian policy, which supports only domestic agrarian production;
- increasing of investments to the production and social field of the country;
- privileged financing of agricultural producers;
- decreasing of a price misbalance on the agricultural and industrial products;
- state-guaranteed order for the main kinds of agricultural products, their guaranteed sale, favoured treatment for the agricultural products' promotion;
- strict fight with the corruption;
- stimulating of the small business development;
- goal-oriented rural laborers' work referred to rising the manufacturing resources-use efficiency, their renovation, improvement of production quality etc.;

To our opinion, each of the listed arrangements will provide the positive changes in regional agrarian economy and material situation of its worker. However, the searching of the deepest problems solution are not to be restricted only by improving of economical, organizational, technical, technological aspects of the agro-industrial enterprises' activities. It shouldn't have only branch-wise character and be agricultural producer-oriented.

There is another level of searching, whose role is recognized by state and people – it is

the most effective usage of ability and management resources of the local level. The law “About common principles of the local self-government organization in Russian Federation”, which is in force since 1995, have not solved many economical and financial problems of municipal formations’ territories, particularly in the countryside. This law have not provided the base for joining efforts and economic agents, and local authorities for solving economical and social problems of the country, which are the result of the follow causes:

- imperfection of agricultural municipal institutions’ organization, when some of them didn’t have abilities and real perspectives for their further development in the certain circumstances;
- lack of the mutually profitable integration between economic agents to the whole economical space, formed according to the frameworks of the municipal institutions;
- incoordinate actions of the government and local authorities. It does not contribute to the succeed development and effective usage of the economical space by the municipal institutions;
- insufficient legal framework of the local self-government for strengthening its economical and financial bases;
- recessionary state of many agricultural enterprises, which are the main budget- and city-forming agents on the territory of the agricultural municipal institutions, and either the organizations of agricultural industry and rural construction sector;
- incomplete information support of the local authorities’ activity because of municipal statistics’ problems, shortage of computing technique and specialists of machine information processing;
- weak juridical and economical preparation of the local authorities’ officials in the rural municipal institutions to fortify and use effectively their economical space, for defense of the population interests.

CONCLUSION

The need for changes in main dispositions of the effectual statue “About common principles of the local self-government organization in Russian Federation” was clear. As a result its new reduction was accepted in 2003. In this renovated law economical and financial bases of municipal institutions’ activity were fortified. It is especially important for the rural ones and is to provide an effective development of subordinate territories and appropriate lining conditions. To reach this aim the legislative establishment bring certain changes to the budget’s and tax authorities’ distributions to the Budget code of Russian Federation and Tax code of Russian Federation. In particular, they think to reduce (cancel) expendable obligations of municipal government. They haven’t got their financial sources and their expendable obligations will reduce from 7,0 percent of gdp to 5,6 percent of gdp. So the value of (tax and non-tax) gains should reach no less 4,2 percent of gdp, dotation sum from the regional budgets – 1,4 percent of gdp. In spite of it subventions from the federal budget in the whole amount of 1,5 percent of gdp ought to come to the local budgets. So according to the Government’s assessment the total costs of the local budgets, will reach 8,1 percent in comparison with 7,9 percent of gdp in current circumstances. It will help them to use territorial recourses effectively, render a necessary economical aid to the economical agents and contribute to the growth of living standards.

This law will become valid since 2006, but in Stavropol region, on a pilot basis, it will work since 2005, because “settled model” of the local authorities, which was used earlier, provides more logical access to the principles of law. At the moment the active work of government and local authorities is carried out to provide the most effective usage of management on the municipal level. Only integrated approach to the social and economical

problems of the countryside is able to fortify the agricultural sector of regions and state as a whole, rise the rural living standards.

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