

# *Role of agrarian policy in the formation of conditions for an efficient implementation of rural areas' functions of Russian regions*

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**Abstract** — The economically sustainably and socially developed rural areas are the guarantee of stability and food security of the state. The rural areas present a complicated natural and economic system and they fulfill important economic functions. An efficient use of the potential of rural areas in many aspects determines the rate of regional economic development and also influences the standard of living of rural people. The negative consequences of social and economic changes during latest decades have lead the rural areas to a protracted system crisis. The factors hindering their development influence negatively the agricultural complex in the whole what threatens the goals and targets of food security ensuring of the country in the conditions of the introduced economic sanctions. The adoption of the federal law of agricultural development in the country determined the creation of conditions necessary for a sustainable development of rural territories as one of the main goals of the state agrarian policy. The goal of the research is the study of a set of functions of rural territories in the context of the implementation of governmental rural policy. With the help of structural and functional analysis certain aspects of agricultural production, the policy of agro-industrial complex development, the economy of rural areas were analyzed. On the basis of the performed study, the authors made the conclusions about the presence of necessary conditions for an effective implementation

of functions of rural territories in the agrarian policy of modern Russia. The reliability of the data obtained by the authors is confirmed by the generalization of scientific ideas developed by the authors and also by the results of the analysis of the information characterizing the main directions of the governmental policy in the field of sustainable development of rural areas.

**Keywords** — *agrarian policy, government support, rural areas, agriculture, region*

## I. INTRODUCTION

The rural areas have an important role in the social and economic development of the regions by means of provision of of a number of public goods: natural resources, food and agricultural raw materials, places for recreation and so on. They are the guarantee of stability, independence and food security. Traditionally their development took place with the lagging from the city what was connected with a low attractiveness of life in rural area.

The potential of these territories started to decrease and it is now reflected in the modern condition of Russian villages which are characterized by:

- Retirement of productive lands of agricultural use;
- Lower incomes of the population than in the city;
- Poor social and communal infrastructure;
- Outflow and degradation of the working force.

All the facts mentioned above result in the appearance of depressive rural areas where the aggravation of economic, social and ecological problems is observed which leads to a general instability and disintegration of the Russian economy.

The achievement by rural territories of qualitatively new development level is one of the governmental tasks the importance of which increased together with the introduction by the USA and countries of the Western Europe of economic sanctions. This situation is supported by a number of normative and legal acts which allowed creating a set of basic instruments of the rural development at the federal level of administration.

The main documents in the field of state regulation of rural development are: "Concept of a long-term social and economic development of the Russian Federation until 2020" and "Strategy for sustainable development of rural territories of the Russian Federation until 2030". A modern agrarian policy, in turn, is founded on the basis of the main regulatory and legal acts determining the directions of the agro-industrial complex development. These acts include: Doctrine of Food Security of the Russian Federation, Strategy of the National Security of the Russian Federation until 2020, Federal Law "On the Development of Agriculture", Strategy "Development of the Food and Processing Industry of the Russian Federation for the Period until 2020", State Program "Agricultural Development and Regulation of the markets for agricultural products, raw materials and food for the period 2013-2020".

The Volgograd region is one of the largest producers of agricultural products. In the region the relation of the state of rural areas with the development of agricultural production is strong which historically appeared on the basis of the principles of agricultural location and the specificity of territorial division including the natural and climatic zones.

The regional agrarian policy which is being implemented in the region is focused on the use of competitive advantages of resource and bioclimatic potential what allows the agrarian sphere efficiently developing and also holding the leading positions among regions of Russia upon many indices characterizing the production of the main types of agricultural production.

A special attention in the agrarian policy is made to the development and implementation of a set of measures directed to the achievement of high results in production and agricultural business and also a stable social and economic development of rural areas. Since 2014 the region takes part in the federal program "Sustainable development of rural areas". The latter implies the implementation of infrastructural

projects, integrated development of rural areas which are the priorities of a long term regional strategy.

One of the main directions of the formation of the institutes of regional agrarian policy is the transfer to an active regulation of this sector of the economy from the part of government. However a number of negative tendencies typical of villages of the Volgograd region confirm the necessity of the role of state growth in the creation of conditions which would be sufficient for rural areas to fulfill the important economic functions inherent for them.

## II. MATERIALS AND METHODS (MODEL)

As an object of research the rural area should be analyzed in an integrated way by means of a complex assessment which should take into account both territorial aspect and the complex of social relations which includes economic, social, cultural, demographic, environmental and other indicators.

In the research the methods of analysis of the structure and functions of rural areas were used. The specific aspects of agricultural production, their functions were studied. In the result it allowed determining the modern condition of agriculture and the state of rural areas of the region, identifying prospects of their development. The analysis of various models and methods of assessment of agrarian policy implementation in the country in the whole and in the region in particular was carried out. The analysis as a method of research was used for a serious substantiation of the necessity of the government participation in the development of agriculture and rural areas and also for the identification of possible ways of assessment of modern policy in the agricultural sphere what allowed maximally studying the specific features of agriculture, agrarian policy and rural areas in the Volgograd region.

## III. RESULTS AND DISCUSSION

For a long time the existing approaches to the solution of economic, demographic and social problems of rural area could not help efficiently realize the available resource, natural, production and economic potential of rural areas. The reasons of a low efficiency of the existing system of government support had institutional, legal and normative and competitive character what is expressed as reducing the financial opportunities of the state in the fulfillment of their obligations.

The numerous and comprehensive sanctions introduced by the countries of the European Union, USA, Australia and other countries in respect of Russia are being hold. This fact determines the necessity of development and implementation of long term measures from the state including the specific measures directed to the development of rural areas for the achievement of convenient life conditions for rural population as the basis for production independence of the country.

The Volgograd region is one of the regions of the Russian Federation which has a normal general provision of self sufficiency with food products. The region has a developed agricultural production and is one of the largest producers of agricultural production. The necessity of implementation of agricultural support is determined by a number of serious circumstances:

- Solution of the problem of food security ensuring of the country with basic food products at 80 – 95% by 2020;
- The specificity of production typical for the industry which is formed under the influence of various factors which do not depend on the state and the human activity. They are climatic conditions, specific physiologic characteristics of plants and animals, climate of a specific territory. Also a specific feature is that the main means of labour is land. Its quality and properties determine the directions, volume, expenditures and level of production efficiency;
- For a long period of existence of the market economy in Russia the system of perfect market mechanisms has not been created which are capable of solving economic and social issues of the agrarian sphere of economy at a simultaneous provision of necessary proportions between its industries during production, exchange, distribution and consumption of agricultural production, raw materials and food products. Even the institute of the cooperation of agricultural production existing in the region and a high level of entrepreneurial initiative are not capable of creating the conditions necessary for an efficient economy of agricultural entrepreneurs, provision of an independent existence of the agricultural industry [1].

According to the data of the regional Committee for Agriculture, in 2018 the agrarian producers in the Volgograd region received about 3,9 billion rubles, from which 3,0 billion rubles are the funds from the federal budget and 0,9 billion rubles are the funds from the regional budget [2].

The agricultural sector is the driver of the growth of the regional economy and the main source of incomes for rural people. At the same time the development of agricultural sphere mainly depends on the existing demographic situation, level of well being of rural people, state of engineering and social infrastructure of villages of the region.

The understanding of this fact at all levels of administration has lead to the situation that today a constituent part of agricultural production is not only the support of agricultural production and also the solution of issues of the development of rural areas. Their importance is displayed in the set of functions which they fulfill. The characteristics of these functions are presented in the Conception of Sustainable Development of the Russian Federation till 2020. The fulfillment of the functions is one of important conditions for the social and economic development of the Volgograd region.

One of the important functions which influence directly the food independence of the country and the region is the production function. It implies the satisfaction of needs of citizens in the raw material for industrial production, various industries, forestry, hunting, fishery and other nonagricultural production and, besides directly the needs in food products [3]. The hypothetic dynamics of the direct governmental support is reflected in labour results of regional agricultural producers. The gross production of agricultural goods reached 123 billion rubles [2].

As a comprehensive analysis of social and economic condition of rural areas of the Volgograd region carried out in the paper showed, the demographic situation in the region remains complicated what is evidenced by the reduction of rural population. According to the estimates of Federal Service for State Statistics, by the beginning of 2019 the population of the region made up 2507,5 thousand people and the rural population made up 23% or 573 thousand people. During one year a significant reduction of the population living in villages (natural population decline made up 3633 people) was observed but the decline of city inhabitants in the region made up 3250 people [4]. Against this background we can state the fact that rural areas do not fulfill their demographic function implying the opportunity of demographic potential growth in the region and solution of demographic problems.

The labour supplying function of rural areas of the region is directed on the creation of the labour potential of rural areas. In different historic periods the rural population was the source of the supply of labour force not only in agriculture but and in cities of the region. The reduction of industries and types of production in rural areas has lead to the unemployment and as a result, outflow of labour resources (Figure 1) [5].

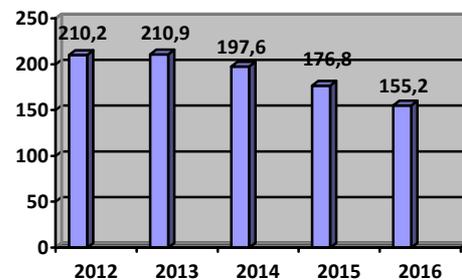


Fig. 1. Dynamics of number of the employed in the agricultrue of the Volgograd region in 2012-2016, thousand people

Since 2012 a stable negative dynamics of the number of the employed in the agriculture has been observed.

The housing function, which deviates every year more and more from our usual understanding by means of the construction of apartment buildings for city dwellers who already have their occupation, work in the city but live in the rural area. The function also is aimed at the provision of such housing with all the social infrastructure of the rural area

including the engineering infrastructure. Partially it can be a manifestation of suburbanization when the analysts speak about settlements which are adjacent to large cities. A few years ago, the housing function could only be understood as the construction of houses for rural population.

The spatial and communicative function is designed for a rational placement and timely maintenance of roads, water pipes and gas pipelines, power lines and other various engineering communications. The content of this function can also vary in dependence on the concentration of the population in the territory, proximity or remoteness from large agglomerations. This means that this function also includes the uninterrupted (in the long term) provision of communication services and the Internet to all country people.

The social control over rural areas is a very important function that requires a special attention. Here we mean an open and highly effective assistance to state authorities, and more often to local governments in ensuring and guaranteeing both public order and security in poorly populated territories of villages. The protection of the border areas of rural areas also is included into this function [6].

Judging from the mentioned above the conclusion can be drawn that the development of agriculture and rural areas are inseparably connected with their economy. Such dependence is determined by the influence of a number of factors: political, demographic, social, cultural, geographic and ecological ones. Somehow the rural areas can develop and improve only by means of definite circumstances, for instance, when there are prerequisites for a sustainable growth of agricultural production, when the industrial and social infrastructure is developed and keeps developing, when resource potential is used in a maximally efficient way and the rural economy is multi functional and diversified [7].

The structural and functional approach to the analysis of rural areas allows expanding both the understanding of the specificity of modern rural areas and the functions which they fulfill. Thus, the mentioned labour supply function expands simultaneously in two directions. The process of the outflow of population from rural areas into cities which objectively is taking place can be offset by a purposeful policy of infrastructural development of suburban territories adjacent the cities. The absence of an intelligible policy of city development in this sense cannot but influence negatively the development of rural areas. The relation is here seen in the fact that it is impossible to harmonize the development of rural areas. Structurally it is expressed in the fact that labour, material and informational resources of the city and adjoining territories are distributed evenly when it is possible to redistribute the load on territories. The foreign researchers believe that the most developed agglomeration is that where the share of population in the outer area is higher than in the center. And the problem is here not only in the fact that it is possible to reduce the anthropogenic load on the growing cities but also to solve transport and logistic aspects of the implementation of agrarian policy already in rural areas. The reduction of the transport leg, deregulation of food markets, growth of food accessibility for population are just some of

the effects which can arise at the revision of the practice of spatial development of the Russian areas.

Without doubts it is worth mentioning the influence of structural changes connected with the migration and concentration of population in cities and the character of housing functions of rural areas. The policy of population concentration in an agglomeration is making of the latter the main sources of negative anthropogenic environmental processes. The solution of these problems lies in the sphere of development of low height housing construction and development of corresponding infrastructure what requires active actions in the change of priorities of the regional investment policy including the growth of attractiveness of urbanized rural areas in agglomerations and conurbations which appeared spontaneously and during a long period of time.

The implementation of the function mention above (spatial and communicative function) should be changed as well. The agrarian policy in rural areas can be more efficient if it does not provide service to densely concentrated agglomerations. This all requires an active policy of deregulation of agrarian sphere, especially the reduction of dependence on foreign investments into development of agricultural and reprocessing industries and especially when the goal of growth of import replacement is set. The population of large regional areas created as conurbations (two or more agglomerations which are interrelated) imposes new requirements not only to food but also to transport and communicative supply. The bureaucratic barriers for the regional mobility, high monopolization of agricultural production which is manifested in the appearance of agricultural holdings lead to deformations in territorial development, create an artificial attachment of population to working places in specific parts of regions. This event leads to the polarization of territorial development according to the standard of level and consequently to the food supply.

The analysis of problems of agrarian policy development which responds to the requirements of law allowed forming an opinion about the use of a number of techniques and models allowing to assess more completely the instruments of the agrarian policy implementation in the direction of the development of rural areas.

There exist the models of partial equilibrium which allow analyzing the policy only at the federal level. The best known are RATSIM and EPACIS developed by S.V. Kiselev and R.A. Romashkin. These models are used to assess the policy in the field of foreign trade with agricultural products and also they allow assessing the measures of domestic support for the enterprises of the agro-industrial complex [8]. The use of such models is necessary as they are capable of assessing the role of agrarian policy in the Volgograd region in the formation of macroeconomic indices in the agrarian sphere in the country in the whole [8].

The assessment of influence of specific measures of agrarian policy is studied by the methodology based on the economic and mathematical model, for instance, AGLINK. The presented models are used at the assessment of the impact of the agrarian policy on the market of the main types of

agricultural production, at the analysis of the efficiency of impact of agrarian policy on the agricultural complex [9].

The models of a partial equilibrium AGLINK allow making a complete forecast of the possible effect in the Volgograd region which can be obtained due to the direction of the resources into such a perspective industry as agriculture. The complicatedness of such assessment consists in the necessity of use of the data about a large number of products and large number of regions of the country (42 products and product groups in 20 regions).

The Russian scientist P.S. Taranov proposed a two-criteria analysis of the food market, which is based on the comparison of advantages as a method for the agrarian policy assessment. The analysis of the food market is based on the determination of the effectiveness of agrarian policy and often it faces the methodological problems, since the agrarian policy has a number of independent directions and cannot be assessed only by one criterion, i.e. agricultural production or food security or living standards in rural areas or incomes of agricultural producers [10].

The Volgograd region in compliance with the method of the assessment of agrarian policy suggested by P.S. Taranov can be assessed according to numerous indicators. They are various groups of food products divided into clusters (identification of group of products for which it is reasonable to use the same measures of regulation of the food market). It is important that such an assessment can be carried out on the basis of the official statistical data of export and import of the mentioned goods.

Herewith the sophistication and the complexity of the issue of the functions of agricultural areas make us constantly revise and precise the legislative approaches to the estimates of the efficiency of agricultural policy and also to the planning of strategic development of territories. Taking into account the fact that they are capable of reducing the infrastructural load of highly urbanized territories, to overcome the one sidedness of the approaches to the territorial location of production, housing construction, the functional fulfillment of agrarian policy should be significantly expanded beyond the borders of just the provision of food security. In a number of cases the tasks of food provision which are bureaucratically fixed for the specific regions can be impossible of achievement only due to the reason of spatial distribution of territories, their subordinate character to various regulation entities. That's why a narrow regional approach is not always efficient when it comes to developed conurbations.

It is worth mentioning that at the calculation of the assessment of agrarian policy the politicians often face the methodological problems as the agrarian policy has a number of independent directions and it is impossible to assess it according to one criterion: agricultural production or incomes of agricultural producers or living standards in rural areas or food security. This means that the assessment of the efficiency of regional agrarian policy can be carried out only taking into account every from the directions of the policy on the basis of the substantiation of all used indicators. At the same time the efficiency of the agrarian policy can be closely connected with

the policy of territorial development, architectural policy and urbanization tendencies.

#### IV. CONCLUSION

The sustainable development of rural areas of the country presents one of the basic premises of regional development, especially of agrarian ones. The economically sustainable and socially developed rural areas are capable of fulfilling the important economic functions with a high degree of efficiency.

The Volgograd region is a region with industrial and agrarian economy having considerable agricultural areas where a significant part of regional population lives. The development of rural area to a wide extent depends on the condition of the agriculture which today is one of the largest economic spheres in the region.

The reforms of the agrarian policy which is being implemented in the Volgograd region remove the emphasis from the support of agricultural production to the solution of the problems of rural areas development and this is evidenced by a number of legal acts passed both at the federal and the regional levels which allowed forming a set of tools for the policy of rural area development.

A comprehensive analysis of the complex of functions of rural areas in the context of the implementation of state agrarian policy is carried out. The circumstances determining the necessity of the implementation of governmental support of the agriculture in the Volgograd region are taken into account. The policy of rural areas' development consists in the task oriented agricultural and economic development. Consequently the state agrarian policy as a constituent part of social and economic policy cannot but deal with the issue of a sustainable development of agriculture and rural areas.

The basic techniques for the assessment of the efficiency of tools of agrarian policy under the conditions of import replacement at the level of the region of the country were studied. The modern methodologies of agrarian policy assessment also analyze the efficiency of measures from the point of view of the impact on the development of the rural area in the whole.

The necessity is based and a high probability of the positive effect appearance from the improvement of the modern system of state regulation of rural areas and agriculture in the Volgograd region is proved.

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