

Analytical substantiation of the need for the development of credit and savings cooperatives in the regions

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Abstract. In the course of the study, the dynamics of the volumes of financing and crediting of agriculture of the Russian Federation, federal districts and agricultural producers of the Ulyanovsk region were studied. It allowed establishing differentiated access of regions and agricultural producers to budget support funds and credit resources, to identify the negative aspects of the existing mechanism of crediting and financing agricultural production, to assess the state of debt in the agricultural sector of the country's regions and the debt burden in the sectors of the Russian economy. The authors substantiated the need for the creation and development of credit and savings consumer cooperatives in agriculture of the Ulyanovsk region. These cooperatives can serve as an alternative source of credit for the agricultural sector, will provide increased economic efficiency of agricultural producers and improve the welfare of the rural population of the region.

Keywords: region, agriculture, credit and savings cooperatives, agricultural producers, financing and crediting

1. Introduction

The limited access of agricultural producers, rural entrepreneurs, farmers and peasants to banking resources deprives them of the possibility of effective activity and successful economic development. Consequently, limited access to banking resources leads to the accumulation of social problems and contradictions in rural areas. Agricultural credit cooperation is designed to solve the problem of providing economic entities with more affordable financial resources.

A retrospective analysis of the revival and development of the cooperative movement in Russia proves that the need for the rural population and agricultural producers to cooperate and, above all, to organize agricultural credit consumer cooperatives (ACCC) traditionally increases during the years of agrarian reforms and radical transformations in the countryside. Therefore, the problem of the revival of consumer credit cooperatives is relevant in modern conditions. The organization of credit cooperatives is aimed at accumulating funds of individual investors and creating a stream of investments in agricultural production.

2. Materials and Methods

The methodological basis of the developments is presented by the general scientific and general logical principles of the dialectical approach to knowledge, based on consistency and objectivity, consisting in the use of a retrospective approach in combination with global evolutionism, of abstract-

logical, structural-functional methods, as well as methods of empirical knowledge, comparative analysis and economic groupings, hypotheses, judgments, formal logical conclusions, etc.

3. Results

The study of the dynamics of the volumes of financing and crediting of agriculture of the Russian Federation, federal districts and agricultural producers of the Ulyanovsk region allowed establishing differentiated access of regions and agricultural producers to credit resources and budget support funds, the presence of industry imbalances in the implementation of bank lending.

Of the total production in the Ulyanovsk region, about 70% of milk and dairy products, almost half of all meat products produced, more than 70% of vegetables and over 90% of potatoes accounted for small rural economic forms in the region [1]. Despite the above, the development of the credit market in the segment with a small size of agricultural production in the region [2] is associated with the presence of a number of fundamental discrepancies. There are discrepancies in terms of credit availability and the socio-economic role of small agribusiness enterprises, the cost of credit for the borrower, and the marginality for the lender, available collateral and the acceptable level of credit risks, for overcoming which it is necessary to improve the mechanism of interaction between commercial banks, the state and agricultural credit and savings consumer cooperatives. The proof of the provisions is determined by the following analytical conclusions:

1. Assessment of the dynamics of the volumes of financing and crediting of agriculture of the Ulyanovsk region allowed to establish that the demand of agricultural organizations and farms of the population of the region for preferential bank loans does not meet the need for them.
2. The greatest interest was established in microfinance services of the rural population and representatives of medium and small agribusiness (peasant farms and private farms).
3. Economic (large debt, including overdue), organizational (small size of agricultural enterprises, higher interest rates for small farms) and social (active development of households, limited access of rural residents to financial services) factors identified and systematized. These factors made it possible to substantiate the need for the creation and development of credit and savings agricultural consumer cooperation in the Ulyanovsk region, which serves as an alternative source of credit for agricultural production.
4. The insufficient level of economic efficiency has been established. The new mechanism of preferential bank lending to agricultural organizations in Russia and its regions operating since 2017 has not been economically efficient. This mechanism further limited access to credit resources for agricultural producers, especially small farms in rural areas.

A strategic analysis of the external and internal environment of the credit market, including microcredit in agriculture, allowed us to establish the following points. The increase in risks to the development of agricultural credit cooperatives is observed (reduction in the number of loan agreements concluded, the volume of bank loans attracted, the growth of overdue debts and the need to increase reserves). This happens together with active regional support for small businesses and the organizational maturity of the development of consumer cooperation in the Ulyanovsk region. The negative trend of quantitative parameters of the development of consumer credit cooperatives is reflected in Figure 1. This trend has led to the fact that in the Russian Federation, the total volume of loans decreased by 2.9 times, in the Volga Federal District - by 16.5 times, for 2010-2017 (Table 1). The loans were issued by credit agricultural consumer cooperatives to participants of the consumer cooperation.

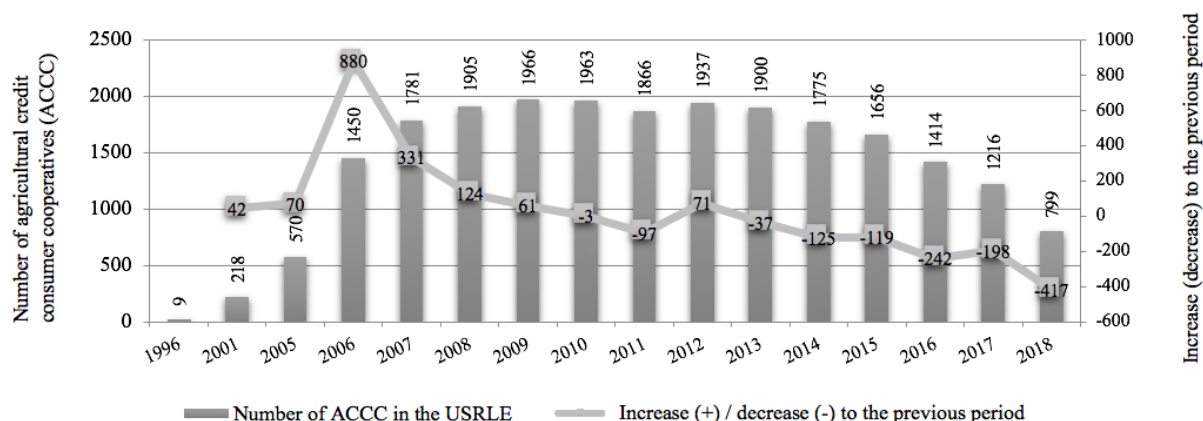


Figure 1. The dynamics of the number of agricultural consumer credit cooperatives [3].

Table 1. Volumes of loans issued to agricultural consumer cooperatives by domestic agricultural credit consumer cooperatives (ACCC) [4].

Years	Loans received by agricultural consumer cooperatives in agricultural credit consumer cooperatives (ACCC), million rubles	
	Russian Federation	Volga Federal District
2010	1730.7	487.9
2011	1395.1	528.3
2012	1524.5	454.0
2013	1665.0	426.9
2014	1617.5	580.6
2015	1004.3	290.0
2016	660.9	38.7
2017	602.1	29.5
2017 to 2010, times	↓ 2.9 times	↓ 16.5 times

Solving the existing problems requires the reorientation of the currently “bank-oriented” model of lending to the agricultural industry in the Russian Federation. This crediting model is characterized by the dominance of the share of bank credit funds in the sources of financing the assets of agricultural organizations. The reorientation needs to be carried out on an integral system of agricultural credit consumer cooperation and to involve in this process both state authorities and infrastructure organizations of the credit cooperation system, equally.

4. Discussion

R. Owen, Ch. Fourier, L. Blanc are considered the founders of cooperative philosophy [5, 6]. Credit cooperative ideas penetrated into Russia from Germany. P. A. Kropotkin [7], M. I. Tugan-Baranovsky [8], A. V. Chayanov [9], N. D. Kondratiev [10] made an invaluable contribution to the development of the universal theory of cooperative movement and the formation of savings and loan cooperation in Russia. These domestic theorists of the cooperative movement gained world fame. A retrospective study of the emergence and development of credit and savings cooperation in Russia revealed two historical periods.

- The first stage (the second half of the XIX - 30s of the XX centuries) is characterized by the emergence and development of savings and loan cooperation in the pre-revolutionary period before 1917 and in Soviet Russia. At this stage, the positive role of savings and loan cooperatives was manifested in ensuring the availability of resources for the financial development of rural entrepreneurship [5].

- The second stage (the 90s of the XX - XXI centuries) testifies, on the one hand, about the revival of savings and credit cooperation, on the other - about the presence of factors hindering its development (natural geographical, political, economic, social, and organizational-legal).

Systematization of external and internal factors that have had a direct and indirect impact on the formation and development of the cooperative movement, proves the existence of a large number of obstacles to the revival of credit cooperation in Russia. But at the same time, it emphasizes the urgent need for its development to finance the small peasant owner because of the financial vulnerability of agricultural producers at the appropriate historical stages of the country's development [11].

The development of credit cooperation allows, firstly, to accumulate available funds of agricultural producers and rural residents, secondly, to use these funds to meet their financial needs on acceptable terms. At the same time, the agricultural business and rural residents have the opportunity to attract additional funds. Due to these funds, the financial sustainability of their activities increases, and the provision of social services for members of consumer credit cooperatives is ensured.

5. Conclusion

The study is complex and systemic. It takes into account world practice and the Russian specifics of the activities of agricultural consumer credit and savings cooperatives, as well as the sectoral features of financing and lending to agricultural production.

The results of research have practical value for solving the socio-economic problems of the region. The established interest in microfinance services of the rural population and representatives of medium and small agribusiness (peasant farms and personal subsidiary farms) made it possible to substantiate the need for their involvement in the system of credit cooperation. And it allowed to substantiate the possibility of ensuring an increase in production volumes, as well as an increase in the level of well-being of the rural population, due to the additional attraction of available credit resources to the industry.

6. Acknowledgments

The article was prepared with the financial support of the Russian Foundation for Basic Research based on a research project №18-410-730002.

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