

# Modern Mechanisms of Efficient Forms of Rural Social and Economic Relations

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**Abstract**—Nowadays the theory and methodology of the problem of rural social and economic relations has been elaborated in the papers of many scientists dealing with Economics. At the same time insufficient attention is paid to the thorough elaboration of the questions of efficient forms of rural social and economic relations mechanisms' formation and functioning. There are lots of questions connected with the increase in the level of interaction between peasant farms, collective enterprises and trade-union organizations and administrations of rural territories, improvement of the social-labor relations on the use of seasonal workers' hiring, the mechanism of stimulation of the employers who refuse to give salary "in the envelopes" (grey salary) to their employees, the questions of maintenance of infrastructure and social sphere of the village, etc. The lack of state regulation of the processes of the development and improvement of rural social and economic relations and of financing at various levels forces to focus the research on the development of projects for their realization at the level of the enterprises, local government bodies and social partnership with the participation of rural population. In the study the mechanism of social partnership has been elaborated on the base of creating and interacting of the fund of social guarantees at the level of collective enterprise and the fund of socio-economic development of the municipal district with the attraction of population's funds and the mechanism of allocating the funds by large integrated enterprises for social development of rural territories taking into account financial and economic results of their activity and unplanned expenses. The mechanism of optimization of year-round employment for rural population at the regional and rural area municipality level has also been improved.

**Keywords**— *social relations, economic relations, efficient forms, mechanisms, rural areas, population, financ-ing, program, profit, expenses*

## I. INTRODUCTION

Modern urbanization tendency is caused by the fact that, first of all, the cities have a developed infrastructure, high salary and social guarantees' level. If one manages to create similar conditions in the villages this will both increase the

number of the Russian rural territories and solve the problem of the demographic plan and efficiency of agricultural production.

In the process of Russian economic reforming new problems connected with the rural population's incomes and their life level have appeared. To solve them it is necessary to use efficient forms of the social and economic relations within the frame-work of corresponding mechanisms in rural territories, applying in total the state regulation, mechanisms of self-regulation and regulation from non-state structures [11,12,13,14].

## II. RELEVANCE, SCIENTIFIC IMPORTANCE OF THE STUDY WITH THE SHORT REVIEW OF LITERATURE

The relevance of the paper is defined by the goals and tasks put in the program documents at the federal and regional levels. They aim at the improvement of economic and social situation of the RF regional rural territories and the population's life standards. The major among them are "The strategy of persistent rural RF territories development up to the year 2030", "The forecast on the long-term socio-economic development of the Russian Federation for the period up to 2030", "The Conception of the RF demographic policy for the period up to 2025". The main indicators of regional concepts and programs of demographic, technological, social and economic development of rural territories, as well as the level of budgetary support of social development of the village will be the basis for the elaboration of the mechanisms of rural social and economic relations' efficient forms.

According to K. Marx's theory and Y. Schumpeter's theory of development of socialism and democracy, the relations of property penetrate all spheres of the economic and social relations, defining their specificity in the sphere of production, exchange, distribution and consumption [5,10]. Yu. Osipov states that opportunities of the production (economy) development directly depend on the social model accepted and realized by the society, on the maturity of the whole system of

social relations [6]. According to social theories of M. Veber, P. Sorokin and others, social relations are various social interrelations at social interaction connected with the position of people and the functions they perform within the society. They are the relations between social groups or their members [3,7].

Following current trends of the society's development and theoretical prerequisites of K. Marx, V.I. Lenin, A.V. Chayanov, V.M. Chernov and others [4,5,8,9,15,16,17,18], as well as M. Veber, P. Sorokin social theories [3,7], the systems' theories by L. von Bertalanffy [1], A.A. Bogdanov [2], among the main kinds of social relations social interrelations and social and labor relations; legal protection and social guarantees; steady forms of the organization of social life can be distinguished.

### III. SETTING THE TASK

It is necessary to elaborate mechanisms of effective forms of the rural social and economic relations. Researches were conducted on the basis of farm enterprises of various organizational legal forms in the Saratov region. Socio-economic, process- functional and legal approaches, the set of general scientific methods of theoretical knowledge (scientific abstraction, inductive, deductive, the comparative analysis) and specific methods of scientific research (statistic-economic, monographic, calculation and constructive) and also "Methodical ensuring of carrying out scientific research of economic problems of development of Russia's agro-industrial complex" were applied.

### IV. THEORY

The forms of social and economic relations are rather stable relations between individuals and social groups, economic agents interacting as constant carriers of various types of activities. It is expedient to consider the social relations, proceeding from a certain system of values and the activity of individuals aimed at its achievement. Social interactions become social relations thanks to the values which individuals and their groups wish to achieve.

Proceeding from the aforesaid, the subjects of the rural economic and social relations are the people and their associations: households, farms, government institutions and their divisions, whose decisions and actions are forms of the economic and social relations. Usually every economic agent or individual simultaneously or constantly enters a set of economic and social relations. Such relations are fixed by usually various contracts or agreements which have the legalized form and standard contents. Nevertheless, today's realities demand the creation of new, more efficient mechanisms regulating the social and economic relations in rural territories.

Considering the mechanism of effective forms of the rural social relations, in our opinion, it is necessary to understand objectively existing category, the process of dynamic and public-organizational communications and interactions between workers, employers and their representatives taking into account the state regulation as for the questions

concerning full employment, formation and distribution of incomes, working conditions, its efficiency and effectiveness in order to increase the level and quality of rural population life.

The mechanism of effective forms of the rural economic relations is understood by us as the system of the interconnected interests of the agricultural enterprises of different legal forms directed to maximizing their income and improvement of workers' salaries for the satisfaction of the needs of both collectives and individual workers and for the achievement of economic growth of public production [19,20].

### V. PRACTICAL SIGNIFICANCE, SUGGESTIONS, RESULTS OF EXPERIMENTAL STUDIES

As the result of the research conducted the main efficient forms of social and economic relations, the directions of their development have been defined. Organizational-economic mechanisms to be applied in rural areas have been formed. The sphere of application of the results of the study: agro-industrial complex's government bodies, municipal districts' administrative bodies, managerial bodies of the enterprises of various legal forms.

In order to improve the conditions of rural territories in the Saratov region the mechanism of allocation of funds by the collective enterprises for the improvement of infrastructure and rural social development has been worked out and is being offered by the creation of the fund of social guarantees at the level of the agricultural organization and the fund of socio-economic development of the municipal district at the level of district administration bodies, which will be controlled by the tripartite commission.

For the basis of this mechanism the principle of joint financing of expenses by the enterprises and the population has been chosen. At the same time a special fund of agricultural enterprises will be created which will be filled up from the planned profit or the revenue of the enterprise of 1-2% or on the basis of the increase in planned costs. In the process of formation of the current mechanism in rural areas money from this Fund has to come to the general Fund of socio-economic development of the municipal district (FSED MD) together with the funds of this district's population in the proportion of 50%:50% or other reasonable ratio, proceeding from real conditions. All the money coming to FSED MD represent the charitable assistance to solve specific objectives of the rural territory financing of which is beyond the limits of the planned local budget. Along with this the formation of tripartite commission for the control of funds' expenditure is suggested. The commission should consist of the representatives of administration, of the municipal districts' or area population and the representatives of the agricultural organization.

As the result of the conducted research the mechanism of funds allocation for the solution of social problems of the village, within the planned and unplanned streams of financial resources on the basis of creation of internal corporative fund has also been developed for the integrated formations, increase in planned costs or revenue (profit), including, and under the condition when the financial result has not been created yet,

and also joint financing of municipal projects. The suggested mechanism provides annual allocation of financial resources on social rural development according to the order of the CEO of the integrated organization. This money will be allocated on the planned and unplanned actions. The planned actions will be previously proved by the District Administration, or the enterprise itself. It gives the opportunity to any agricultural enterprise to include costs of their realization at the end of the current year – the beginning of the next year in the section of the business plan being formed. The basis for the fulfillment of the planned actions will be the contracts on social partnership, agreements with the head of administration, voluntary sponsorship and charity.

At the same time for the performance of the planned actions several options of funds allocation are provided. By the first option allocation is intended for the creation of corporate fund of social security and social support in which up to 3% of the profit can be allocated depending on the level of profitability of the enterprise. The second option assumes allocation of money from the planned revenue or profit of 1-2% without any fund's formation. According to the third variant for the fulfillment of the planned actions expenses can be put directly in prime cost. The fourth option is based on participation of any of the enterprises of the integrated organization in social partnership in coordination with the head of the municipal district's administration. It presupposes direct inclusion in the budget of the sums for joint financing of municipal projects.

Besides the planned actions there can appear unplanned actions which require immediate solution. The basis for their fulfillment can serve either the written address of the population about financial support through district administration with the concrete estimate of expenses; or the request on providing financing to the concrete enterprise directly stated in a free form with the enclosure of the detailed estimation on the planned expenses or with the application of the estimation and cash vouchers for compensation of already incurred expenses. The enterprise can allocate funds from the available revenue for these needs if the profit has not been formed in coordination with the founders and by the order of the CEO yet.

In order to increase production efficiency and optimization of employment of the population the suggestions for the improvement of functioning of the diversification mechanism of rural economy have been given. They presuppose restructuring and technological updating of agricultural production, formation of the effective kinds of activity satisfying the needs of the population for the sphere of employment and, as a result, ensuring high level and quality of life of rural population on the whole. Control of functioning and development of the mechanism has to be carried out at two levels: regional and municipal. Coordination at the regional level will be carried out by the Ministry of Agriculture and the Ministry of Employment, Labor and Migration of the Saratov region, at the municipal level - by the District Administration and the Department of Agriculture. At the same time, the creation of standard and legal, financial and investment conditions has to be provided by them. Besides,

the state target programs of the development of rural territories have to be considered.

## VI. CONCLUSION

The elaboration and functioning of the suggested mechanisms of efficient forms of rural social and economic relations on the basis of social partnership will make it possible to increase financing on maintenance of rural territories infrastructure objects annually on average by 450 mln. rubles, which will lessen the outflow of rural population to the cities and will raise the living standards in the Russian countryside. The economic effectiveness of the mechanisms suggested in the conditions of concrete farms and enterprises of the Saratov region, Russia, will ensure the raise in labor productivity in agriculture on average by 2-3% a year. According to the results of the research conducted in 2017, the mechanisms of the efficient forms of rural social and economic relations have been elaborated by the authors.

All this will provide to solve promptly the current social problems of rural territories and to optimize the mechanism of year-round employment of the country population on the basis of diversification of rural economy.

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