

Monitoring of Socio-Economic Development Agricultural Sector of Perm Region

Nina Alekseevna Svetlakova

D.N. Pryanishnikov Perm State Agricultural Academy, Perm, Russia

Abstract: The paper is to study the present socio-economic development of the agricultural sector of the Perm region of Russia. The influence of the agrarian reforms on the socio-economic development of the agricultural sector based on sociological research and the positive effect of the reforms including their shortcomings have been considered. Some attention was paid to the conditions of the labor market in the region. The importance of professional training and education of employees directly influencing the stability of the agricultural sector have been highlighted. The level and quality of life of the rural residents, social conditions and their mentality were evaluated. The salary level in agriculture sector compared with the average marginal value and cost of living were analyzed and the factors affecting the level of living have been determined. The contradictions, trends and directions of agricultural sector development were studied and the influence of the size of agricultural enterprises on their efficiency and the salary level of employees have been determined. The forms of management in the rural residents related with the situation in the agricultural sector were selected and five groups of agricultural enterprises and entrepreneurial activity of the residents were identified. The capabilities and opportunities for the rural residents to entrepreneurial activity were determined and the priorities stipulated the standard of living of rural families and the solution of the food problem were revealed. The necessity and importance of private households for rural residents was noted.

Key words: Monitoring • Socio-economic development • Agricultural sector • Agrarian reforms • Life quality • Entrepreneurial activity • Forms of economy management

INTRODUCTION

Labor resources, their qualitative composition and the availability of personnel, life quality, intellectual, cultural and moral potential are the general basis of successful agricultural production [1].

Due to the fact that the labor market in rural areas is tense, the research and development of practical recommendations on efficient use of resources are important and draw special attention [2].

In real life, the people have different opinions on agrarian reforms in Russia. In general, the level of development of agriculture in Russia is low. The insignificant total production in 2000 was observed along the low level of the food security. The agrarian reforms undertaken in majority of economic fields had negatively affected the agricultural sector [3].

Sociological studies have revealed the influence of agrarian reform on the socio-economic development of the agricultural sector (Table 1).

The respondents have noted the following main shortcomings of the agrarian reforms:

- Reduction of the size and efficiency of land use;
- Reduction of material-technical base of agricultural enterprises;
- Decrease of food supply from local commodity producers.

There is a general positive attitude of rural residents to the program of agricultural development in Perm region until 2020, what demonstrates the hope of rural workers to the positive changes in employment; the influence of the level of competition on the product quality, the availability of consumer goods and improve labor discipline were noted as the positive.

Table 1: Impact of agrarian reforms on the socio-economic development of rural areas of Perm region

The field of influence of agrarian reforms	Positive effect		More negative effect		Negative effect	
	number of interviewed residents	%	number of interviewed residents	%	number of interviewed residents	%
1. Economic efficiency of agricultural enterprises	184	38	199	41	113	21
2. Land use	126	26	116	24	244	50
3. Material and technical supply	14	3	160	33	312	64
4. On development of social infrastructure of rural areas	116	24	282	58	88	18
5. Improving of workforce productivity	187	38	116	34	136	28
6. Employment of population	58	12	204	42	224	46
7. Standards of living of the rural population	48	10	359	74	79	16
8. Development of private farms (self-employment)	350	72	112	23	24	5
9. Food supply level by local enterprises	87	18	165	34	234	48

Table 2: Effect of the size of enterprises on the profit level and material incentives of employees in 2011

Groups	Number of employees, ind.	Number of entities, units	% of Enterprises	Number of individuals in the group of entities	Profit on realization, thousands of RUB		Labor compensation fund thousands of RUB per group	Salaries for 1 employee per month, RUB
					total	per 1 entity		
Microenterprises	up to 50	189	56	3826	121009	640	277765	6049
Small enterprises	51-100	58	17	4088	67929	1171	429739	8760
Mid-size enterprises	101-200	52	16	6690	59896	1174	581573	7244
Large enterprises	201-300	19	6	5042	-5563	-292	393323	6500
Industrial enterprises	Above 300 ind.	18	5	10518	680323	37795	1673780	13261
Total	336	100	30164	951586	28321	3307906	10966	

The study revealed the relationship between the size of the agricultural enterprises and the profit and salary level of employees (Table 2). The larger the agricultural enterprise the higher the efficiency and salary level for employees.

We have identified five groups of enterprises: micro-, small, medium- and large-size enterprises and the enterprises of the industrial type.

Analysis of the development degree of enterprises revealed a tendency to reducing of large enterprises due to bankruptcy and their separation to the smaller entities.

In recent years, small economic entities receive the state support for the production development. However, there is no direct support of the large economic incentives, but it can be traced through the investments into construction of large industrial livestock farm facilities and purchases of foreign equipment including breeding animals.

Considering the social conditions of the rural population we have found that:

- 76% of interviewed respondents have their own house or apartment, 32% – a motor car, 8% – automotive truck, 7% – a tractor. However, the level improvement of apartments, houses in rural areas is low. The gas supply, sanitation and hot water supply have a less than 40% of respondents;
- There is a high demand in continuing of education in secondary and higher schools;

- Professionals, especially after 35 years, require the vocational training, obtaining a second professional education, but this possibility exists only for 42% of respondents.

Implementation of personnel policy in this industry meets some problems such as:

- Low level of pre-school and school education, housing problems;
- The lack of a developed social infrastructure;
- Despite the increase of the salary in rural areas, the wage of rural residents remains low, 20% of which is payment in kind (Table 3).

Over the last years, the outpacing growth rate of rural wage to the average wage in the Perm region has been observed.

In 2011, the wage of the rural residents was 1.5 times higher than average subsistence wage throughout Perm region and reached 51%. Wage level increased by 3.2 times in 2011 compared with 2005 and only by 2.5 times to the average within the whole Perm region.

The solution of social problems and wage growth of rural residents is hardly possible without additional state investments, modernization of production and the use of economic control methods [4].

Table 3: The average monthly wage of workers in agricultural organizations in the Perm region

Index	Year							Rate in 2011 to 2005
	2005	2006	2007	2008	2009	2010	2011	
1. Average in Perm region, RUB	7748	9516	11856	14774	15227	17966	20048	by 2,5 times
2. In agricultural sector, RUB	3224	3919	5167	6985	7579	8543	10401	by 3,2 times
3. Subsistence wage, RUB	2850	3380	4300	5043	5482	5854	6690	by 2,3 times
4. Wage of a single farm to average level in Perm region,%	40,1	40,0	41,7	45,6	49,4	50	51	by 1,27 times
5. Wage to the subsistence level rural residents,%	108	112	115	134	173	149	155	by 1,4 times
6. Minimum wage	720	1100	1100	1100	4330	4330	4611	by 6,4 times

Table 4: Living standards in the Perm region

Groups	Living standards in a group	Wage per 1 family member, RUB	Total through Perm region,%	Including rural areas,%
1	Below subsistence wage	< 6690	14	22
	including poverty	2-4 thousands	5	9
2	At subsistence wage	6690-10000	37	57
3	Between subsistence and average wage	from 10000 to 29000	39,5	20
4	Middle class according to income level	30000 and more	9	1
5	Sufficient income level	More 500 thousands	0,5	-

According to undertaken studies, 33% of interviewed rural residents purchase only indispensable products – food and cloth. Only 5% of rural respondents can build apartment, cottage, or buy a car.

Sociological studies mostly cover large agricultural enterprises (67% of respondents), after their elimination the preference shifts towards small-commodity production (26%) and only 8% of them focus on business development. The main reasons of the low level of entrepreneurship are the lack of initial capital (47%) and economic uncertainty (43%). The negative attitude of the residents to business decreased if compare with 1995 from 62% to 5%. The creation of small enterprises stimulated by a government includes: development of farms (23%), crafts (5%), commerce (17%) and technical maintenance (21%).

Opportunity to receive the additional revenue was noted by 92% of respondents including private farms – 72%, however, this opportunity is used only by 36.4% of respondents.

In general, the standard of living in rural areas is below the average in the Perm region. The 14% of residents note their income below of average subsistence wage through the Perm region and 22% of rural respondents and 57% at the subsistence wage (Table 4).

Courtney P. [5] drew attention to the potential importance of a town in the development of rural areas, highlighted the structural differences in the local economy and indicated the necessity of integration between town and country.

Division of society into poor (disadvantaged) and the rich people entails the confusion and anger of the people with a low standard of living and the pursuit them to violent redistribution of incomes in to the property, real estate, etc. The process of social differentiation is an inherent part of market reforms. The social differentiation is objectively caused relation between the main parameters of the standard of living in social and demographic groups [6].

The reasons of social differentiation are differences in socio-economic development of the regions, differences in labor wages in the economic fields of material production and non-production sphere, including the structure of families (children, dependents and pensioners). Differentiation of society to rich and poor is specific for particular region, the city, or countryside. However, it is directly related to the forms and growth of the inflation rate in the economic system.

Rural family farms (RFF) for majority of rural residents become the main source of food, the main place of work and a reliable source of income for the families.

Level of livelihood of farmers dependents on many factors, where the family members play an important role.

Formation of the family's income by obtaining commodity products into family farms is the basis of the material and spiritual needs for majority of rural residents [7].

The crisis in the agricultural sector resulted in the elimination of the main employers both in the countryside and social production, as well as in the social sphere.

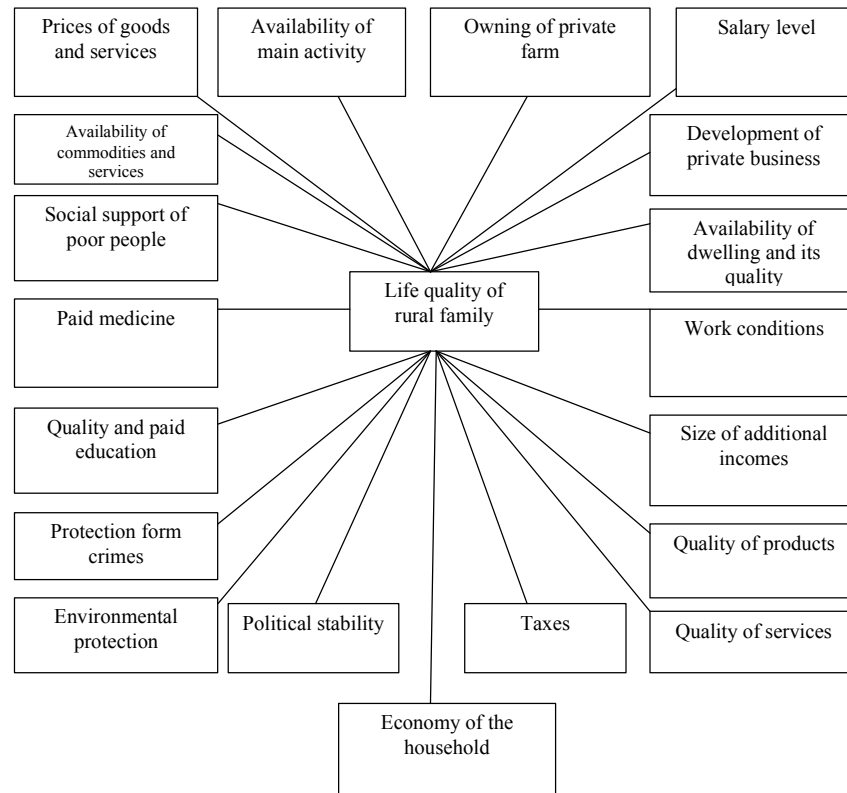


Fig. 1: Priorities determining the standard of living of rural families

Such a provision has changed the income system of rural families. Expansion of commodity production by the family farms has occurred due to the involvement of family members, what determined the formation of high-value private farms in the rural areas. Additional revenues from the sale of surplus goods became an important motivation for the development of private farming (Figure 1).

Training and education of workers, the development of competencies as part of the development of human resources are essential for improving the sustainability of the agricultural sector.

The study results obtained over last years have revealed the following significant differences and trends in agricultural sector:

- Necessity to improve the efficiency of the agricultural sector and the effect of external and internal disparity of prices;
- Low level of food security and the lack of food supply policy in Russia;
- Russia's entry into the World Trade Organization and as a result, low security of rural commodity producer;
- Growth of the shadow economy and the low level of law enforcement, criminal liability for theft of property, destruction of the material and technical base and the reduction in the use of land;
- Necessity for technical modernization of agriculture and high credit rates;
- High demand in investment resources and the lack of a favorable investment climate results in further destruction of the material and technical base of agricultural enterprises;
- The desire of rural scholars to graduate the high schools limited by paying ability of parents and low level of rural pre-gradual training result in decrease in the education level of rural youth;
- There is a need for high skill specialists and the inability of farms to pay sufficient salary, create the social conditions, respectively educational level agricultural specialists constantly decrease;
- National interests in improving of living standards differ from the interests of the groups in the state authorities;
- Improving the efficiency of production at the concentration of capital in the single hands result in differentiation of society into rich and poor and reducing the social security.

All of these contradictions and economic problems require the certain solutions in the agricultural sector of the Russian economy.

REFERENCES

1. Stanef, M.R., A.M. Manole and M. Militaru, 2012. Lifelong Learning – A Way to Reduce Development Gaps Between Rural and Urban Areas, *Procedia -Social and Behavioral Sciences*, 46: 4508-4512.
2. Translation Sociology and Social in Rural Development Initiatives. A Case Study from the Italian Alps. *Journal of Rural Studies*, 25(2): 231-238.
3. Berlizova, V.G. and N.A. Svetlakova, 2010. Effect of Agrarian Reform on Use of Agricultural Lands in Perm Region. *Agrarnyi Vestnik Urala*, 71(5): 19-21.
4. Long, H., G.K. Heilig, X. Li and M. Zhang, 2007. Socio-Economic Development and Land-Use Change; Analysis of Rural Housing Land Transition in the Transect of Vangtse River. *China Land Use Policy*, 24(1): 141-153.
5. Courtney, P., L. Mayfield, R. Tranter, P. Jones and A. Errington, 2007. Small Towns as “Sub-Poles” in English Rural Development; Investigating Rural-Urban Linkages Using Sub-Regional Social Accounting Matrices. *Geoforum*, 38(6): 1219-1232.
6. Qi, Lu and Yang Chunyue, 2008. Characteristics of Rural Labor Emigration in Minority Areas of Honghe, Yunnan and Its Impact on New Socialist Countryside Construction in the 21st Century. *China Population, Resources and Environment*, 18(4): 85-86.
7. Svetlakova, N.A and E.V. Tsaregorodtseva, 2010. General Ways of Sustainable Development of Small-Commodity Production. *Agrarnyi Vestnik Urala*, pp: 4.
8. Abalkin, I., 2006. Reflections on Long-Term Strategy, Science and Democracy. *Voprosy Ekonomiki*, 12: 4-19.
9. Arkhipov, A.I. and I.A. Pogossova, 2011. *Finances*. Moscow: Prospekt.
10. Radionova, O., 2012. Small- and Large-Size Entrepreneurship in Agricultural Sector: Ratio and Interrelationship. *APK: Ekonomika i Upravlenie*, 18: 26-32.
11. Svetlakova, N.A. and S.O. Palkina, 2012. Assessment Methods of Human Capital in Agrarian Sector. *Agrarnyi Vestnik Urala*, pp: 6.
12. Svetlakova, N.A. and T.M. Yarkova, 2012. Tendencies of Changes in Economic Forms of Agrarian Sector in Perm Region. *Vestn. Beloruss. Gos. S-kh Akademii*, pp: 4.
13. Tryastin, M.M. and N.A. Svetlakova, 2012. Development Strategy of Production Independence in Regional Agrarian Sector Based on Clustering. Perm.