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Modern Tools for Sustainable Development of Territories. Special Topic: Project Management in the Regions of Russia

AGRICULTURE IN THE DEVELOPMENT OF RURAL TERRITORIES IN THE NOVGOROD REGION

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Abstract

The article presents the research results on the role of agriculture in the development of rural territories on the example of the Novgorod region. The analysis of population showed that the share of rural residents in the total population number is declining. The main reason is the migration from rural areas to the city to improve living standards. The dynamics of changes in the number of unemployed and employed in the Novgorod region agriculture is also considered. One of the important indicators of the level of well-being of the population is the average monthly wage, which in rural areas is much lower than the average for the country and region. Results of comparative analysis of the level of average monthly wages in the studied industry and region are presented. The authors consider the structure of gross regional product. An indicator that directly reflects agricultural productivity is usually called economic production. The dynamics of the indicator is also studied in the work. The research results allowed formulating measures to ensure the sustainable development of agriculture on the basis of state support for agriculture and rural territories. The main state programs for the integrated development of rural territories are considered. The authors argue that the production sector directly depends on the non-production one. The existence of economic entities will depend on how strongly Russian villages are developed socially and vice versa. The study confirms the interdependence of the development of agriculture and rural territories on the example of the Novgorod region.

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Keywords: Agriculture, government support, standard of living, rural areas, rural population.



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1. Introduction

Rural territories of Russia are experiencing a systemic crisis. The decline in the quality of the rural living environment continues. The gap in the quality of life between city and village is widening. Rural settlements are becoming deserted and reduced. Vigorous action in rural development is required. Therefore, the topic of sustainable rural development at the country level, specific regions and territories continues to be relevant.

The solution to the problems of sustainable rural development in Russia is closely connected with the improvement of agricultural activity. The effectiveness of agriculture often depends on the development of industries and service enterprises (Uzun, Shagaida, & Lerman, 2019). The agro-industrial complex as an integrated unity focused on one ultimate goal has been formed on the basis of industrial and agricultural activities (Kirkorova, Lipnitskiy, Abramenkova, & Nisanov, 2019; Fikhtner, & Shvedina, 2019).

In the last decade, the state and regional authorities have taken measures to address the socio-economic problems associated with agriculture and rural territories (priority national agricultural projects, federal laws on agricultural development, state programs on agricultural development and regulation of food markets and others). However, there is no expected result, especially in its social component. An in-depth analysis of the current situation is required on the main indicators of the socio-economic development of rural territories and the definition of the role of the agricultural sector in rural development.

2. Problem Statement

- 2.1. Analyze the total rural population; consider the indicator in the context of employed and unemployed.
- 2.2. Consider the average annual wage as the main indicator of living standards.
- 2.3. Determine the degree of land use in the Novgorod region.
- 2.4. Analyze the main indicator of agricultural productivity - gross agricultural output.
- 2.5. Determine the place of agriculture in the GRP.
- 2.6. Provide government support measures for the development of agriculture and rural areas.
- 2.7. Formulate proposals on sustainable development of agriculture and rural territories.

3. Research Questions

- 3.1. Analysis of the structure of the rural population.
- 3.2. Determination of the main indicator of the level of well-being of citizens.
- 3.3. Land is the main agricultural resource.
- 3.4. Agricultural products as the main indicator of agricultural performance.
- 3.5. The place of agriculture in the structure of gross regional product (GRP).
- 3.6. The role of the state in the development of agriculture and rural territories.

4. Purpose of the Study

The purpose of the study is to determine the role of agriculture in the development of rural areas and to establish the interdependence between them.

5. Research Methods

The main research methods are data collection and analysis. These methods allow clearly identifying the development trend of agriculture and rural areas, as well as considering priority areas for improvement.

Induction and deduction make it possible to draw conclusions about certain phenomena and objects, reasoning from the general picture to particular moments and vice versa.

6. Findings

The current socio-economic situation in rural areas of the country and most regions is characterized by accumulated problems that impede sustainable development. Despite the measures taken by the state, the systemic crisis in the rural areas has dragged on and continues to this day. It is manifested in the deterioration of the lives of rural citizens, namely in the worsening of demographic situation, high unemployment level, low income, all these ultimately lead to depopulation and reduction of rural settlements in the region.

Agriculture is the main activity and sphere of employment in rural areas. During the time of perestroika, global mistakes were made in the development and support of rural areas, financing of agriculture was on a residual basis. As a result, negative trends in rural areas continue to exist. According to the statistics presented in Table 01, the decrease of rural population and the increase in the number of urban residents becomes evident.

Table 01. Population of Russian Federation, North-Western Federal District and Novgorod Region

Indicators	1990	1995	2000	2005	2010	2015	2016	2017
The proportion of urban population in the total number, (estimate at the end of the year; percent)								
Russian Federation	73.8	73.0	73.2	73.2	73.8	74.1	74.3	74.4
North-Western Federal District	82.3	82.0	82.2	82.6	83.6	84.2	84.3	84.4
Novgorod Region	69.9	70.2	69.6	70.8	70.7	70.8	70.8	71.0
The proportion of rural population in the total number, (estimate at the end of the year; percent)								
Russian Federation	26.2	27.0	26.8	26.8	26.2	25.9	25.7	25.6
North-Western Federal District	17.7	18.0	17.8	17.4	16.4	15.8	15.7	15.6
Novgorod Region	30.1	29.8	30.4	29.2	29.3	29.2	29.2	29.0

Calculated according to the source data (Novgorod Region in Numbers, 2019)

The urban population increased in 2017 compared to 2005, while the rural population declined. This trend is observed both in the country as a whole, in the federal district, and in the region. There are many reasons for this. The main one is the migration of the population from the countryside to the city in order to improve their standard of living.

According to statistics (Statistical Yearbook of the Novgorod Region, 2018), in 2017, compared with 2005, the total number of employed people in the economy of the Novgorod Region decreased by 25 thousand people, in agriculture, hunting and forestry – by 14.6 thousand people.

The total number of unemployed in the Novgorod Region is reduced by 5.4 thousand people, in agriculture, hunting and forestry – by 3.2 thousand people (Statistical Yearbook of the Novgorod Region, 2018). There is a high level of unemployed in agriculture, hunting and forestry in total. However, since 2014 there has been a decrease in the number of unemployed in the industry.

The standard of living of the population is an extensive concept that reflects the degree of satisfaction of the needs of the population.

One of the important indicators of the level of well-being of the population is the average monthly wage. We consider the statistics presented in Table 02.

Table 02. The average salary of employees of organizations per month in the Novgorod Region as a whole in the economy and in a particular industry

Indicators	2005	2010	2013	2014	2015	2016	2017
Total in the economy, rubles	6940.8	16750.8	23493.8	25225.3	26346.4	27901.0	29311.1
Agriculture, hunting and forestry, rubles	4001.6	13667.0	17090.1	16969.3	17517.9	18217.0	19766.4

Calculated according to the source data (Novgorod Region in Numbers, 2019)

In the economy as a whole, average monthly wages increase in greater proportions than in agriculture. It can also cause a low standard of living and an outflow of citizens from rural areas.

Due to the direct dependence of the well-being of rural citizens, the development of rural territories and agriculture, we will consider and analyze the main indicators of agricultural activity in the Novgorod Region.

Land in agriculture has two roles. First, it is a subject of labor. Secondly, it is a tool in the cultivation of plants. Consequently, land is an integral part of agriculture.

According to a statistics (Agriculture of Municipalities of the Novgorod Region, 2017), there is a decrease in the use of arable land in 2016 compared to 2005 by 3.6% due to a decrease in agricultural enterprises by 31.8%. There is an increase in the level of use of arable land by peasant (farm) enterprises (24.3%) and individuals (103.5%). Due to low wages and high prices for products and services in rural areas, as well as the high level of monopolization of the market, citizens try to provide themselves with basic food necessary for life.

In economic practice, an indicator directly reflecting agricultural productivity is commonly called economic production. Agricultural output is unstable. However, the largest increase in the agricultural production index occurred in 2014 for the following categories of farms: agricultural organizations - 114.6%, peasant (farmer) enterprises and individual entrepreneurs - 110.5% (Statistical Yearbook of the Novgorod Region, 2018). The sanctions measures introduced against the Russian Federation and the state's focus on the import substitution program played a certain role. As a result, the development of agriculture received more attention.

After analyzing the above indicators, we determine the place of agriculture in the economy of the Novgorod Region. It is necessary to consider the structure of gross regional product (Figure 01). For

clarity, in addition to agriculture, the two most and two least significant spheres of activity in the Novgorod region were taken into account.

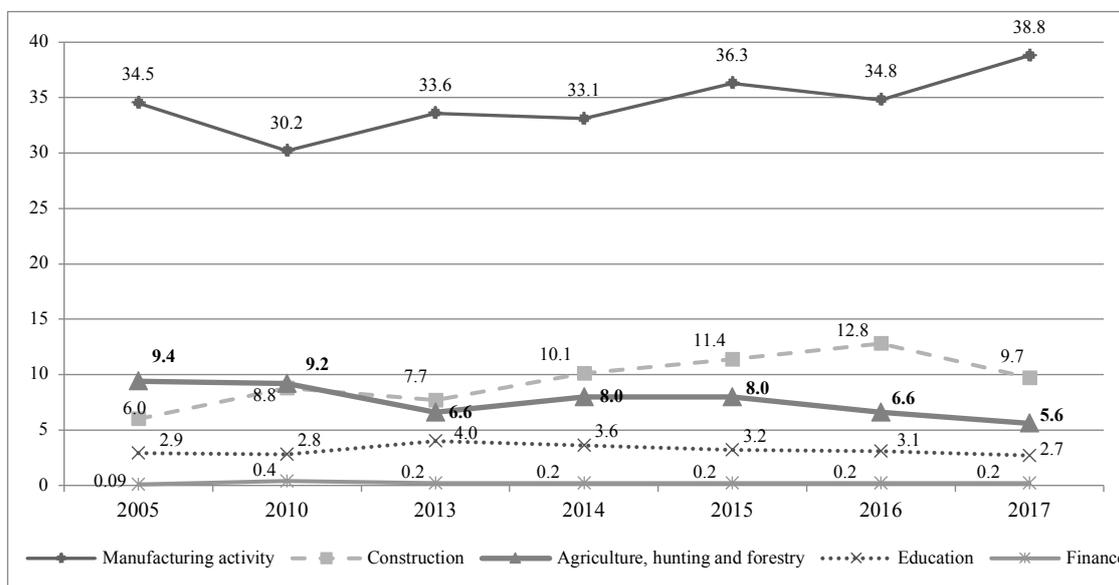


Figure 01. The place of agriculture in the structure of the gross regional product according to the source (Novgorod Region in Numbers, 2019)

Agriculture, hunting and forestry in the structure of gross regional product has a low value throughout the analyzed period. Despite a sharp increase in 2014, so far, agriculture has not been able to reach the 2005 level in GRP.

7. Conclusion

In recent decades, rural areas and agriculture have been in crisis. The life of rural citizens directly depends on the existence and effectiveness of agriculture. Due to the insufficient economic efficiency of agricultural production, agricultural activity has become an inefficient type of employment, which affects the well-being of rural residents.

In order to prevent the extinction of villages, the state needs to direct all efforts to develop and strengthen agriculture (Denisov, 2019).

In order to develop agriculture and rural areas, priority directions of state policy should include a federal strategy for the development of rural territories and agriculture with implementation at local levels; support for depressed rural areas, development of education and innovation (Ivanova & Merkulova, 2018); introducing the idea of sustainable development of agriculture and rural areas to the masses (Sycheva, Skripleva, Dunets, Luzenina, & Khoruzhaya, 2019), development of non-agricultural activities.

With a view to the integrated development of rural areas and agriculture, the federal Program "Integrated Development of Rural Areas" has been developed, approved by Decree of the Government of the Russian Federation No. 696 of May 31, 2019. This program will be implemented in 2020-2025. It is aimed at maintaining the share of the rural population in the total population of Russia, increasing the

share of the total area of comfortable residential premises in rural areas (State Program of the Russian Federation, 2019).

At the moment, in the Novgorod Region there is a regional program “Sustainable Development of Rural Territories in the Novgorod Region for 2014-2021”, approved by Decree of the Government of the Novgorod Region of October 17, 2013 No. 272. The program plans to implement five main goals, among them are improving the level and quality of life rural population by creating comfortable living conditions in rural areas; stimulation of investment activity in the agricultural sector by creating favorable infrastructure conditions in rural areas; making new jobs in rural areas (State Program of the Novgorod Region, 2013).

State programs contribute to the implementation of the tasks of rural development and agriculture. It becomes possible to reduce differences in the level and quality of life of the rural and urban population and to increase the attractiveness of rural areas for life, work, and investment.

Summarizing the above, it can be concluded that state support for rural producers will contribute to the rise of agriculture in particular and the entire agro-industrial complex as a whole, it will entail the development of rural territories. Particular attention should be paid to supporting small and medium enterprises in agriculture.

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