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# The Revival of a Russian Village: A Case Study

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#### Abstract:

Statistical indicators and economic markers demonstrate objectively the difficult situation faced by contemporary Russian village. Old ways of life are irretrievably lost, new market mechanisms are still requiring some refinement. It is necessary to make some adjustments to the formulation and implementation of agricultural development programs.

In addition to other priority tasks of this area, special attention should be paid to the problem of staff shortage in rural areas. This problem requires a detailed, comprehensive consideration (continuity recovery university – enterprise, practical knowledge multiplication share, the work prestige increase in rural areas, etc. - in an integrated approach).

The Naberezhnye Chelny Institute CFI scientists project "School for farmer managers" which involves a feasible relief action in advice (legal and economic) in the formation and development of farms, in the development and testing of models of effective entrepreneurship land and in the creation of comfortable information environment for participants is aimed on personnel issues and problem acuity ease.

**Keywords:** Agrarian Policy, Dumping, Staff Hunger, Competitiveness, Local Economy, Management, Farming.

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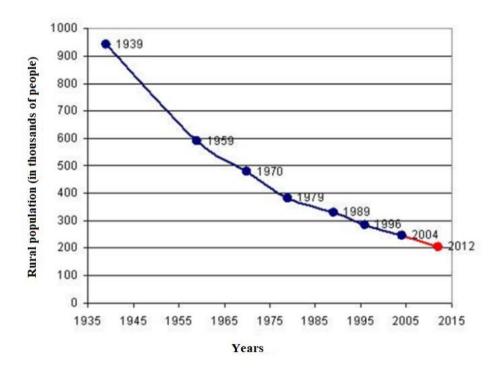
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## 1. Introduction

Over the past ten years, the information space of the Internet and mass media has been actively discussing the problem of Russian village deaths. Already no one doubts the fact that today in our country a village experiences an acute social-economic crisis, manifested in a significant decline of production, in the quality of villager life reduction, in a high unemploy-ment, etc. (Suetin, 2006). There is a massive outflow of people from villages and settlements. Over the past 20 years 20,000 villages disappeared in Russia - three villages perish daily. According to the forecasts of UN experts, two thirds of preserved rural settlements will disappear by 2020 (Terentyev, 2012). There is the graph below of the rural population change dynamics from 1939 to 2012 (Figure 1).

Figure 1: The dynamics of rural population change of the Kaluga region.



According to the data of statistics service, the population of the region is reduced by about 2% every year on the average (this is about 20% over 10 years). This means that over the past 80 years, the rural population of Russia as a whole and the Kaluga region in particular decreased in about 5 times (ResursLes, 2012). And this trend is traced throughout Russia. Another 20 years of such state policy, and the rural way of life may disappear as a phenomenon, a village may become a kind of modern Atlantis.

The survival issue of the Russian village is not only a matter of mass migration of vil-lagers cessation, not only the solution of the vital task concerning the provision of food secu-rity for the country, but also the preservation issue of the ability and the consistency of our state since the process of village extinction is accompanied by the phenomenon of the remain-ing inhabitant degradation - the best, active part of the population leaves, the remaining ones are forced to "live out their age" or drink alcohol. Thus, the villages become a kind of center of trouble. At best, the villages gradually turn into dachas or, if you are lucky, into cottage villages. But these are not villages anymore, not the participants in the economic life of the country and not producers.

However, some experts close to the authorities insist that the situation of Russian vil-lage death is uncritical, since this form of management is replaced by a new one farming. The same path of development was taken by the United States, where now one percent of farmers feeds the whole country (Terentyev, 2012). But Russia has no proper conditions for the development of farming. As a matter of fact, a farmer in our country today is almost an unprotected propri-etor. Large owners buy lands in large volumes and offer them for rent at a high, non-market price - such a fee is beyond the power of a small producer. The rent of land becomes a "luxu-ry". And the process of a farm creation is quite complicated - you need to register (to draw up an impressive amount of documents), find financial assets (take a loan for machinery, seeds and fertilizers), to pay taxes and to develop the ways of grown product sale (Sokolova, 2011). Let's not for-get the fact that Russia is the zone of risky farming. All this leads to the fact that farming is not a panacea today. The statistics confirm this: according to the data of 2009, agricultural products produced by farms accounted for less than one tenth of total production (Abalkin, 2010). And the increase of the urban population only worsens the situation - if earlier there were nine people fed by one farmer, now their amount increased up to ninety.

# 2. Research Methodology

What are the reasons for the fact that farming as a phenomenon could not prove itself fully at the moment? Why farmers can not exist comfortably in the conditions of modern Russian economic and legal situation? The Russian Academy of Agricultural Sciences has voiced its understanding of this problem. First, the Russian economy, according to agrarian scientists, still can not overcome the consequences of the reforms of 1990-ies on the whole and the crisis of 2008-2010 (Table 1). Secondly, the inadequacy of own and attracted financial resources does not allow to modernize the lag in the wage level of employed in agriculture from its average level throughout the country at the necessary pace. Today, this gap is about 52%. Besides, agricultural production and agricultural machinery develop slowly, which adversely affects their competitiveness.

<b>Table 1</b> : The share of investment in the d	agro-industri	al complex	within the to	9tal		
volume of the Russian economy as a whole in percentage terms.						

	1990	2000	2010
The whole economy, including:	100,0	100,0	100,0
Agriculture	15,9	2,7	3,0
Agricultural engineering	6,1	2,9	2,8
Light industry	1,2	0,2	0,2
Food industry	2,9	2,7	2,3

Thirdly, the unjustified lag of the social infrastructure of rural areas remains, demographic problems are growing in most regions. Fourth, the level of most agricultural lands profitability remains extremely low - it is obvious that scientists need active involvement in the solution of this issue, the development of comprehensive programs to increase the fertility of soils is necessary (Belousov *et al.*, 2012).

#### 3. Results and Discussion

We would like to draw special attention to this problem - the shortage of qualified personnel in the countryside. This is an important issue of the country agro-industrial complex, which is often overlooked. So far, the state participates in its solutions locally, which does not give the desired effect. Today in most farms the main specialists: agronomists, veterinarians and even technicians are very valuable. So, following the results of 2013, Tatarstan became one of the regions least provided by veterinarians - the staffing makes less than 40%, the number of agricultural enterprises without veterinarians increased by 25% (Vasilyeva, 2014). It is not surprising that against this background the situation with the incidence of animals is deteriorating. How can we attract competent specialists and breathe new life into the development of the agricultural sector? What helps to change the priorities and the interest of university graduates? The answer is unequivocal - it is impossible to solve the issue of personnel in a village formally. It is necessary to develop a whole complex of measures, special programs, the methods of interaction (a university - an enterprise).

Another important fact - speaking about the personnel hunger in the agricultural sector, one does not realize for the most part the urgent need to replenish the staff with new, "market" professions: managers, marketers - the managers of all levels are necessary for a modern village as much as possible. They can implement plans, reorganize the economy, send it "on new tracks". Almost all the farmers who participated in the meetings held by the scien-tists of the Naberezhnye Chelny KFU Institute expressed their readiness to continue their own education, that is, each of them (and it should be said that most of them are the people with higher education) are aware of the inadequacy concerning the existing knowledge in the arse-nal of economic, legal, and sometimes directly economic, "land" issue solution.

What is the main difference between a manager and an average statistical worker? The main thing is in his active life position is the ability to make his own decisions, to know the algorithm for further effective actions and in the ability to learn new things. Unfortunately, the overwhelming majority of the population of the Russian village does not meet these pa-rameters very much - the expectation of assistance is still characteristic of the Russian mental-ity. This situation must be changed radically. Today an urgent need is the development and the testing of effective management model on land - science should pay attention to the solu-tion of specific practical tasks of the first stage, develop to develop step-by-step plan of ac-tions and, in a certain sense, give it to farmers.

In order to address these pressing issues, the project "School for the preparation of manager farmers" started in 2013, initiated by the group of scientists from Naberezhnye Chel-ny Institute of KFU (Doctor of Technical Sciences, Professor Safronov N.N., PhD in Eco-nomics, Associate Professor Timerkhanova E.N., the Candidate of Biological Sciences, Asso-ciate Professor Sharafutdinov R.N.). The project for the creation of a comfortable information and educational environment for agricultural entrepreneurs. The purpose of this scientific work is to provide feasible advisory assistance in the survival, the establishment and the de-velopment of farms, communities, settlements (through a successful private economy to the development of the economy of the whole region); To develop and to test the model of effec-tive entrepreneurship in agriculture (potentially capable of further use and implementation in other regions)(Shinkevich & Vardanyan, 2013).

In order to familiarize with the project, letters were sent out (more than 200 settleinformed). questionnaires ments Russia were were community/settlement sites, the correspondence with scientists working in this field was established (Doctor of Economic Sciences, Professor Shishkin M.I., Doctor of Economic Sciences, Professor of Moscow State University Buzgalin A.V., Doctor of Economics, Professor of Moscow State University Kol-ganov A.I., Doctor of Economics, Professor V.V. Medikov, Scientist-Agronomist, the Candi-date of Agricultural Sciences Kulmatov L.A., the expert on the revival of villages Tyurin G.V.). An active work with farmers, scientists - the organizers of the project yakes place, they hold thematic round tables, consultations on places (visiting) and business project consulting. Nowadays, more than 20 meetings and Internet conferences have been held (participants: Semekeevo village, Shilnebash village, OSPK "Native enterprise "Native land", Kostenevo villages, individual entrepreneurs N.Latypov, M.Sirazin, M.Sagitov and others).

#### 4. Results

The opinion of scientists is based on statistical data, serious analytical calculations. The basis of conclusions for farmers is their own, personal experience of land managing. Institute KFU in Naberezhnye Chelny held information meetings with the representatives of private and individual farms during the last few years. Summing

up the obtained data obtained, we can say that farmers see the reasons for the failures of the agrarian policy held in Russia, the reasons for the gradual extinction of the village in the following factors:

- 1. Inadequate state funding / subsidies (including limited / unavailable concessional lending, which would allow to turn to renewal, the replenishment of technical park, the intro-duction of innovative technologies: for example, in 2013, the maximum amount of loans de-creased from 150 million rubles to 100 million rubles, which may be provided by the regional branches of "Rosselkhozbank" to farmers)( Korobitsyna, 2014);
- 2. the non-competitiveness of the domestic producer (cheap imported products knock down prices. It is necessary to restore the system of state purchases to prevent such dumping, thereby guaranteeing a stable income to a domestic producer: according to Rosstat, the share of imported dairy products has increased from 12% to 40%, the share of imported meat and meat products has increased from 8% to 30%, vegetables and fruits from 15% to 50%, fish 5% to 25% over the past thirty years) (Borodin et al., 2014);
- 3. The absence of interest among the authorities in village problem resolution (the lack of roads, the lack of infrastructure, mass closure of rural schools and hospitals);
- 4. Low wages of farmers (about 20% of the rural population is below the poverty line, half of the working peasants has the income below the minimum living standard) (Borodin et al., 2014);
- 5. The absence of qualified personnel (university graduates do not want to go to a vil-lage, and the "old guard" does not know, as a rule, how to behave in the current market condi-tions: in 2013 only 26 graduates of the Kazan Academy of Veterinary Medicine out of 170 ones went to work according to their profession) (Vasilyeva, 2014).

#### 5. Resume

Scientific support is carried out in many areas: effective land use, the ecology of the economy, modern energy-saving technologies, the liquidation of the economic and legal illiteracy of farmers and individual entrepreneurs, the basics of marketing (promotion of products on the market), branding, etc. Information support of the project is carried out through the Internet resource <a href="http://obchini-poseleniya.ru/">http://obchini-poseleniya.ru/</a>, which guarantees the access to information for a wide range of people and a feedback from the direct participants of the process. Leading agricultural educational institutions and departments will be acquainted with the materials obtained after this work performance.

#### 6. Conclusions

We are sure that, working in this direction, we can draw the attention of the public and the authorities to the solution of the most important problems of a village, and also provide all possible assistance for specific program implementation. Thus, the existing gap between science and practice can be partially eliminated. In this way, in a close contact, in the conditions of a rapid scientific response to the emerged needs of a producer, a targeted assistance (including information and educational one) and individualization it is necessary to solve the problems of rural settlements - from a strong private economy to a thriving industry as a whole.

Therefore, one of the central notions is the notion of local economy for the organizers of the project. In the literature, the term "local production" is considered quite widely. It is often used for the reproduction within a region (Suslova & Zinchenko, 2012). In its turn, the scientists of the project "School for the preparation of managing farmers" define local production as local, which takes place within the framework of a certain municipal entity (a settlement / a village / a community), which makes the specifics of their work. The local economic system is considered by them as an intermediate link between households, companies and individual entities that make up individual economic systems and a regional level within which the economic agents of a particular region operate.

A distinctive feature of the local economy is its expolarity according to Theodore Shanin. So he describes the phenomenon in which economic principles do not simply not cor-respond to state norms, but intentionally distance themselves from them. That is, people (let's call them "localized" conditionally) participate in the economic life of the country outside the scale of the state and large business. They do not give up, they stubbornly struggle with the circumstances. They are, so to speak, "expolar", that is, they are out of the field (Shanin, 2000).

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