Specificity of transformational processes of management in the context of modern challenges for the system of agricultural relations

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Abstract. The paper substantiates the relevance of the considered issue, which is associated with the preservation of general contradictions in determining the essential characteristics of modern forms of economic management, their typology, and scenario forecasts for the development of small and large forms of management. The dualistic nature of the results of the transformation of the main forms of economic management in the system of the national economy was explained. The economic effects of transformation processes over two decades were analyzed and compared. It was revealed that: firstly, in the structure of production large farms prevail over the small ones; secondly, similar trends are observed in the dynamics of output volumes; thirdly, over the period under study, these trends remain stable. Scenario forecasts of the main trends in the further development of small and large forms of economic management were determined. The conservative scenario assumes further concentration and oligopolization in the agrarian sphere of the national economy. The baseline scenario assumes the preservation of the existing proportions of large and small forms of farming in the structure of agricultural production. The optimistic scenario assumes that the combination of the phenomenon of the impact of the global pandemic with the improvement of government support instruments for small businesses will increase the level of competitiveness in agricultural production.

1. Introduction
The relevance of this study consists in the fact that over the thirty years of the market transformation of the national system of agricultural relations, significant changes have occurred among the main economic entities. Their organizational and economic forms were transformed, and changes took place in the evolution of content, motivation of activity, stability factors, and classification criteria of the business entities engaged in the agricultural production. These processes are reflected in the issues of ensuring both national and global food securities, which are common strategic problems [1]. According to well-established approaches, economic entities in the system of agricultural relations of the Russian economy are called "forms of economic management" regardless of the specifics of their activities, the overall number, the volume of proceeds. However, among researchers, especially the non-core ones, the attitude towards this category is ambiguous. In Western literature, as a rule, attention is focused on two main forms of economic management: farms or large agricultural corporations. Farms that have their specifics in each country are considered as the main market entity that ensures competitiveness in food markets [2-4]. At the same time, the agro-industrial sector of the
The economy shows general trends of concentration of processes that lead to a stable character of the imperfect competition model. It implies that large agricultural corporations, in fact, are special cases of oligopolies in the markets of agricultural products, and define the multi-vector nature of economic policy on the part of the state and general trends in the development of agriculture. Large integrated formations are characterized, first of all, by an ultra-high concentration of land resources: from several hundred thousand hectares to several million hectares. Interestingly, investors who were not initially engaged in agriculture are paying attention to this area. For example, in 2021, B. Gates was included in the list of the largest landowners in the world, but his sphere of business interests was far from agricultural issues for many decades. Among Russian researchers and analysts, the topic of agricultural holdings has long remained out of the focus of attention due to the lack of official statistics on these integration entities. Nowadays, the Russian agricultural holdings are being discussed more often [5-6]. At the same time, agricultural holdings are still paradoxically not taken into account in the Russian economy by official statistics.

A significant degree of uncertainty, from a theoretical point of view, is also added by the fact that there is no generalized approach in English translations of forms of economic management, which can be addressed as "forms of economic management", "forms of farming" or laconically "farms", "forms of business" and even "lifestyles". The open information resources, for example, Google, give out millions of links, having their nuances in determining the forms of business. Therefore, when considering the essential characteristics of modern forms of economic management, and hence the specifics of their transformation, there is an intrigue for researchers of different specialties, when there remains the urgency of the problem of identifying one or another form of management, for example, as an object of state support.

Based on the foregoing, this work aims to identify the essential aspects of the specificity of transformational economic processes in the context of modern challenges for the system of agricultural relations of the national economy and the economic effects of these transformations. The main tasks are the following:

- To substantiate the dualistic nature of the results of the transformation of the main forms of economic management in the system of the national economy;
- To carry out a comparative economic analysis of the economic effects of transformation processes;
- To consider the phenomenon of exogenous factors on the recent transformation of the system of agricultural relations, in general, taking into account the impact of the global pandemic on the development of the industry sector and the transformation of the mentality of consumer behavior;
- To determine the main trends in the further development of small and large forms of economic management.

2. Methods

Several issues still remain open when clarifying the substantive aspect of the phenomenon of "forms of economic management" as subjects of production, while defining their types, the main determinants of transformation, isolating dominant components from them, and identifying possible trends for further development. In the context of these problems, it is important to use methodological principles, first of all, an integrated systemic approach to the subject of the considered problem. This approach also involves the use of the principles of verifiability. In particular, they are used when considering the economic effects of production activities of various forms of economic management and for explaining the general causes of recessions (or rises) in the agricultural sector of the economy [7].

General scientific methods make it possible to come close to the clarification of the dual, often burdened with a complex of contradictions, nature of the manifestation of the essential characteristics of management forms. They can be considered both as the main subjects of production activity and as
objects of their further reform. The starting point, in this case, is the approach according to which “the definition of a concept is a two-sided judgment: on one side of this judgment there is a subject, on the other one is his predicate, i.e. characteristics attributed to him” [8]. The next assumption involves the choice of a dominant theoretical paradigm to define the concept under study. So, if we consider the forms of economic management, from the point of view of the political and economic approach, it is logical to consider small forms of economic management from the standpoint of the small-scale structure. If we adhere to the mainstream of the basic principles of neoclassical theory, it is logical that forms of economic management perform the functions of firms in the market for goods and services. And, finally, from the position of the institutional approach (fairly widespread today), each type of management can be considered as a local institution at the micro-level with its structure. In recent years, the author increasingly gives preference to the methodology of institutional analysis in the context of studying the features of the influence of formal and informal institutions, the specificity of the impact of which on transformation processes is most clearly traced on the example of the agro-industrial sphere of the national economy. In general, the use of the institutional approach allows:

- Firstly, to establish the relationship between the resource provision of the investment process and many innovations being introduced in terms of improving the methods of organizing the production process with the nature of the contracts used; to explore the possibilities of using smart contracts in the new conditions of the digital economy; [9-10]
- Secondly, to carry out a comparative analysis of the potential opportunities for horizontal integration (in the models of production and credit cooperatives) [11] and vertical integration (in the models of modern Russian agricultural holdings and agro-industrial clusters), including the use of the peculiarities of the spatial development of rural areas; [12]
- Thirdly, to develop scenarios for modeling long-term trends in the development of small and large forms of economic management, to search for optimal development scenarios.

Special attention should be paid to the emphasis on informal institutions, which, according to the authors, are of particular importance at the level of rural areas, and the effects of their influence determine the nature and forms of economic management in the agro-industrial sphere of the Russian economy as a whole [13]. A good example is peasant (farming) households (PFH) in the Russian economy, as one of the types of small business, which differ not only from the western model of farms but also from the “Chayanovskaya” model of peasant (farming) households that was historically formed in the pre-Soviet period based primarily on the use of family labor [14]. The “Chayanovskaya” model of the peasant economy has significantly lost its original features over the decades of the Soviet period. The peasant and landlord farms were transformed into collective and state farms based on state ownership of land; and more than one generation has changed, which grew up in different institutional conditions. It is quite obvious that in the process of generational change there was a transformation of mentality and motivation for managing: from personal interest to general interest. However, some signs of the stability of peasant (farming) households, experience, and management practices remained at the micro-level of personal subsidiary plots in rural areas. By the beginning of market reforms in the last decade of the twentieth century, in fact, there was another radical breakdown of the established management practices: the reorganization of collective and state farms and the return to the practice of small forms of economic management. However, it must be borne in mind that the transition to market methods of management was carried out on a different, transformed platform of the mentality of economic entities.

Over the decades of market transformation a new type of economic entity has been formed in the countryside. This fact can be understood by application the case method in the study of modern farming practices among Russian farmers of a new generation, who have grown up in market conditions. In addition, it must be recognized that a modern Russian farmer is a new generation economic entity that responds to all existing challenges: not only those that determine its vector of economic activity, but also those meeting personal needs for housing, transport and social
infrastructure [15]. The study of intermediate results of transformation is usually based on the use of traditional methods of studying the approaches of economists-researchers, as well as a comparative analysis of official statistics and empirical results of field research. Interestingly, this study can be supplemented by the study of numerous case situations presented in the Internet, in particular in groups of professional communities on agricultural topics [16]. The author believes that in modern conditions of general trends in digitalization, one cannot ignore this new technique (analysis of case situations). It allows one to study not only a variety of practical situations, but also an instant reaction from business entities to certain steps from the state institutions, which, when using traditional statistical methods, is carried out with an objective time interval.

3. Results and Discussion

The specifics of forms of economic management were studied based on the methodological approach of comparative analysis of the variability of theoretical approaches and practical realities. The results indicate that there is no unity of approaches. The institutes of the Federal State Statistics Service distinguish the following main types of forms of economic management: agricultural organizations (AO), peasant (farming) households (PFH), individual entrepreneurs (IE), and personal subsidiary plots (PSP). The same approach was used during the first and second All-Russian agricultural censuses (VSHP-2006 and VSHP-2016).

The analysis of approaches in the economic literature makes it possible to single out a more extended set of typology of modern forms of economic management from the standpoint of any selected criterion [17]. For example, from the standpoint of “the use of hired labor” criterion, it is logical to single out commodity farms that use hired labor, and family farms, which continue to remain the basis for the sustainability of the rural way of life at the micro-level of rural areas. Interestingly, the existing de facto, family farms do not have a clear de jure status, and therefore are not singled out separately by official statistics. Obviously, the features of the transformation and evolution of various forms of economic management will be influenced by the nature of the use of labor resources from the two positions. The first one is the territorial affiliation: labor of local villagers or migrants. The second one is the time factor: permanently hired workers or seasonal workers.

Another important criterion is size. But it has its specifics too: the official statistics rank the size of enterprises (economic entities) according to the given numerical parameters of the number of employees, but for the agrarian sphere of the national economy, the numerical parameters of land areas are of greater importance. For example, large and medium-sized agricultural enterprises can own or lease land holdings from several hundred hectares to several thousand hectares of land and more than 60 employees, receiving all types of rent. Agricultural enterprises with a cultivated land area in the range of up to 100 hectares and with a small number of hired workers, as a rule, are referred to as small forms of farming.

In recent years, another criterion has become especially relevant: the prevailing goals of functioning, which become decisive in the observed processes of deurbanization, which, in particular, are manifested in an increased demand for suburban life, dachas, and the evolution of economic interests towards the production of environmentally friendly horticultural products and vegetables.

The criterion of legal registration of economic entities also remains relevant, which includes state and municipal enterprises; joint-stock companies JSC (open and closed JSC); limited liability companies (LLC); individual entrepreneurs; peasant (farming) households; agricultural production cooperatives, etc. This criterion is of paramount importance in terms of monitoring and control by tax institutions.

The presented options can also be dialectically supplemented. So, it is logical to use the criterion of forms of land tenure and land use in the system of agricultural relations. Consideration separately of farms whose activities are based on a certain nature of land tenure (owning land) or farms whose activities are regulated by the nature of land use (lease relations) could contribute to the theory of rent relations in modern conditions.
When analyzing individual forms of economic management, the criteria for their determination remain unspecified. For example, many questions remain when clarifying the PH, both from the point of view of conceptual approaches and in connection with some innovations in the regulatory framework. For example, in 2020, tax institutions canceled the registration IE form—chapter P(F)H, in which the prefix “head of PFH” was proposed to be removed. This caused a very controversial reaction in professional communities, since this approach reduces the formal signs of preserving PFH identity and the possibility of developing a farming lifestyle, in particular, in the possibility of obvious risks when providing targeted government support to farmers. Such clarifications from the state institutions have their significance in determining the vectors of development of existing forms of economic management, when, on the one hand, the importance of preserving the farming lifestyle is declared. On the other hand, such regulatory “turns”, actually form the content of asymmetric information concerning questions about targeted support for farmers.

These issues cause interesting signals from government bodies. Thus, at the end of 2020, the Ministry of Agriculture of the Russian Federation approved a list of system-forming organizations of the agro-industrial complex. The quantitative composition of this list includes 88 organizations, including JSC Rosagroleasing. Of these: 16 in the field of crop production; 31 in the field of animal husbandry; 33 in the field of food and beverage production; 7 in the field of fishing. Interestingly, most of these enterprises are large agricultural holdings, which include farms with the legal status of LLC, OJSC, CJSC, JSC. Of these about 600 economic organizations are in the group of companies engaged in crop and livestock breeding, 317 in the food industry; 67 in fishing [18]. For comparison: according to the VSHP 2016, 36.1 thousand agricultural organizations were represented in the system of the Russian agro-industrial complex, 174.8 thousand PFH and individual entrepreneurs (of which 78% are PFH and 22% are individual entrepreneurs), 23.5 million private household plots and other individual households [19]. Such signals from the state can be considered as institutional factors for further advancement and development of large forms of business.

An analysis of the data of official statistics shows that despite the orientation at the initial stage of market transformations on small forms of economic management, in fact, the share of PFH in the structure of agricultural production, although increasing, lags far behind agricultural organizations, Figure 1.

![Agricultural organizations, PFH and IE, Population households](image)

**Figure 1.** Steps of wastewater treatment from slaughter houses [6].

A comparative analysis over the past five years, when the exogenous factors (including geopolitical factors and the phenomenon of bilateral sanctions confrontation) have increasingly begun to have a dominant character of manifestation, shows that there are no significant changes in transformation processes. This is confirmed by the following arguments:

- Firstly, a leading position in the structure of production of large forms of economic management is maintained;
Secondly, the growth rate of agricultural organizations and PFH is practically at the same level. The share of agricultural enterprises in the structure of production increased by 4 percentage points, and PFH - by 3 percentage points against the background of a decrease in the share of personal subsidiary plots in the overall structure of production (see Figure 2).

Figure 2. The structure of agricultural products by main forms of economic management in 2015 and 2020. Source: compiled by the author based on the official statistics. [20].

The analysis of quantitative indicators of the dynamics of output volumes also indicates that the growth rates are significantly higher in agricultural organizations, which, in fact, form the basis of large forms of business, including agricultural holdings, Figure 3.

Figure 3. Dynamics of the output of agricultural products by main forms of economic management (in actual prices; as a percentage of farms of all categories). Source: compiled by the author based on the official statistics. [20].

Moreover, the first decade of the XX century showed relatively slow growth rates, but the second decade shows a rapid upward spurt. It seems that these indicators are an indirect sign for confirming the hypothesis not only about the persisting dominant features of large forms of economic management but also about their predominant development in the last decade. The gaps in the graph indicate the absence of integrated data from official statistics for the considered years, however, there are no more generalized official statistics on these indicators. Moreover, during the second VSHP in 2016, agricultural holdings were not taken into account; data on landowners and land use forms were not analyzed. The lack of such important information objectively narrows the boundaries of research of various forms of management.
4. Conclusion

Thus, the results of decades of market transformation in the system of agricultural relations show that stable problems remain obvious internal challenges for developing a long-term economic policy for further transformations in this area of the economy. These include:

- Firstly, the lack of common approaches to identifying the essential characteristics of forms of economic management, in general, and determining their common typology;
- Secondly, it is quite obvious that in the system of agricultural relations the issues of land use and land tenure determine the vector of transformation of forms of economic management. Therefore, questions remain why digitalization tools are not used in this case to collect information about land users and landowners to understand the scale of concentration of land resources, their redistribution between small businesses in order to create a competitive environment and efficient use;
- Thirdly, there are obvious tendencies for the consolidation of forms of economic management into whole integration associations, which are still not considered by official statistics, and it becomes difficult to carry out a comprehensive analysis of the volumes and the structure of production of the de facto operating agricultural holdings;
- Fourthly, the volumes of output and their dynamics prevail among agricultural organizations, which is logical to consider as indirect signs of a stable concentration of agricultural production.

An essential feature of recent years is the degree of influence of exogenous factors on the development of the entire agrarian sphere of the national economy, in general, and on individual processes of transformation of economic entities. This is also manifested in the constant change of the internal institutional environment, since state institutions react quickly enough to many external factors, constantly developing, changing, and improving both the instruments of state support and dialectically changing the instruments of regulation. At the same time, despite the obvious signals about priority attention “from above” to large market players, there is hope that external shocks as a protracted process of the global pandemic can have a positive effect on the sustainable development of small businesses. This is primarily due to increased consumer demand for farm products to maintain and preserve the quality of life. Hence, it can be assumed that the vector of attention will shift to small forms of business not only on the part of consumers, but also on the part of state institutions, ensuring a balance of interests between small and large forms of business in the long term, while maintaining the dominant position of large farms.

In this regard, when developing a long-term economic policy for the further transformation of the main business entities, it is logical to forecast the following options of scenario modeling:

- The conservative scenario, which assumes further concentration and oligopolization in the agrarian sphere of the national economy;
- The baseline scenario, according to which the existing proportions in the structure of agricultural production from large and small forms of farming are maintained, which, in general, currently ensure the fulfillment of the main targets for food security;
- The optimistic scenario, which assumes that the combination of the phenomenon of the impact of the global pandemic with the improvement of government support instruments for small businesses will increase the level of competitiveness in the agricultural production.

Our additional practical recommendations state that it is important to focus on:

- Firstly, the normative clarification of the allocation of small and large forms of management in the sphere of the agro-industrial complex: in particular, not according to the criteria of the
population size (as is used by official statistics for all industries), but according to the volume of proceeds and the boundaries of the use of hired labor;

- Secondly, ensuring more transparent information about the types and volumes of land ownership to curb the concentration of land resources by agricultural oligopolies, since the currently existing "digital" land use map has a limited content of information;

- Thirdly, the adaptation and use of digital technologies, both to reduce the risks of asymmetric information when providing government support to various forms of management, and to promote manufactured products according to the model: from manufacturer to consumer, minimizing the number of intermediary trading structures and reducing prices of final products for the consumer.

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