Sustainable development management of rural areas of the region

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Abstract. The problems of rural development have always been particularly acute not only in different Russian regions, but also in foreign countries. The use of new management approaches and organizational and economic mechanisms of regional development management allow to adopt a long-term strategy of rural development, based on the principles of strategic management. State financing of large infrastructure projects in certain territories, the development of non-traditional areas of activity, information and communication technologies are becoming a source of additional income, employment growth of the rural population, and also increase the level of attractiveness of the region and contribute to its sustainable multi-sectoral development due to the growth of its competitive advantages.

1. Relevance of the topic
The development of rural areas, despite its own relevance, as well as in the context of the current socio-economic and political situation, remains the subject of discussion of the authorities, business community and social activists. At the same time, the participants do not debate the importance of the addressed issues, their role in the long-term development of the economy of the whole state. Solutions to these problems, as a cornerstone, should lay the foundation for the development concept, which is supposed to contain not populist slogans of politicians but real management mechanisms to achieve the intended aims. Ensuring social transformation in rural areas, first of all, should begin with the solution of mundane everyday problems of ordinary citizens, which include housing, construction of cultural, health and education facilities, repairing of roads, gasification, electrification, communications, etc. Obviously, the list of problems of the village can be continued, however, the social infrastructure builds the architecture of long-term growth of the regional economy, because it is favorable socio-economic conditions that motivate the population to quality rural labor, and social guarantees from the state fix the rural worker in this territory, increase his incentives to work, determine his stability in the future. Regional development management is based on the principles of strategic management, search for effective management solutions that contribute not only to the growth of the region's economy as a whole, but also to the achievement of a higher level of technological development of the region's industries, improving the level and quality of life of the population of the territory. The development of rural areas will certainly contribute to the formation of additional sources of income, increase the level of employment of the rural population, will focus the attention of business structures on the competitive advantages of the village,
which will eventually allow rural areas to overcome the crisis and become serious "growth points" within the economy of the region.

2. Objective
The purpose of this study is to show the opportunities of using strategic management tools for regional economic development by identifying the potential of rural areas, their strengths and weaknesses for the formation of strategic development directions and the increase in the contribution to the economy of the region.

3. Material and research methods
The prospective development of the village affects the interests of a large number of citizens. Causing a multiplying effect, investments in rural production, social sphere or infrastructure facilities in the territories of rural settlements should ensure the economic growth of entire regions, which are plenty in number in Russia. Almost every second subject of the Russian Federation is characterized by unfavorable conditions of rural development with signs of socio-economic depression [1]. However, the economic potential of rural areas is quite high. According to Federal State Statistics Service (FSSS) [2], as of July 1, 2016, 36048 agricultural enterprises were registered on the territory of the Russian Federation, including small – 24284 (in the Novgorod region – 215 and 168, respectively). For example, 273 agricultural enterprises were established in 2016 in the Irkutsk region. 233 of them are small ones. In 2017 the number of Irkutsk established agricultural enterprises was 255, and 178 of them are small ones. In addition, citizens with private farms live and work in rural areas, the number of whom on the same date amounted to more than 23496 thousand throughout Russia. The broad scale confirms the fact that more than 27% of the total population (37 million people, including 23.6 million people) is concentrated here, ready to work and earn, provide for their families and achieve a higher standard of living. Positive experience in the implementation of import substitution programs has proved the possibility of sustainable growth of domestic agricultural production not only due to the actual increase in agricultural production (meat, butter, milk, etc.), but also of the products of related industries – engineering, information and communication technologies, small and medium businesses, etc. The State uses various measures to support these industries:
   - state subsidies;
   - co-financing of research;
   - provision of grants and preferences to holding companies participating in public procurement;
   - large target loans from the Federal budget;
   - financing of enterprises at the pre-production stage;
   - special measures to encourage import substitution through state / municipal procurement.

Analyzing the development experience of economic systems in the twentieth century, it becomes obvious that it is impossible to solve the economic problems of territories (including rural) without the participation of the State. The Great Depression of the United States in 1929-1933 was the first successful experience of effective state regulation of the economy, without which the protracted crisis could not be overcome. The current Russian situation of the development of rural areas in the 2000s. has similar quality characteristics, even without taking into account external destabilizing factors (high level of foreign presence in the domestic market, WTO accession, migration, etc.). Only an effective state policy with the use of efficient measures of administrative, financial, information support of reforms can contribute to a radical change in the situation in rural areas. Therefore, at the Federal level, the Strategy of Sustainable Development of Rural Areas of the Russian Federation for the period up to 2030 was adopted (ed. from 13.01.2017), which conceptually set the following activities:
   - optimization of placement of agriculture and related industries;
   - increase of employment and income of rural population;
   - ensuring access to natural, financial, information resources, services of social sectors;
   - ensuring access to the property market, housing and communal services, transport, communications;
development of environmental management and improvement of the environmental situation in rural areas;
- enhancement of the efficiency of local self-government and the statistical accounting of rural development.

At the same time, the mere declaration of directions is not a real mechanism for solving the problems of rural areas, even in the short term. The interaction of all parties concerned – local governments, local business elites and residents of rural settlements – together should bring the expected result. It is an attempt to understand the causes of backwardness, to identify possible ways to overcome the crisis and to work out a program of actions in the direction of the result – all these steps are one of the tasks of the state to adopt a strategy for socio-economic development. Strategic planning makes it possible to create effective mechanisms for managing the municipal economy, capable of identifying and using new points and drivers of economic growth, reducing the level of differentiation of socio-economic development within the region, bringing municipalities to the path of sustainable development (for more information, see, for example, [3]).

For the purposes of strategic management of regional development, the following basic tools are used:
- SWOT analysis – to assess the actual situation and strategic prospects of the territory;
- SNW-analysis – to assess the strengths, neutral and weaknesses of territorial development;
- PEST-analysis – to identify political, economic, social and technological aspects of the external environment;
- GAP-analysis – a comprehensive analytical study of the discrepancies between the current and desired state of regional development.
- Boston Consulting Group matrix (BCG);
- Porter's Five Forces-analysis – used for working out regional development strategies;
- Ansoff matrix – used for evaluation of regional markets.

Sustainable development of rural areas can also be considered in the context of regional development management based on spatial aspects of economic processes in the region, as a result of the interaction between increasing returns, transport costs and the movement of production factors [4].

The presented tools, to some extent, can be successfully used to manage the development of rural areas, provided that an appropriate array of relevant information is available, as well as specialists who are able to conduct a qualitative analysis in accordance with the proposed methods.

4. Findings

The regional authorities, simultaneously with the Federal government, also makes attempts to implement the principles of strategic planning in the formation of sustainable development trajectories of rural areas. Thus, in August 2018, the Ministry of Industry and Trade of the Novgorod region initiated a strategic session "Strategy for the Development of Trade Services and Procurement Activities in the Settlements of the Novgorod region for 2018-2022". It was attended by representatives of regional ministries, local governments, consumer cooperation, economic entities engaged in retail trade and procurement activities, educational institutions of the region: Centrosoyuz of the Russian Federation, the Association of Educational Organizations of Consumer Cooperation (EduCOOP), Yaroslav-the-Wise Novgorod State University, Tambov State University named after G. R. Derzhavin. The strategic session allowed:
- to develop a list of initiatives to increase the efficiency of work aimed at the adoption of an effective strategy for the development of rural areas;
- to make a number of key conclusions on the optimization of interaction between the executive authorities, educational institutions and representatives of small and medium-sized businesses in order to draw up a strategic document that allows to make significant changes in the creation of conditions that improve the lives of ordinary citizens of rural settlements.

The work was carried out in three main areas the effectiveness of which determines the sustainability and consistency of the improvement of social standards of living in rural areas.

Thus, for the direction of "Trade", the participants identified the following priorities necessary for the adoption of the program of sustainable development of rural areas of the Novgorod region:
improvement of the quality of roads and the entire transport infrastructure of the village;

– total Internet coverage of all settlements in the region;

– simplification of administrative procedures for rural trade;

– launch of automated mobile systems with the ability to provide services (including Internet services, online stores);

– subsidizing the purchase of specialized equipment for the operation of car shops.

For the direction of "Procurement", the following development priorities were formulated:

– development of a unified regional procurement system;

– creation of a regional network of logistics centers, including primary processing of harvested products;

– determination of the regional operator of the procurement network and primary processing;

– launch of mobile procurement points;

– ensuring the possibility of obtaining preferential loans for procurement activities.

The direction of "Personnel" caused the most serious discussion and was less connected with educational problems. First of all, according to the unanimous opinion of experts, the involvement of young people in the village is associated with the problem of the overall quality of life and the creation of infrastructure corresponding to modern ideas of citizens about well-being (convenience). What is meant here is the availability of comfortable housing, the possibility of obtaining timely and quality services of medicine and education, leisure activities, etc. Increasing the prestige of working in rural areas is a national task, the solution of which the Federal program supported by significant Federal resources (financial, organizational, economic, informational, etc.) is devoted to. Among others, experts most often mentioned the following problems, which are typical not only for the Novgorod region:

– creation of jobs that provide professional development and financial incentives to work on the territory of rural settlements;

– formation of an order for the training of required specialists from the municipalities to identify the actual need for personnel;

– creation of measures to support young professionals coming to work in the village.

Many of the mentioned above problems are typical for different regional systems, distinguished by the specialization of agricultural production, geographical, climatic, socio-economic features of the territory as a whole [5, 6]. Thus, in the Irkutsk region, the increase of the breeding base of livestock is the priority direction of rural development. 2.7 billion rubles were allocated from the regional budget to support agricultural producers in 2019. At the same time, the problems of rural areas of the region are similar to the problems of Novgorodian village: low income of the population working in the field of agricultural production, low level of development of rural socio-economic infrastructure, outflow of youth, etc.

Presently, the vectors of sustainable development of the region in the context of the growth of the economy of rural areas are aimed at the implementation of competitive advantages of the territory: the search and carving out new market niches, the involvement of regional marketing tools for the formation of sustainable demand for regional products and services, the increase of the attractiveness of the territory for external users. The directions of regional development should be determined by ensuring the requirements of economic security not only of the region, but also of the state as a whole. In addition, the use of modern means of information and communication development (digitalization), the development of new areas of activity (for example, rural, gastronomic tourism) become the basic tools of rural development, contribute to the sustainable development of the region, form a model of sustainable development of the regional economy.

In general, the management of rural areas should be based on the principles of sustainable development, be fundamentally constructive and become the foundation for the creation of strategic directions of regional development. Obviously, the discussed tasks cannot be solved immediately, but the bodies of state power and local self-government must work out and undertake a comprehensive program of actions in this direction. The fact that rural areas are currently in a state of deep crisis and need state support is confirmed by disappointing official statistics, research by domestic scientists, publications in popular science periodicals, and the interaction with the rural population. The problems of rural areas
become irreversible, the total poverty of the rural population generates a lot of vicious social phenomena, such as marginalization, lumpenization, degradation. In this regard, an effective state policy of the development of agriculture, more active investment, innovation and social policy in this sphere will increase the interest of the population in rural life, create new high-tech production and organize a comfortable living environment for the rural population.

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