Ensuring sustainable rural development

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Abstract. Working out new management decisions for ensuring rural areas development, standards of life quality and livelihoods of the population is one of the priorities of state impact on the production and social development of rural areas. The study presents the principal directions of theoretical and methodological background for assessing and forecasting the effective development of territorial socio-economic systems of rural areas. The authors outline the target of the production and social infrastructure functioning, local government and civil society institutions activities, and social responsibility of business. As a tool for assessing rural territories sustainable development, the authors propose the following approaches: indicative, institutional, economic-legal, functional, system-functional, synergistic, resource-functional, and criterial. The indicative management of rural development is a system of relations based on indicators of innovative, investment and motivational activities of agriculture and its social environment.

1. Introduction

Ensuring rural areas sustainable socio-economic development, high standards of living is possible provided that an effective agricultural policy and institutional reforms in the agricultural sector are carried out.

The stability of rural development trends in the long-term prospects requires new models to be implemented in order to organize and manage agricultural production, which is based on introspecting, comprehensive analyzing and assessing organizational and economic potential effectiveness.

The purpose of the study is to work out theoretical and methodological background of assessing and forecasting the effective development of territorial socio-economic systems in order to justify management decisions in a particular agricultural territory.

The scientific hypothesis of the study presumes that ensuring sustainable rural development is impossible without improving theoretical and methodological approaches to studying trends in the rural territories economic development (study the components of the territorial economic and spatial development) and to develop conceptual vectors, indicators of economic and spatial development.

The results of the study are obtained from using such general scientific methods as the comparative, system, functional, and time-series analysis, the index method, and the project management approach.
The subject of the study is forming and implementing a mechanism for regulating the relationships that arise in territorial socio-economic systems, focused on ensuring rural territories sustainable socio-economic development.

2. The study methodology
The principal concepts of this work are greatly influenced by the following researches: on the theory of sustainable development and scientific background of the concept of socio-economic development regarding the Russian Federation, works by T.A. Akimova, S.N. Bobylev, V.I. Danilov-Danilyan, K.Ya. Kondratiev, D.S. Lvov, N.N. Marfenin, N.N. Moiseev, B.N. Porfiryev, L.D. Ursul, V.V. Haskin, N.N. Yashalova.

The most significant works in the theory of spatial economics include the works of E. G. Animits, G. Kh. Batov, O. A. Biyakov, A. Yu. Voloshina, R. F. Gataullin, A. V. Gulbasov, E. B Dvoryadkina, A. N. Demyanenko, S. A. Dyatlov, L. L. Zobova, Yu. G. Lavrikova, P. A. Minakir, A. I. Mikhailov, V. V. Radaev, Ya. P. Silin A.N. Semin, N.M. Surnina, D.P. Frolov, and others.

Spatial planning and development of the region are studied in the works of Russian researchers V. S. Antonyuk, N. Yu. Vlasova, A. Yu. Davankov, S. G. Zyryanov, N. N. Kiseleva, I. D. Kolmakova, M. G. Lapaeva, G. N. Pryakhin and E. A. Kolesnichenko.

3. The study results
The fundamental principles of the strategies for rural territories socio-economic development formulated in the work are largely determined by particular characteristics of the territory, the sectorial structure nature of agricultural production and the approaches used in organizing and managing the development efficiency of rural territories, resource base, etc.

Key approaches to solving the problems of rural territories social and economic development, development management methods, incentive measures determine the spatial, production, organizational, technological and managerial aspects of choosing development strategy options.

The choice of areas for developing the territory is determined by the results of analyzing the territory organizational and economic potential and the development opportunities identified in the work.

Studying the rural territories development potential is of strategic importance, since the result is to understand possibilities and proposed ways of the territory socio-economic development, to select the most effective mechanisms for organizing the management of the agricultural economy, and rural infrastructure.

To use the rural areas potential effectively, it is necessary to ensure sustainable development keynote on the basis of using their own resources and competitive advantages [1].

Strategically important for the state is to strengthen the effectiveness of territorial mechanisms aimed at providing conditions for self-regulation of the agricultural economy, organizational and economic potential of each rural territory.

The economic and spatial development of municipalities is complicated by the fact that, under the influence of technological progress, they have significantly less financial, organizational and managerial capabilities not only to resist the negative consequences, but also to use the strengths of economic and spatial development.

These problems determine the necessity to study theoretical, methodological and applied aspects of the scientific problem as regards developing municipal economic and spatial formations, concentrating mainly on rural settlements, which presupposes the following priority areas [2]:

- growth of economically significant results and economic activity in the context of fast moving production relations in the territory;
- preserving and improving qualitative characteristics of the technical basis, the degree of its development, and personnel potential;
- balanced development of relations of the settlement level.
Taking into account the necessity to work out a clear algorithm sequence of actions and increase the validity of managerial decisions, the entities when acting and making decisions should anticipate and consider many factors of external and internal environment of the territories [3].

Implementing the strategy for the territory sustainable development provides for a number of necessary conditions: forming economic toolkit for sustainable development; legal support, financing activities, considering innovative aspects of the agricultural economy development, organizing management, coordination and control.

Achieving a favorable situation in implementing conditions of a decent life quality and health of the rural population is possible only with coordinated interactions of government, business and public.

The initial stage in implementing the strategic approach to organizing and managing the rural territories socio-economic development is to analyze the territories economic potential, which makes it possible to determine its potential capabilities, considering which the management decision becomes more reasonable [3].

Analysis of the territories economic potential as a way of determining potential opportunities, considering which the management decision becomes more justified, is considered to be the initial stage of implementing the strategic approach in organizing and managing the rural territories socio-economic development [3].

The economic potential of rural development should be considered in its entirety. Its assessment should include:

- a set of resources, means and production items (resource approach);
- assessing profitability, degree of business activity, assessing financial stability (financial approach);
- assessing corporate culture, level of education and other factors of the internal environment.

As a tool for obtaining information in order to make reasonable strategic management decisions in the field of territories sustainable development, the authors suggest working out a program approach and an economic-mathematical apparatus [4].

A comprehensive methodology for multifactor research of the rural territory socio-economic development is based on the main assessing indicators, the constituent elements of organizational and economic potential, social infrastructure, which makes it possible to monitor the competitiveness of rural areas and forecasting the prospects for their development.

The choice of indicators for the methodology of assessing the rural entities socio-economic development is determined by their ability to reflect the following criteria:

- the specific character of the object in the region’s economic space, with its significant economic and spatial characteristics;
- developing rural territories as a specific object in regional economic space that has certain economic and spatial characteristics;
- developing rural territories as a space for the agrarian economy functioning and a territory for the rural population concentration;
- assessing the dynamics of indicators should provide conclusions about constructive and destructive trends in the economic space development.

Various approaches can be used as assessment tools: indicative, institutional, economic-legal, functional, system-functional, synergetic, resource-functional, and program-targeted methods.

To improve the program-targeted regulation of developing the agro-industrial complex and rural territories, the following steps are necessary [5]: a) analyzing and assessing the current organizational-economic potential and forecasting organizational-economic, and organizational-managerial impacts on the level of its development; b) identifying priority goals in developing individual elements of potential, calculating the parameters of the necessary resource support, methods and timing of their achievement; c) applying variable approaches in order to achieve program goals (choosing the best option); d) substantiating financial security of program goals implementation; e) assessing the effectiveness of the implemented territorial programs.

The need to study systematization of factors, criteria, and indicators of changes in rural areas from
scientific and practical point of view is determined by lack of sufficient formulations that reveal the content of the methods and orientation of sustainable growth strategies, principles of forming and implementing organizational and economic potential of their development.

Classification of factors is necessary to determine the most characteristic technical and economic relationships, which are the basis for factor forecasting the impact of changes in the resulting and indicative indicators while working out forms, methods and tools for managing the development of the system.

In order to build a model for assessing the level of rural territories development, in addition to the factors of socio-economic development, vectors and conditions for ensuring the territory economic growth should be determined, which is possible as a result of the current diagnosis of the state and adjustment of the processes for realizing the tasks of ensuring external and internal competitiveness.

At the heart of the methodology for assessing the rural development organizational and economic potential, a structurally oriented approach to justifying and selecting development alternatives is determined.

The main factors, which affect the change in the organizational and economic potential of the rural territories development in the framework of the systematic analysis establish the most characteristic technical-economic relationships not only to monitor the factors influence on changing the resulting indicators of rural territories, but also to develop forms, methods and tools of the current and future managing “prosperous”, “medium” and “lagging” rural areas.

The problem-oriented analysis of the rural territories development makes it possible to determine a set of measures for effective rational distribution and efficient use of rural resources; interaction of local governments, employers, vocational schools; for effective functioning of social facilities and industrial infrastructure; for developing all types and forms of organizing and managing the territory economic activity and mutually beneficial cooperation of the population, and the business environment [5].

The comprehensive approach to forecasting the rural territory development is based on using a system of methods that take into account the specifics of the spatial, production, organizational-technological and managerial aspects of the situation in a specific rural territory [4].

The optimal scenario for changes in the organizational-economic potential of rural territories is based on forecasting assessment of rural territories social infrastructure development (production and social).

The choice of strategic vectors for developing the organizational-economic potential of rural territories is presented in the form of a five-block model: natural-resource, material and technical, labor, financial and economic, information and innovation elements.

The functional elements of the proposed technology can be considered in the logic of the analytical actions algorithm to assess the influence of factors on the level of changes in the organizational and economic potential of rural areas.

Analytical studies of rural territories in the framework of the methodological approach used in the work make it possible to assess the potential and priority sectors for its development, and to establish resource opportunities and limitations of the rural territory of a separate climatic zone.

Approaches to forming a scheme of organizational and economic potential differentiate the system of assessing indicators, and in some cases, specify it. The indicative approach to assessing the development potential of territories includes the following types of territories development potentials:

- natural-resource potential (amount of forests, mining, fuel and energy complex);
- ecological potential (environmental protection costs, forest reproduction);
- socio-demographic potential (population, birth rate, mortality rate);
- economic potential (number of enterprises and organizations, number of small enterprises, volume of investments into capital assets);
- labor potential (labor force; level of employment; level of labor costs);
- production potential (average annual value of capital assets, the degree of deterioration of capital assets, output);
• agricultural potential (crop production area; cattle stock pig stock);
• recreational potential (number of hotels; catering turnover; number of sports facilities);
• information potential (the number of Internet subscribers per 100 people; the volume of communication services per 1 person);
• organizational capacity (number of public servants and local authorities; number of executive bodies);
• innovational potential (innovative activity of organizations; costs of technological innovations, the volume of innovative goods, works and services).

The methodology of indicative managing rural development presents a logical scheme of managerial activity, which includes a set of goals, indicators of their achievement, methods and tools. [5].

The present-day evolutionary concept of indicative management in the current context should be formed by combining the principles of three management types - state, market and indicative management with their specific approaches, principles, tools and methods [6].

All external changes and internal processes of rural development in accordance with S.G.Chernova should be considered not as random situations, but as interrelated elements of general economic evolution [6].

The indicative management of rural development is a system of relations based on indicators of innovative, investment and motivational activities of agriculture and its social environment [5].

The component analysis with an expanded set of indicators and an integrated assessment of their territorial comparison by natural-climatic zones in the spatial-temporal dynamics makes it possible to study the processes of level interaction using economic-mathematical tools.

Prospective characteristics of the territory development should be determined on the basis of modeling the recommended generalizing indicative indicators of the economic, social and cognitive components [5].

Under the influence of a large number of negative environmental factors that create problems for effective development, the role of government will increase as a basis for ensuring the stability of the development of the socio-economic system and improving the population living standards.

On the basis of generalizing the existing approaches, the following groups of interaction development factors are distinguished: formative, stimulating, and providing ones.

The historically established nature of relations between the entities, the legal framework, regulation of law enforcement, traditions of resolving conflicts in business, the prevailing types of behavior in citizens’ economic activities, levels of political culture are the formative factors of the territorial development of the entities interaction and contribute to further development.

The stimulating factors of development (favorable conditions that accelerate the development of subjects’ interaction) are active participation of public associations of entrepreneurs and local communities in creating and developing a regional encouragement infrastructure, favorable institutional environment, special economic zones.

The providing factors are considered as special conditions necessary for maintaining a successfully functioning system of entities interaction: support infrastructure (the operation of information portals on the principle of "one window", etc.), lending institutions' and insurance company’s activities [7].

The process of rural territories socio-economic development is considered as a balanced system of interaction between the state and the subject in political, economic, social and institutional aspects to achieve strategic goals in the context of effective parity functioning of interregional relations.

In order to regulate the agrarian economy of the Russian Federation effectively, the state must create an effective system for developing indicators [5].

In our opinion, it is objectively necessary to introduce a management system on the basis of diversifying goals and priorities for the rural territory functioning as a socio-economic system, which provides an increase in the socio-economic development effectiveness.
The consistent, competent and theoretically developed organization of the process at all levels of government and administration will make it possible to achieve the national goals and strategic objectives facing the state as a whole and particular territorial entities.

4. Conclusion

Monitoring the rural territories state (adjusting the strategic objectives, and considering the interests of economic agents of the institutional environment made it possible to determine the target orientation of the functioning of production and social infrastructure, local self-government, civil society institutions, and social responsibility of business.

Analyzing the target priorities of the state impact on the rural areas production and social development made it possible to formulate an algorithm for developing managerial decisions and measures to ensure the rural areas development, the subsequent necessity to work out standards of life and livelihoods of the population.

On the basis of conceptual foundations, which make it possible to improve the areas of developing the rural territories potential, there is a possibility to develop scenarios of changes in organizational and economic potential ensuring this process on the basis of forecasting assessment of the production and social infrastructure development.

The accuracy and consistency of the analysis influence the quality of management decisions concerned the territory development. In view of this, the analysis of the rural territories potential should be complex and cover as many indicators and evaluation criteria as possible in order to form the most comprehensive idea of the rural territory possibilities.

Working out theoretical and methodological foundations and practical recommendations for developing indicative management of agriculture and territories in the current context requires working out basic forecasting innovative, industrial and economic development indicators.

The institutional system of indicative project development in agriculture is basically represented by programs of socio-economic development of the country, regional programs for developing agriculture and rural areas.

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