
THE DEVELOPMENT DIRECTIONS OF SUSTAINABLE DIVERSIFICATION-ORIENTED ECONOMY OF RURAL TERRITORIES

Smyslova Olga Yurjevna, Dr. Sc. (Econ.), Full Prof.

Kokoreva Anastasiya Aleksandrovna, Cand. Sc. (Ped.), Assoc. Prof.

Lipetsk branch of Financial University under the Government of the Russian Federation, Internatsionalnaya st., 12 B, Lipetsk, 398050, Russia; e-mail: savenkova-olga@mail.ru

Purpose: the study aims to prioritize development directions of diversification processes in rural territories in line with their resource potential. *Discussion:* the key idea of the article lies in the statement that diversification processes of agrarian economies are to be effectively implemented in line with social, economic, natural and resourceful potential of rural territories aimed at the rural life maintaining and region's territory managing, the prestige growth of farming labour and rural life on the whole, and the solution to the problem of food security solving. *Results:* the article deals with the analysis of social and economic development of the Lipetsk region's rural territories and municipal entities that justifies the strategic need for rural territories' economic diversification aimed at the cumulative resource potential growth of the region. The authors present diversification directions of rural territories' economic development and further ways of their diversification potential building in line with the region's social and economic problems revealed in the research.

Keywords: rural territories, resource potential, development drivers, diversification, diversification potential.

DOI:

Introduction

The issues of sustainable development of rural territories, their integrity maintaining for the sake of proper functioning and the favourable conditions creating for rural residents are still matters of great urgency.

Nowadays domestic and foreign researchers [1-3, 5, 8, 11-13] present different approaches towards rural territories' development which include the implementing of modern instruments aimed at the development of agro-industrial complex and agriculture, the adopting measures focused on the preservation of natural and resource potential of rural territories and its rational use, the modernizing and renewal of production and social infrastructure, the development of cooperation, labour market and rural tourism, the enhancing of

rural residents' education activity and personnel retraining as well as many others which, according to many scientists, enables to solve one of the state priority objectives – the rural territories' preservation not only as an agrosystem and economic unit, but also as a social environment with its inherent constituents, such as rural population, country people, social sphere and infrastructure which distinguishes it together with its quantitative and qualitative features from the urban environment [7, p. 53]. In line with many researchers, the economic diversification of rural territories is one of the key instruments aimed at these objectives' achieving.

Body

The economic diversification of rural territories as a disproportion eliminating instrument in between reproduction and redistribution of resources has got many goals and sets rural development directions.

Taking into account the previous investigation outcomes [4, 6] we come to the conclusion that the diversification processes in rural territories contribute to the rational use of resources and their production implementing on the one hand, and on the other hand, these processes are oriented on the efficient resources allocation due to their alternative options chosen. Putting it another way, the transition from the unilateral character of rural economy to the diversified one assumes the rational use of resources that makes the diversified rural territories more sustainable and competitive in comparison with others [7, p. 62]. In this respect, the need for the impact defining production and resource potential of rural territories on the diversification processes is vivid as it enables to work out the priority directions of economic and social development of rural territories, and rural population's high living standards and quality of life attaining is one of vital importance.

In accordance with numerous studies' results [1, 2, 4] that present diversification as a process and characteristics of rural economy's structure are directly connected with the rational use of resources and their effective distribution among alternative ones, we need to define the resources' availability, structure and amount in rural areas.

The research subject is rural territories of the Lipetsk region's municipal entities. Analyzing the region's development state it is necessary to identify the major constituents of its social and economic potential, whereas the resource one is formed by means of municipal entities' sustainable development.

The Lipetsk region is one of the successfully developing regions in the Russian Federation. It is characterized by high growth rates of production including agricultural production. In 2017 the volume of gross output in agriculture was 108,9 billion rubles with growth by 5,5% by 2016, including crop production – 65,3 billion rubles (growth by 5,7%), livestock production – 43,5 billion rubles (for 5,1%). The agricultural products production per capita (94 thousand rubles) makes the region the 4th place among Russian regions. Growth rates surpass the average level in Russia (tab. 1).

Table 1

Dynamics indicators of production potential and production by agricultural manufacturers in the region's rural municipal entities

Indicators	2013	2014	2015	2016	2017	Growth rates (%) 2017 by 2013
Cultivated area, one thousand hectares	1293,4	1277,8	1324,1	1344,9	1348,0	104,2
– incl. under grain crops	780,5	760,9	805,5	819,1	832,0	106,6
Crop produce in all categories of households, mln.rub.	40,2	50,3	63,2	69,4	65,4	162,7
Livestock produce .in all categories of households, mln.rub	24,4	31,7	38,0	39,9	43,5	178,3
Gross grain harvest, mln. t.	2,7	2,6	2,6	2,9	3,1	114,8
Cattle stock in all categories of households, thousand head of cattle	138,6	25,6	123,2	123,7	122,2	88,2
– incl.cows, thousand head of cattle	52,2	50,2	48,8	49,0	48,0	91,9
– pigs, thousand head of cattle	503,0	522,5	498,0	537,5	567,8	112,9
Meat produced in live weight, kilotonne	202,9	218,0	242,0	246,4	318,5	156,9
Produced milk, kilotonne	253,3	248,1	254,6	255,0	258,2	101,9
Average stuff number in agricultural enterprises, thousand people	66,2	66,3	66,5	66,8	67,1	101,3

Besides the Lipetsk region is in the top ten regions of new housing supply per capita – 0,94 sq.m. (in the Russian Federation – 0,54 sq.m.), taking the 3rd place in the Russian Federation and the 2nd place in the Central Federal District. In 2017 1084,0 thousand sq.m of total area of new housing was supplied, that exceeded seven-year indicator by almost 1,5 times. (737 thousand sq.m. in 2010) [9].

Today one of the priority directions of the Lipetsk region's economic development is agroindustrial complex. In recent years the region's agricultural producers have been able to increase the production potential and have become leaders of agroindustrial complex in Russia. At present the Lipetsk region agroindustrial product is exported to 27 countries of the world, the export of food products and agricultural raw materials has grown by 27% by 2016 and has amounted to more than 150 mln. dollars of the USA. In this respect the rural workforce employed in agricultural enterprises of municipal entities plays the prominent part. At the same time we can observe the increase of number of employees in agricultural enterprises which speaks for agricultural enterprises' attractiveness fostering for employment and entrepreneurship.

Another positive sign in rural territories' economic development in the Lipetsk region is agricultural cooperation on which local authorities allocated more

than 186 million rub from the budget in 2017. Today there are 893 agricultural consumer cooperatives, 14 public enterprises and 3 joint-stock companies that meet the criteria of national enterprises in the region. According to the Federal State Statistics Service of the Lipetsk region [10], 240 agricultural businesses, 1.2 thousand farms and individual entrepreneurs, 178 thousand private subsidiary farms are operating in agriculture. It's gratifying to emphasize that the number of the workers employed in credit cooperation has reached 37% (or 66 thousand) of the total number of personal subsidiary farms and more than 85 thousand villagers (48%) are members of marketing and processing cooperatives.

Besides, the positive dynamics is vividly seen in small and medium-sized enterprises creating which is also an essential indicator of the dynamic development as well as resource potential cumulating of the region's economy on the whole and rural municipal entities in particular (tab. 2).

Table 2

The number of small and medium-sized enterprises

№	Municipal entities of the Lipetsk region	The number of small and medium-sized enterprises		Growth rates, %	The number of small and medium-sized enterprises per 1000 inhabitants, unit
		2016	2017		
1	Lipetsky District	1,807	1 970	109,0	39,1
2	Lebedyansky District	1,376	1 485	106,5	36,9
3	Chaplyginsky District	944	950	100,6	31,3
4	Khlevensky District	559	589	105,4	30,2
5	Dobrovsky District	642	699	108,9	29,5
6	Dankovsky District	844	894	105,9	28,6
7	Gryazinsky District	2,019	2 145	106,2	27,0
8	Dobrinsky District	870	906	104,1	26,7
9	Terbunsky District	531	567	106,8	25,7
10	Krasninsky District	273	309	142,8	25,1
11	Dolgorukovsky District	393	429	109,2	25,0
12	Stanovlyansky District	401	434	108,2	24,6
13	Yeletsky District	723	703	97,2	24,4
14	Zadonsky District	788	825	104,7	23,6
15	Usmansky District	1,093	1 176	107,6	23,4
16	Lev-Tolstovskiy District	347	360	103,7	21,9
17	Volovsky District	242	250	103,3	19,7
18	Izmalkovsky District	300	305	101,7	19,2
19	City Lipetsk	21,829	22697	104,0	44,5
20	City Yelets	3,306	3 363	101,7	32,2
	The regionwide	39,287	41,036	104,4	35,7

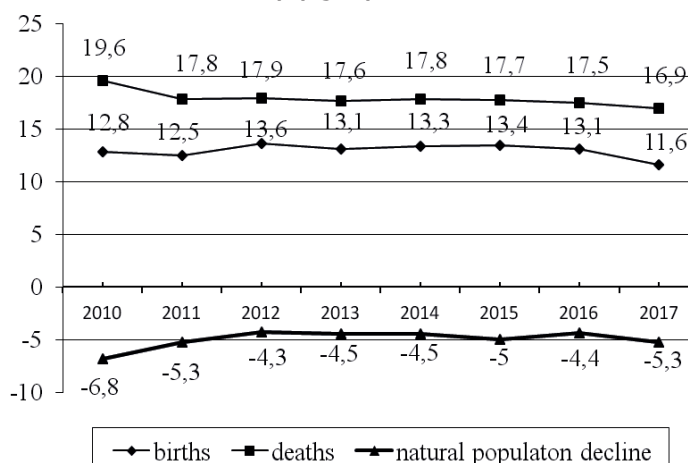
The table given above shows that the residents of Gryazinsky, Lipetsky, Lebedyansky and Usmansky districts are engaged in entrepreneurship most actively. The number of small and medium-sized enterprises per 1000 residents of these districts is higher than in other districts of The Central Black Earth Region on average ((in the Belgorod region – 18,2 units, in Kursk region – 18,7 units, in the Voronezh region – 17,9 units).

The Lipetsk region keeps on attracting significant foreign and Russian investors. The capital stock investing to the Lipetsk region economic and social spheres was 33,3 billion rubles in 2017 or 103,1% on last year level. The status of the special economic zone assigned in 2006 has a great impact on the Lipetsk region's investment attractiveness. Over the past three years the Lipetsk Industrial Special Economic Zone (Lipetsk SEZ) has been one of the world's best economic zones according to fDi Magazine (a publication by The Financial Times). In 2017 Lipetsk SEZ was recognized as the Free Zone of the Year for Expansions and Tax Reforms. Nowadays 52 residents with the volume of committed investments that equals 176 billion rubles are registered in the Lipetsk SEZ, 49 billion rubles of investments are made, 3,6 thousand jobs are created. There are 8 residents with the volume of committed investments that equals 15 billion rubles are under construction.

10 special economic zones of regional type are still dynamically developing in the Lipetsk region. At present 57 participants with 94 billion rubles of investment potential are registered; more than 31 billion rubles of investments are made; the output of products and services amounted to 14 billion rubles. In 2017 6 companies assigned the status of the participants of the SEZ RU, with 7.6 billion rubles volume of committed investments. Over the last 10 years' performance the Lipetsk region has been the leader of investments attraction in Russia's meat and milk complex.

However, despite the Lipetsk region's considerable achievements there exist problems of strategic importance, such as demographics aggravating and poverty that are drastically acute for rural territories. The countrywide population ageing, the increasing disproportion between the number of men and women (male mortality at working-age is by 4,5 times higher than female one) do exist.

The taproot of the population number decreasing is still natural population decline (deaths in excess of births) (fig. 1).



Source: Formed and calculated by the authors in accordance with the Federal State Statistics Service of the Lipetsk region . Availabe at: URL: <http://www.lipstat.gks.ru>.

Fig. 1. The Lipetsk region's natural population change: born, the dead (per thousand people)

For many years the only source of the population natural losses replenishing in the Lipetsk region and its rural territories was population migration. However in 2017 the positive migration balance gain couldn't compensate natural losses. It reached the level of 646 people that has had an adverse effect on the general dynamics of the population change.

The development of diversification processes of the region's rural territories is based not only on social and economic factors but also depends on the efficiency of social and welfare infrastructure. Labour resources as production factors are conditioned by the quality of infrastructure. The Lipetsk local authorities constantly take measures oriented on social infrastructure facilities upgrading; annually social and cultural-purpose facilities are implemented (schools, pre-school institutions, the number of hospitals and outpatient organizations, cultural institutions. So, in 2017 the following institutions were implemented in the Lipetsk rural territories: 25.7 % of educational institutions, 14.8 % of preschool institutions, 4.4 % of hospitals, 22.6 % of outpatient organizations and 43.6 % of cultural institutions (clubs).

The development of social sphere is inextricably intertwined with the utility infrastructure functioning. The major focus is made on living standards increasing of rural territories: 288 km of local water supply systems, 560 km of gas networks were implemented, 194 km of public highways with a hard coating were constructed in 2017. The number of new housing facilities also indicates the rural infrastructure development. In 2012-2017 the number of house building was increasing. The number of housing facilities amounted to 64 thousand sq.m. in 2017.

The local authorities pay great attention to the realization of long-term federal and regional programmes.. Nowadays 276 billion rubles were invested to 20 state programmes financed by the Lipetsk region's budget. In 2017 more than 32 billion dollars of the regional budget funds were spent on the state programs financing aimed at the Lipetsk region's development. The funds spending percentage is more than 97% of the annual plan. It testifies that the Lipetsk region's authorities are interested in the long-term development of social infrastructure and municipal entities economy by means of appropriate methods, mechanisms and instruments using aimed at the investments attraction. We can't but agree with the opinion of some researchers [8] that the carrying-out of the state policy on a regional level is a key factor for the diversification processes success and the significant investors attraction.

Outcomes

The analysis of social and economic development of the Lipetsk region and its rural municipal entities has revealed some key tendencies, such as:

- the volume growth of gross output in agriculture;
- the percentage reduction of unprofitable enterprises;
- the formation of mixed structure production by means of agricultural firms, holdings and agroindustrial organizations establishing;

- the turnaround of agricultural enterprises;
- the region's demographics aggravating in line with the rural population decrease leading to the reduction of agroindustrial enterprises' workforce;
- the faster growth of the elderly and old population which is one of the factors leading to the regional mortality increase;
- the positive dynamics of the migration movement allows nullification of the intensity of the rural population decrease;;
- the growth of social and welfare institutions (educational institutions and hospitals)in the Lipetsk region' rural territories;
- the improvement of the living conditions due to social and engineering facilities constructing which enables a large increase of young specialists in rural areas.

The social and economic development of the Lipetsk region can be characterized as stable with the further growth perspectives. It is confirmed by the economic entities and main enterprises activity in the region. Besides, the local authorities expand the economic activity which is of vital importance for agriculture as it contributes to the increase of employment rate , the rural population earnings, and social strain minimizing.

The diversification processes of agrarian economies are to be effectively implemented in line with social, economic, natural and resourceful potential of the territories aimed at the region's rural life maintaining and territory managing, the prestige growth of farming labour and rural life on the whole, and the solution to the food security problem. In this respect the authors outline the following diversification development directions of the Lipetsk region's rural territories:

1. Production of traditional farm products;
2. Production of new farm products;
3. The production of industrial output and construction materials;
4. Food and processing industry;
5. Mining operations;
6. Trade and services;
7. Tourism;
8. Arts and crafts;
9. Forestry;
10. Recreation.

In order to improve diversification potential managing of rural territories and to work out measures aimed at the sustainable rural development it is vital to adopt a complex approach that implies three constituents: resources (the potential forming), capabilities (the development mechanisms) and usage (the rationality of spendings and earnings) that contribute to sustainable and effective development of rural economy on the whole.

Conclusions

Consequently the task for the perspective development of the Lipetsk region's rural territories is rather complex and complicated and depends on the following diversification directions aimed at the rural economy development:

1. The correlation of regional and municipal diversification oriented on the rural poverty decrease and living standards increase.

2. The emphasis on mechanisms and large segments of rural territories' economy with diversification triggers defining

3. The comparative analysis of various diversification scenarios and consequent working-out of the most appropriate one that meets the rural territories' development objectives.

Ultimately, the diversification development of rural economies can contribute to the following dynamic changes, such as: the integrity maintenance of rural territories as a complex social and economic system, having some inherent development peculiarities, the rise of living standards in rural areas by means of the qualitative upgrading of social infrastructure and the development of social welfare system, the growth of the economy's entrepreneurial sector and cooperation system, the effective management system of local authorities, public societies and civil society on the whole.

References

1. Borisova O.V. Diversifikatsiia ekonomiki kak faktor ustoychivogo razvitiia sel'skikh territoriy [Economic diversification as a factor of the sustainable development of rural areas]. *Sibirskiy vestnik sel'skokhozyaistvennoi nauki*, 2011, no. 1. pp. 106-112. (In Russ.)
2. Kundius V.A. Diversifikatsiia APK –klyuchevoy instrument upravleniia ekonomiki sel'skogo munitsipalnogo obrazovaniia (na materialakh Burlinskogo raiona Altayskogo kraia [Diversification of AIC as a key tool for managing the rural municipality. *Vestnik gosudarstvennogo agrarnogo univ.*, 2011, no. 8 (82), pp. 97-102. (In Russ.)
3. Kusmagambetova Ye.S. Aspekty regionalnogo razvitiia diversifikatsionnykh protsessov na sel'skikh territoriiakh. [The regional aspects of rural territories' diversification development processes]. *Sovremennaya ekonomika; problemy i resheniia*, 2018, no. 2 (98), pp. 87-96. (In Russ.)
4. Merenkova I.N. Metodicheskiy podkhod k diagnostike diversifikatsii na sel'skikh territoriiakh [Methodology approach to diversification diagnostics in rural areas]. *Ekonomika sel'skogo khoziaystva v Rossii*, 2014, no. 7, pp. 53-57. (In Russ.)
5. Nikiforov P.V. Diversifikatsiia sel'skoy ekonomiki kak faktor stabil'nogo razvitiia sel'skikh territoriy [Diversification of rural economies as a factor of the sustainable development of rural areas]. *Nikonovskie chteniia*, 2013, no. 18, pp. 155-158. (In Russ.)
6. Savenkova O.Yu. Sotsial'no-orientirovannoe razvitie agrarnogo sektora ekonomiki: problemy, tendentsii i puti resheniia [Socially-oriented development of the agricultural sector of the economy: problems, trends and solutions]. *Nauchnye trudy Vol'nogo ekonomicheskogo obshchestva Rossii*, 2011, no. 154, pp. 192-202. (In Russ.)
7. Savenkova O.Yu. *Strategiia sotsial'no orientirovannogo razvitiia sel'skikh territoriy* [Strategy for socially-oriented development of rural areas] Dis. na soiskanie uch. stepeni doktora ekonomicheskikh nauk Voronezh State Agrarian University named after Emperor Peter I., Voronezh, 2016. (In Russ.)
8. Sorokina T.I. Vychor napravleniy diversifikatsii sel'skoy ekonomiki na osnove otsenki proizvodstvenno-ekonomicheskogo i resursnogo potentsiala territorii [The

choice of diversification directions of rural economies on the basis of assessing the production, economic and resource potential of the territory]. *Ekonomika i predprinimatel'stvo*, 2014, no. 8-3 (85-3), pp. 394-399. (In Russ.)

9. Official website of the administration of the Lipetsk region. [Ofitsial'nyi sait administratsii Lipetskoy oblasti]. Available at: <http://admlip.ru/> (accessed: 10.07.18). (In Russ.)

10. Official site of the Territorial Agency of Federal State Statistics Service in Lipetsk region Available at: <http://lipstat.gks.ru/> (accessed: 15.06.18). (In Russ.)

11. Rural Development in the EU

Statistical and Economic Information Report 2013 Available at: <http://ec.europa.eu/agriculture/sites/agriculture/files/statistics/rural-development/2013/full-text-en.pdf>.

12. The EU Explained. Agriculture: A partnership between Europe and farmers Available at: http://ec.europa.eu/agriculture/index_en.htm (accessed: 29.05.18).

13. Murray M., Houston D., Keaveney K., McKay S. and Murtagh B. Regulatory Planning for Economic Development in the Countryside. *The Town Planning Review*, 2009, vol. 80, no. 2, pp. 201-226.

НАПРАВЛЕНИЯ РАЗВИТИЯ УСТОЙЧИВОЙ ДИВЕРСИФИКАЦИОННО- ОРИЕНТИРОВАННОЙ ЭКОНОМИКИ СЕЛЬСКИХ ТЕРРИТОРИЙ

Смыслова Ольга Юрьевна, д-р экон. наук, доц.

Кокорева Анастасия Александровна, канд. пед. наук

Липецкий филиал Финансового университета при Правительстве Российской Федерации, Интернациональная ул., 12б, Липецк, Россия, 398050; e-mail: savenkova-olga@mail.ru

Цель: статья посвящена разработке приоритетных направлений развития диверсификационных процессов на сельских территориях с учетом их ресурсного потенциала. *Обсуждение:* ключевым тезисом работы является вывод о том, что для сохранения сельского уклада жизни и контроля над территорией региона, роста престижности аграрного труда и проживания в сельской местности, а также решения проблемы продовольственной безопасности необходимо продолжать процессы диверсификации сельской экономики с учетом социально-экономического и природно-ресурсного потенциала территорий. *Результаты:* В статье проведен анализ социально-экономического развития сельских территорий на примере Липецкой области и ее муниципальных образований, который позволил аргументированно подтвердить сложившееся мнение о стратегической необходимости проведения активных процессов диверсификации экономики сельских территорий и обеспечения тем самым роста совокупного ресурсного потенциала региона в целом. Посредством выявленных в исследовании проблем в социально-экономическом развитии сельских территорий региона авторами представлены направления диверсификации экономики сельских территорий Липецкой области и пути дальнейшего наращивания их диверсификационного потенциала.

Ключевые слова: сельские территории, ресурсный потенциал, драйверы развития, диверсификация, диверсификационный потенциал.

Список источников

1. Борисова О.В., Борисов Д.В. Диверсификация экономики как фактор устойчивого развития сельских территорий // *Сибирский вестник сельскохозяйственной науки*, 2011, no. 1, с. 106-112.
2. Кундиус В.А., Пецух Н.И. Диверсификация АПК – ключевой инструмент управления экономики сельского муниципального образования (на материалах Бурлинского района Алтайского края) // *Вестник Алтайского государственного аграрного университета*, 2011, no. 8(82), с. 97-102.
3. Кусмагамбетова Е.С., Закупнев С.Л. Аспекты регионального развития диверсификационных процессов на сельских

территориях // *Современная экономика: проблемы и решения*, 2018, no. 2(98), с. 87-96.

4. Меренкова И.Н., Савенкова О.Ю. Методический подход к диагностике диверсификации на сельских территориях // *Экономика сельского хозяйства России*, 2014, no. 7, с. 53-57.

5. Никифоров П.В., Липницкий Т.В. Диверсификация сельской экономики как фактор стабильного развития сельских территорий // *Никоновские чтения*, 2013, no. 18, с. 155-158.

6. Савенкова О.Ю., Морозова Н.С. Социально ориентированное развитие аграрного сектора экономики: проблемы, тенденции и пути решения // *Научные труды Вольного экономического общества России*, 2011, т. 154, с. 192-202.

7. Савенкова О.Ю. *Стратегия социально ориентированного развития сельских территорий* / дис. на соиск.уч. ст.доктора эконом.наук / Воронежский государственный аграрный университет им. Императора Петра I, Воронеж, 2016.

8. Сорокина Т.И. Выбор направлений диверсификации сельской экономики на основе оценки производственно-

экономического и ресурсного потенциала территории // *Экономика и предпринимательство*, 2014, no. 8-3 (85-3), с. 394-399.

9. Официальный сайт администрации Липецкой области. Доступно: <http://admlip.ru/> (дата обращения: 10.07.18).

10. Официальный сайт Территориального органа Федеральной службы государственной статистики по Липецкой области. Доступно: <http://lipstat.gks.ru/> (дата обращения: 15.06.18).

11. Rural Development in the EU Statistical and Economic Information Report 2013 Available at: http://ec.europa.eu/agriculture/sites/agriculture/files/statistics/rural-development/2013/full-text_en.pdf.

12. The EU Explained. Agriculture: A partnership between Europe and farmers Available at: http://ec.europa.eu/agriculture/index_en.htm (accessed: 29.05.18).

13. Murray M., Houston D., Keaveney K., McKay S. and Murtagh B. Regulatory Planning for Economic Development in the Countryside // *The Town Planning Review*, 2009, vol. 80, no. 2, pp. 201-226.