

AGRICULTURAL ECONOMICS DIVERSIFICATION AND ALTERNATIVE EMPLOYMENT IN RURAL REGIONS OF RUSSIA

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Abstract

In the article the problems of rural population alternative employment and the problems of agricultural economics diversification are studied. The author suggests the development of country tourism as the solution to the problem of agricultural economics diversification in the regions.

Key words: diversification, rural tourism, employment, rural farms income sources;

Introduction

Rural economy is characterized by historically created low diversification degree. Small entrepreneurship and cooperation growth rates indicators are insufficient. The switchover from mono functional pattern of rural economics development to diversified economy based on the creation of maximum possible set of various farm forms and activities is urgent.

Investigation of rural economics' structure shows that its diversification is mainly connected with the development of small business in nonagricultural spheres, especially in agro- and ecological tourism, minor industrial businesses and crafts, social, transport and market infrastructure.

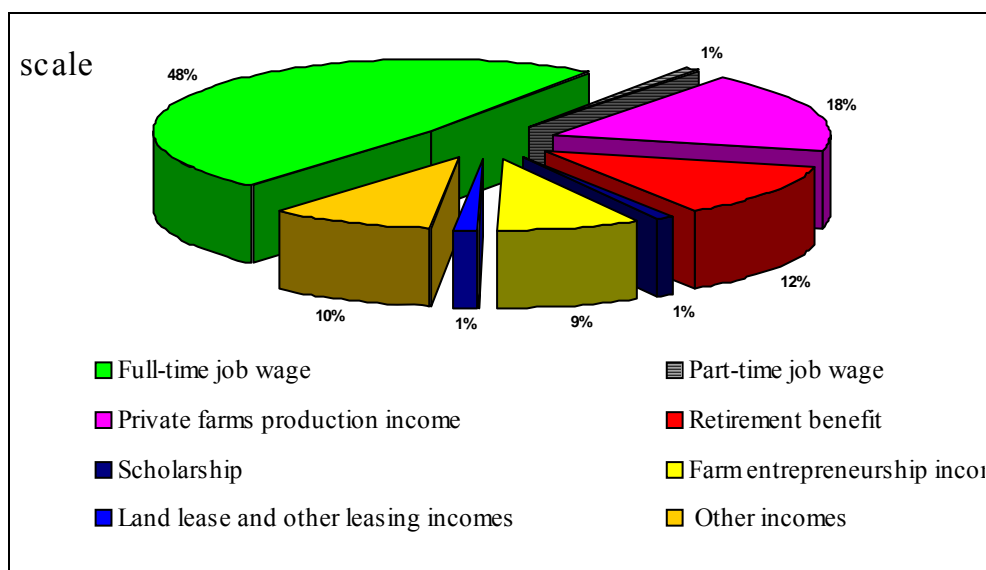
Rural farms alternative employment investigation

With the aim of evaluation of rural population readiness to master other, non-agrarian activities, and search for the major problems restraining the

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development of alternative rural economics we have conducted sociological poll where the respondents were the members of rural farms of nine municipal settlements in eight districts of Saratov region. It proved that incomes from farming and other entrepreneur activities make at present less than 10% in the income structure of investigated farms (Chart 1).

Chart 1 Income structure of farms in Saratov region



It follows from the chart that the income structure is poorly diversified; the main income source is still wage which remains extremely low in comparison with other economic spheres. In 2008 it was 43,1 % from the level of employed in construction sphere, 34,9 % from the wage of employees involved in transportation sphere, 51,9 % from the average wage level in the region.

Two groups of factors influence the degree of rural population alternative employment – demand and need factors. Demand factors form diversified rural economics and describe the situation when full of advantages possibility to be employed in non-agricultural sector for rural inhabitants occurs. Need factors reflect agricultural activities' insufficient profitability, forcing people to look for any additional and, as a rule, also low paid source of income in the non-agricultural sector (gathering and retail of mushrooms and berries, "shuttle" trade, building garages and baths(the so called "banya" in Russian) for the inhabitants of megapolises,

fishing, small services to the neighbors -sewing, knitting, repairing boots, shoes, technical equipment, home appliance and other part time jobs).

We are interested in determining of alternative employment: is it a form of family survival in the region or a reflection of the rural economics diversification tendency. The investigation made it clear for us that alternative employment more often develops under the conditions of need factors influence. But certain institutionalization of non-agricultural activities also takes place. Entrepreneurship is characteristic of rural families possessing economic and educational potential for further development. The possibility to get incomes from non-agricultural activities increases in accordance with:

- presence of unemployed members of family farms;
- availability of farming equipment (possibility to perform services for the neighboring farmers);
- farther distance of the settlement from the district centre,
- availability of places of sightseeing in municipal community;
- lesser economic degree of development of the given district.

The pool showed that only one tenth of the respondents would like to have their own business, would be ready to organize their own farm enterprise and make independent decisions in case of losing the main full-time job. As for the major causes preventing from organizing their own business the respondents name the habit of working together in a group (collectively), unwillingness to change the mode of life, as well as small land parcels, the lack of capital to start up, the lack of access to credit resources, the fear of risk failure, the lack of knowledge, health and assistants. Thus, barriers against the development of entrepreneurship are of both economic and social character.

Suggestions on stimulating rural economy diversification

The state possesses various methods of doing away with the development barriers. Rural economics diversification stimulation may be done through beneficial crediting and taxation, increasing the access of rural population to information and consultation resources, educational services, especially in the areas with unfavorable for farming natural-climatic conditions and the regions of intensive agro holding structures development, promoting agricultural industrialization and reduction of agrarian sector employment. This set of measures should be differentiated in accordance with the distance of settlements from administrative-cultural centers and infrastructural conditions.

There is also need in simplified registration forms of small business in rural area. It goes without saying that possible tax losses from small businesses rise can't be compared with much greater state-scale losses from such business if not being organized.

One of the conditions of rural economics' diversification problem solution and innovative production development must be more efficient use of the tool of targeted programs on the development of enterprises in rural area processing agricultural production, forestry, wood processing, fishery and fish processing, production of building stuffs from local raw material, gathering and processing of wild growing plants, recreational activities and tourism, developing various handicrafts and folk trades.

Rural tourism remains an important untouched resource of diversification of rural economics in Russia on the whole and particularly in Saratov region. Prerequisites for the development of rural tourism are:

- unique natural conditions of Russia, more suitable for tourism than those of the neighboring tourism-oriented countries;
- cultural potential of rural settlements, national colorful customs and traditions of rural inhabitants;
- urban population necessity to change their lifestyle and surroundings during vacation, their wish to get closer to the original world of nature;
- relatively low prices for the rest in the countryside;
- opportunity to use in their food ratio ecologically clean products, gather forest berries, mushrooms, plants used in medicine.
- Among the basic forms of rural tourism we may define:
 - lease of the rooms and cottages in rural areas in ecologically successful natural regions;
 - organization of rural tours including the living and taking food by tourists in a rural(farmers') house, acquaintance with traditional rural mode of life, trades, handicrafts;
 - creation of tourists' villages on the base of existing rural settlements with traditional folk wooden architecture situated in picturesque location.

It is necessary to objectively evaluate tourists' potential of the districts and municipal communities, give the centralized grounds for their specifics and specialization and form investment projects' joint bank. The selection of suggestions is to be made advisably in the context of targeted regional and municipal programs aimed on changing the profile of private farms involved into agricultural production, into agricultural tourist business in addition to the main agricultural activities.

As well as ensuring employment, the development of rural tourism performs all-regional and nationwide tasks:

- conservation of smaller settlements, villages, accordingly rural mode of life;
- improvements in the life conditions of rural population;
- raising of life standard and farm incomes;
- development of cooperation and commodity exchange in rural areas;
- improvement of rural areas infrastructure owing to the development of adjacent to rural tourism industries;
- cessation of migrations to towns and cities by youth settling in rural areas;
- stimulation of getting acquainted with folk rituals and customs;
- revival and propaganda of traditional cultural values and lifestyle;
- development of handicrafts;
- regulating and limited utilization of natural resources promoting preservation of environment;
- conservation of cultural and historical heritage on these territories.

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