

THE MULTIFUNCTIONAL DEVELOPMENT OF RURAL LOCALITIES

Abstract

The suggested model of multifunctional development can be considered suitable for rural localities of a northern region, since the principles which this model is based on are fundamental for any industrial region. The expected outcome, after the realization of the model, is an increase in food security and an improvement of living standards for the rural population. To achieve this, the following principles of local administration should be realized:

The first principle is that the multifunctional development must consider the interests of all social groups of the given industrial region, and it must be aimed at increasing the public welfare of all groups. Secondly, the model must be targeted at the development of the specific advantageous features of the agricultural producers of region, but not at the expense of competition with external producers. The third principle is that, rather than focusing on changes in benchmarks for the development of rural localities, the local administration should strengthen the economic growth by improving food quality for the population.

The fourth principle is that the model develops not only the economic potential of the rural localities but, primarily, social growth. The model points out the importance of the multifunctional development of rural localities, which, in turn, is bound to affect the standards of living in the rural localities. This model of a regional model of multifunctional development was introduced to the local governments, and it was found to be promising as a mandatory part of the regional innovative development program.

Keywords: social and economic development, multifunctional model, rural localities, entrepreneurship, innovation.

Many of rural communities were destroyed in Russia during the Soviet period, rural inhabitants were pressed to work only in agriculture, and today the major problem for rural communities and economy is its monofunctionality, the traditionalist approach for organization of economy, business and social life, that cause obstacles for rural social development [1,10].

Nowadays, the existing system of food production and rural development in Russia cannot be termed sufficient and productive [2]. Modern requirements of the living standards in rural regions and rural poverty reduction cannot be achieved within the post-Soviet type of rural policy. To reach the goal of improving and to change the declining trends of living standards in rural regions, it is necessary to develop innovative multifunctional model to ensure the priority of social goals over economic development, because providing higher standards of rural livelihood will inevitably lead to sustainable development of rural economy.

Population and economic changes in rural regions, the exploration and development of economic opportunity drift beyond just traditional agriculture. Multifunctional development of communities in rural regions, designed to support the development of new social and sustainable economic opportunities, is esteemed by many researchers to be the unique opportunity and driving force that will generate sustainable regional development and foster economic security. Multifunctional model formation for economic development of communities in rural regions has significant academic importance, serving as foundation for creation of agriinnovation system approach, which is called to be agrifood system of the 21th century and practical importance, serving as the foundation for political decisions for regional development.

The concept of multifunctional development of rural regions has become well established both in scientific world and in public administrations. Despite the deep attention to the problems rural social and economic systems development there is no consistent model of multifunctional rural development that can lead to the solution of this problem.

The research starts from the methodological objective of increasing the visibility of the multifunctional concept of rural development that should highlight the social and economic potential of rural regions.

The multifunctional model formation is supposed to lead to practical mechanism for implementation of major principles of multifunctional development identified by the research.

A theoretical model of the regional multifunctional development, which will allow to determine the perspectives for innovative development, cannot be built without an analysis of development of the social and economic system in rural regions, especially when it comes to a predominantly northern one, and to our opinion it must be based on the concept of agriinnovation system.

The concept of an agriinnovation system appeared in the early 2000s as a response to food production crises. The initial idea was to develop innovative agro-technologies to improve the competitiveness of small producers in developing countries [9]. This concept was supported by the World Bank (2006, 2009) in numerous publications.

Further, researchers paid more attention to the essential institutional changes of agrifood systems as the basis for adoption of innovative systems [5].

Another point of view focuses not on food production, but on food consumption. The transformation of an agrifood system must provide consumers with food of required quality and keep them better informed about it [6].

Considering the experience of different countries that were trying to modify their agrifood systems, we have to mention the innovative development of agricultural systems in the new member states of the European Union [3].

The innovative model of a regional agrifood system has to be closely related to the climatic conditions of the region in question and to its historically-developed way of life and human activity; therefore, it should rely not only on agricultural traditions but also on those of food consumption [11].

Therefore, historical knowledge is not only essential to understand the territorial model of agriculture, and to forecast its development; it is also an important component in the management of the territorial development, particularly in the sphere of regional food security [8].

The significance of the exploration of multifunctional models is proved by the necessity of research of community economic development in rural regions, spatial innovative development aiming theoretical explanations of trends and threats of rural development. It is proved by many researches based on analysis in rural development in different countries in various geographic regions that traditional agricultural profile of rural economy has no sufficient potential to increase living standards of rural population. The contemporary approach to solution of this problem is based on formation of special innovative models implementing different types of economic activities for population providing living standards comparable to urban ones.

Multifunctional model is considered as a tool for adoption of agriinnovation system concept and is based on balanced approach to food security and rural development.

The suggested model can be considered suitable for the agro-innovation system of an industrial northern region, since the principles which this model is based on are fundamental for any industrial region.

The expected outcome, after the realization of the agro-innovation model, is an increase in food security and an improvement of living standards for the rural population. To achieve this, the following principles should be realized:

The first principle is that the agro-innovation system must consider the interests of all social groups of the given industrial region, and it should be aimed at increasing the public welfare of all groups.

Secondly, the model must be targeted at the development of the specific advantageous features of the agricultural producers of Sverdlovsk region, but not at the expense of competition with external producers.

The third principle is that, rather than focusing on changes in benchmarks for the development of Sverdlovskaya Oblast, the model should strengthen the economic growth of the region by improving food quality for the population.

The fourth principle is that the model develops not only the economic potential of the rural territories but, primarily, social growth. The model points out the importance of the multifunctional

development of rural localities, which, in turn, is bound to affect the standards of living in the rural localities in Sverdlovskaya Oblast.

This model of a regional agro-innovation system was introduced to the local government, and it was found to be promising as a mandatory part of the regional innovative development program. The weakness of the suggested model is a possible lack of political initiative on the part of local authorities [4]. The current political system in Russia does not give sufficient power to municipal administrations. To implement this model municipal administrations are required to take political responsibility for the level of living standards and food security of the population.

Increase in migration to rural localities, stimulated by creating jobs in agrifood enterprises, and the creation of a favorable rural community, will lead to long-term stable regional economic development [7]. Thus, the agrifood system model developed for Sverdlovskaya Oblast meets the basic requirements for a model of an agro-innovation system of industrial regions and can be applied in other northern industrial regions of the Russian Federation.

The research results revealed a deteriorating trend in agricultural production and rural social development in Sverdlovskaya Oblast. To reach the goal of maintaining regional food security and to address the issue of the downward trend in food production it is necessary to ensure the priority of social goals over economic development. Providing higher standards of rural livelihood will inevitably lead to the sustainable development of agricultural production. Our study determined the conceptual foundations of sustainable development of rural localities of the Russian industrial regions, to be accomplished through the creation of decent living conditions and the participation of the rural population in quality food production. Particular attention is given to the mechanism of interaction and coordination among federal and regional governments, local governments and commercial organizations engaged in food production in rural areas. On the basis of the described theoretical propositions, the conceptual model of the innovative development of rural areas in an industrial region, namely Sverdlovskaya Oblast, aimed at quality food production for the population of region, is presented.

The results show that despite a highly centralized economic policy in the Russian Federation, regional food security and rural development can be achieved by encouraging municipal authorities and entrepreneurs to take on a more responsible and active role.

To ensure the entrepreneurial activities of rural producers, the regional government is encouraged to transform the regional agrifood system into an agro-innovation system, with information systems at its core.

A question for further research of the concept of agriinnovation systems as an aid to improve the rural development and the food supply for the population of northern regions of Russia depends on the availability of further reliable statistical data on agricultural production and food consumption in different regions of the country.

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