

PAPER • OPEN ACCESS

## Factors of socio-economic development of rural areas

To cite this article: S Vorobyov and Yu Bugai 2019 *IOP Conf. Ser.: Earth Environ. Sci.* **395** 012109

View the [article online](#) for updates and enhancements.

### You may also like

- [Developing Personal Subsidiary Farms in the Food Supply System of the Altai Krai](#)  
V V Vorobyova and Yu A Bugai
- [Problems of heat and mass transfer in the snow-ice cover](#)  
A A Papin and M A Tokareva
- [Research of aluminum alloys with using eddy-current transducers on the basis of cores of various form](#)  
S F Dmitriev, A V Ishkov, A O Katasonov et al.



**ECS**  
The  
Electrochemical  
Society  
Advancing solid state &  
electrochemical science & technology

**DISCOVER**  
how sustainability  
intersects with  
electrochemistry & solid  
state science research

# Factors of socio-economic development of rural areas

S Vorobyov<sup>1\*</sup> and Yu Bugai<sup>2</sup>

<sup>1</sup>Altai State University, 61 Lenina prosp., Barnaul 656049 Russia

<sup>2</sup>Altai State Agricultural University, 98 Krasnoarmeysky prosp., Barnaul 656049 Russia

E-mail: servsp@mail.ru

**Abstract.** The socio-economic development of rural areas is determined by a complex of factors. The paper proposes the author's classification of factors, suggesting their division into external (regulated and unregulated by the main business entities and management structures) and internal ones. The characteristics of the main internal factors were given with respect to the sectoral specialization, infrastructure development, as well as considering certain features of the social sphere and the involvement of business entities in the processes of cooperation and economic integration.

## 1. Introduction

In recent years, the development of policies and mechanisms for the socio-economic development of rural areas has become one of the current areas of socio-economic research, which is determined by contradictory trends. On the one hand, deindustrialization is observed in many countries. On the other hand, many rural areas are the zones of unhappiness and poverty, and it is difficult to implement development mechanisms used in urban areas.

## 2. Materials and Methods

The theoretical and methodological basis of the research was the research of scientists in the field of sustainable development of rural areas and the functioning of social infrastructure. In the process of research, general scientific (scientific abstraction, inductive, deductive) and special approaches (comparison, monographic) were used.

## 3. Results

The socio-economic development of rural areas is rather difficult to measure, since it is influenced by a number of factors. Most authors distinguish internal and external factors. Internal factors depend on the activities of local authorities, business entities operating in the territory of the municipality. External factors do not directly depend on the activities of entrepreneurs and local management structures, but they have a direct and/or indirect impact on the development of the territory. At the same time, there is a contradiction in the assignment of certain factors to groups of influence.

Thus, I. V. Mishchenko proposes to subdivide all factors into external and internal. The author refers to *external* factors nationwide (stable agrarian economy (support of agrarian and industrial complex), foreign policy (state protectionism), a legal base, stimulating (restraining) development of competitive relations, a level of development of market institutions (tax, credit, budget, innovation policy), pricing policy (price disparity), social policies and *regional* conditions (climatic conditions,



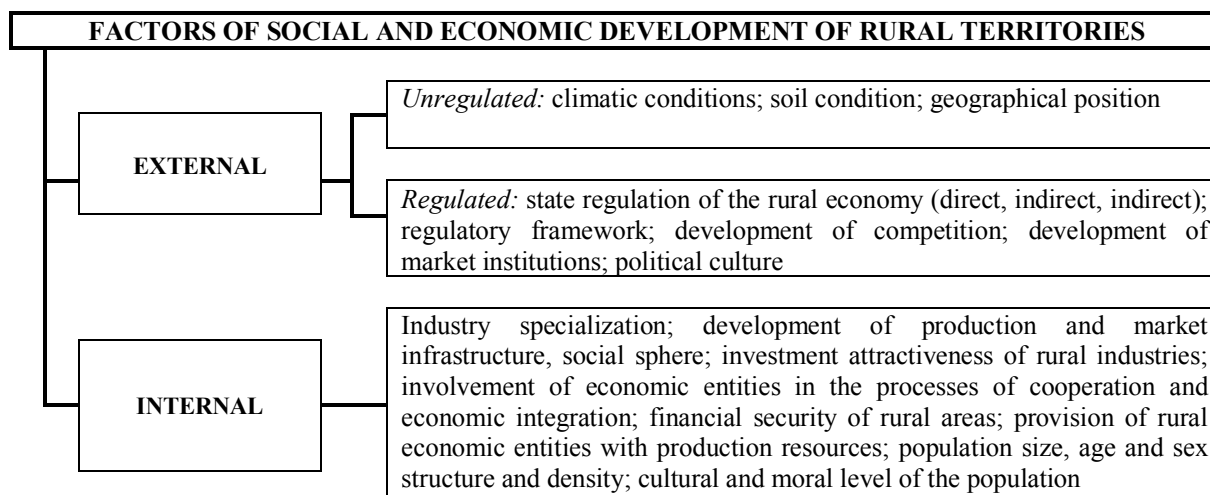
industry specialization, developed infrastructure of the region, financial sustainability (investment attractiveness). The *internal* factors include the volume and dynamics of production, financial and logistical support, use of natural resources, availability of natural and recreational resources, provision of social services, infrastructure condition, having an efficient management team, environmental sustainability, working age population, unemployment rate, cultural and moral level of the population [1].

O. Ya. Frolova proposed a similar classification. According to her classification, the production potential of enterprises of the agricultural sector, demographic condition, development of processes of cooperation of small and medium business forms, integration processes in major industries of the region, economic ties and relationships, innovation activity, investment attractiveness. In turn, the *external* factors include climatic conditions, social protection and support, fiscal, credit and tax policy of the state, a level of scientific and technological progress, state protectionism [2].

E. A. Kuklina follows a slightly different classification. Its classification distributes all the factors on natural resources: objective and subjective; innovation factors: technological, socio-economic, environmental, state-legal environment, the spiritual sphere, security, law and order [3].

The sustainable regional development can be carried out only with a balanced balance of economic, social, political, legal (effectiveness of civil society structures and political institutions, political culture, a system of relations between federal and regional authorities) and environmental (assimilation potential of the region, features of reproduction of natural resources, a state of the environment) of groups of factors. The economic component included the efficiency of reproduction processes in the region, the degree of infrastructure development (market and production), spatial differentiation of the territory, involvement and the processes of globalization and economic integration of economic entities. The socio-cultural factors are represented by the socio-economic genotype of a given society.

Based on the systematization of perspectives among the scientists and practitioners on the factors of socio-economic development of rural territories, we propose the following classification of factors: external (regulated and unregulated) and internal (Fig. 1).



**Figure 1.** Factors of socio-economic development of rural areas.

State regulation of the sectors of the rural economy is one of the main among external regulated factors. At the same time, the following forms of support are distinguished: (a) *direct* – subsidies for production and material and technical resources, interest rate on loans, for compensation of a part of producers' costs, various debt restructuring schemes, etc.; (b) *indirect* – availability of benefits for a number of taxes, fees, payments; purchase of agricultural products and food for state needs; making purchasing and commodity interventions in the market of agricultural products, etc.).

*Sectoral specialization* is one of the main internal factors of socio-economic development of rural areas. The direction of activity of entrepreneurial structures determines the balance of the labor market, physical and financial capital, financial security (sufficiency) of budgets of all levels, incomes of the population (through wages and pensions) and, as one of the consequences, the development of the social sphere. The vast majority of Russian scientists in the field of regional, municipal, sectoral economy note the mono-branch development of the rural economy, since the main branch of its specialization is agricultural production. At the same time, they note the underdevelopment of alternative areas of employment for the rural population, which is reduced only to informal services in the intra-village market of services, embryonic rural tourism [5].

Tourism can be attributed to the real source of diversification of the rural economy, which is new to the rural economy of Russia. However, its development is hampered by a number of problems associated with the presence of a large number of norms and restrictions, such as a need to license a number of areas (hotel business, etc.), a lack of infrastructure and related services, a marketing system, a lack of knowledge of the rural population in the field of business, information technologies. The development of tourism is hindered by the low consumer demand of potential consumers, the lack of real savings of the population for investment, and the training of unskilled workers and consulting.

Therefore, the improvement of sectoral specialization based on a combination of industries, diversification of the rural economy is today one of the conditions for the further development of rural areas. This allows one to use the internal resources of the territories, create conditions for the development of the social sphere, production and market infrastructure, the development of integrated structures, processes of cooperation of small and medium businesses, and also, on a qualitative basis, increasing the availability of production resources and the investment attractiveness of the sectors of the rural economy, financial support not only for the federal, regional, but also for the local budgets.

Thus, the demographic process observed in rural areas predetermines the state of the social sphere and the development of the relevant infrastructure. Despite the large number of works devoted to the study of the organization and functioning of rural infrastructure, many of the problems and prospects for its development in a systemic mode remain little studied. The main reasons for the negative dynamics of infrastructure provision were: (a) the transfer of infrastructure to the municipal level and the financial failure of agricultural producers; (b) the lack of a multi-channel system for financing infrastructure development adequate to the market; (c) the lack of a unified integrated system of rural infrastructure provision that takes into account the particularities of rural development; (d) the imperfection of the system of scientific, methodological, and regulatory framework that solves the problems of the integrated development of rural infrastructure.

One of the most important problems of infrastructure development is the departmental disunity of the management of rural infrastructure development. The solution of tasks for the development of rural infrastructure is concentrated in a number of federal target programs, however, there is practically no proper coordination between the ministries and departments responsible for their implementation. The Ministry of Agriculture coordinates only the solution of individual tasks in the development of the social sphere, engineering infrastructure and infrastructure coordinating complex. The interdepartmental coordination of these programs is not carried out, their actions are not implemented within the framework of the general direction, since the Ministry of Agriculture does not have sufficient powers to coordinate activities. To solve the problems of complex infrastructure development, taking into account the foreign experience of EU countries, the USA, and Canada, it is advisable first of all to form an infrastructure coordinating complex in the Ministry of Agriculture system, consisting of formations of various directions.

#### **4. Discussion**

In 2002, the federal targeted program “Social Development of the Village until 2010” was adopted, which identified factors hindering the real transition of rural areas to sustainable development, namely the disunity in their management between ministries and departments; a limited access of rural

residents to life-support and development resources; a lack of a system of scientifically based social standards; a weak development of civil society institutions, etc.

The lack of a scientifically-based system of social standards in such sectors as medical care, education, and social services for the population that would take into account the particularities of the settlement of rural residents affects the development of the social sphere in rural areas. The reasons, as a result of which the standardization of social services for the population still has a very weak influence on the introduction of the regulatory approach to the practice of social services, can be divided into three groups: political, theoretical, and methodological.

The reasons of a political nature lie, above all, in the uncertainty of the goals of the social policy of the government of the Russian Federation. The EU countries have legislation on minimum social standards, but it is absent in Russia. However, at the level of some regions, such standards have already been developed. For example, in the Belgorod region in 2007, the Government introduced the concept of a rural social cluster, which refers to a group of objects of social, engineering and transport infrastructure in a rural settlement, which together can fully meet the minimum needs of the population in various services, including education, culture, life, housing and communal services [6]. The list of objects included in the rural social cluster is determined by social standards based on the number of rural population. In accordance with social standards, rural settlements of the Belgorod region were divided into settlements, in which a social cluster is fully present and represented by individual elements.

The cultural and moral level of the population is also an important factor in the socio-economic development of rural areas. Today, there is a shortage of skilled, physically and morally healthy workforce capable of productive employment in agriculture. The problem of the quality of labor capital is the main obstacle to sustainable development.

## 5. Conclusion

Thus, among the factors that determine the socio-economic development of rural areas, we should highlight the factors of external and internal environments. At the same time, if implementing internal factors directly affects the level of socio-economic development of municipalities, the implementation of external factors only creates the necessary conditions for this.

## References

- [1] Mishenko I V 2010 The main factors of sustainable development of rural areas *Available at:* <http://izvestia.asu.ru/2010/2-1/econ/TheNewsOfASU-2010-2-1-econ-12.pdf> (Accessed on 13.03.2019)
- [2] Frolova O Ya 2009 Aspects of sustainable development of rural areas *News of the Orenburg State Agrarian University* **1**(21) pp 202-205
- [3] Kuklina E A 2008 *Methodology of sustainable development of natural resource regions* (Abstract. dis. ... Dr. Econ. of science) (St. Petersburg, Russia)
- [4] Kovaleva G A 2006 Assessment of the potential of competitiveness as a tool for managing the socio-economic development of municipalities *Economy of the Region* **4** pp 159-165
- [5] Voytyuk M M 2009 Comprehensive development of rural infrastructure *Regional Economics: Theory and Practice* **5** pp 60-63
- [6] "Knowledge" Society of Russia 2008 Social arrangement of rural areas based on a cluster approach *Informational Bulletin of the Belgorod Regional Public Organization – "Knowledge" Society of Russia* **6** pp 1-4