Abstract. The paper presents an analysis of the institutional transformation of rural local communities of the Russian Federation. Three stages of the institutional change in the socio-economic development of the countryside are distinguished. The study of the dynamics of the development of agricultural regions shows that the impact of social and innovative processes on the development of rural local communities is on the rise. The institutional basis of socio-economic transformations of the Russian countryside was the destruction of the system of social relations, the formation of a multiform economy, the increasing role of the public agricultural policy, and the formation of the human capital of the countryside. These processes resulted in the increased labor productivity and gross product and contributed to the development of the market for agricultural products. The liberalization, the introduction of market relations and the emergence of new forms of ownership made the way of life of the rural population change.

Keywords: institutional transformation, rural local communities, social risks

This study is relevant due to the fact that the process of transformation of the Russian agriculture is particularly influenced by the institutional changes associated with the emergence of new forms of ownership and a multiform economy, with the reforming of the public agricultural policy and the evolution of the human capital of the countryside based on the new principles of setting up a developed system of ownership and economic relations. Today, rural areas account for more than 60% of the area of the Russian Federation.

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they locate about 150 thousand rural settlements, and 27% of the population of the country are rural residents. Academician A.V. Petrikov focuses attention on the fact that the countryside is a single socio-economic, territorial, natural, historical and cultural complex that performs a large number of national economic functions (Petrikov, 2005: 229). A special form of life of the society, the rural local community is the fundamental basis for the integrity, efficient operation and development of the agro-industrial complex. We believe that studying the institutional transformations in the agriculture is of major importance for analyzing the strategic areas of development of rural local communities.

The objective of this study is to identify the impact of the institutional transformation on the development of the rural society, as well as to identify the features of transformation of rural local communities under the conditions of institutional change. We believe that studying the dynamics of development of agricultural regions, analyzing the institutional transformations and identifying their impact on rural local communities can be instrumental in activating the social resource, formulating the goals and priorities of development and assessing the innovative potential of the agro-industrial complex as a whole. The main hypothesis in this study is that rural local communities are an open, balanced and coherent socio-economic and socio-cultural system of members of the community, who communicate with each other, share the area of residence and maintain economic, political, socio-cultural, socio-psychological, and ethnic and kinship relationships with other members. Taking rural local communities as the object of our study, we believe that rural residents are also to a certain extent independent and able to actively participate in regulating the processes of socio-economic development, confront or support changes in the social environment, actively or passively adapting to them. The historical-gradualist approach we are applying with the use of the concept of modernization suggests that the past and current processes of socio-economic development of the Russian countryside should be analyzed and assessed in the context of the general historical development consisting of contradictory socio-economic and political processes, differently manifesting themselves in different territories, and the adaptation strategies accompanying them. When analyzing modernization processes, the methodology of studying the development of rural local communities takes into account the following: the impact of globalization (taking into account Russia's accession to the WTO), the traditions inherent in the given society (taking into account the ethnicity), including practices of life, reproduced and institutionalized in the given community, a kind of "social order" and the set of natural complexes into which the society is inscribed (forms of nature use, ecological factors, etc.). The methodological scheme of studying the structures and the socio-economic practices used by the rural society we
are applying implies the following main components to be taken into account when analyzing the development of rural local communities:

- age-old traditions in the development of the peasant way of life in the Russian countryside that stand as a kind of opposition to the unfolding new socio-economic modernization processes;
- structures established in the Soviet period that possess a certain “systemic viability”;
- transitional structures that are being set up at the current stage of modernization (Shmakov, 2006: 108-109).

Let us highlight some problems in the development of the present-day rural local communities whose position has aggravated during the economic reforms of the 90’s.

1. First of all, we are talking about the impact on the entire socio-economic activity of the natural and climatic conditions of land use, the combination of economic and biological processes, the seasonality of agricultural work, which produces a great impact on labor intensity, labor inputs and productivity.

2. A centuries-old lagging in the evolution of agricultural areas and the entire social sphere of the countryside.

3. An important role is also played by the demographic factor. This is not only the progressing process of ageing of the rural population, but there is also an intensive migration of rural residents in search of a “better life”, which leads to a considerable reduction of the number of workers of the agro-industrial complex.

4. The destruction of the system of personnel training and retraining has caused the level of professionalism to fall.

5. Special attention should be paid to the social problems of the countryside. The system of rural health care and education has been collapsed, while the health status of the members of rural local communities is one of the main qualitative indicators of the performance of human capital. Significant (in the negative sense of the word) changes have taken place in the system of rural education, resulting in the poorer material and technical base of schools, the shortage of qualified teaching staff, etc., etc. – now it is in need of enormous attention and resources. The transition to market relations is accompanied by the liberalization of the economy. The government is renouncing its monopoly on agricultural activities, switching to economic methods of regulation (through monetary and fiscal systems). In the course of institutional transformations, the Russian Federation has undergone privatization and land reform, the forms of ownership have changed, the policy of supporting entrepreneurship is being pursued, the legal framework for the market economy is being developed, the markets for labor and capital are being set up, and etc.
The issues of institutional change in the agricultural economy of Russia receive much attention in the literature. The issues of the public agricultural policy are addressed by economists, sociologists and philosophers (A.G. Aganbegyan, I.G. Ushachev, A.I. Altukhov, A.V. Petrikov, T. Shanin and other). And, as A.G. Aganbegyan and B.N. Porfiryev rightly put it, speaking on the issue of supplying Russia with food, “… in any case, the agriculture and the food industry – the entire Russian agro-industrial complex – are in need of serious measures of additional support in order to implement accelerated and “reasonable” import substitution” (Aganbegyan, Porfiryev, 2014: 34). The agro-industrial complex of Russia is comprised of enterprises of different forms of ownership. The economic entities and the villagers have interests and needs that often do not coincide. This requires substantiating new approaches to studying the variety of socio-economic development of rural areas and the rural society (P.P. Velikiy, Z.I. Kalugina, T.G. Nefedova, A.N. Solomakhin, and other). It should be noted that at the initial stage of modernization, on the verge between small commodity and large-scale capitalist entities, there were former “Soviet” and collective farms (sovkhozes and kolkhozes) reorganized into large entities like cooperatives, joint-stock companies, limited liability companies and etc. Their operation did not differ much from that of a regular peasant farm, but their financial, technical and technological resources were much more substantial (N.D. Kondratyev, A.N. Lubkov, Y.V. Serova). The rural population’s behavioral strategy was “rather to survive than develop”. As the attributes of patriarchal economy are taking shape, most of the social relations are becoming increasingly archaic. It can well be assumed that the archaic ways of leading a socio-economic life have a unique ability to survive, since most likely they were not destroyed by the socio-economic structures of the Soviet period, but were suppressed and hidden. In the time of the new socio-economic transformation they had to be institutionalized (V.V. Patziorkovsky, L.V. Korel, V.S. Shmakov, O.V. Nechiporenko, O.P. Fadeyeva).

Interest in the theory of human capital only emerged in Russia in the end of the 20th century. There are a number of studies describing the essence, structure, features and forms of human capital (Dyatlov, 1999; Dobrynin; Dyatlov, 1999; Genkin, 1999; Bychenko, 2001; Pliskevich, 2012) and developing the theoretical and practical provisions on the role of human capital in the socio-economic process.

Analyzing the issue of institutional development of rural areas and the agro-industrial complex as a whole, we need to identify the main factors of this process. Firstly, we need to identify the nature and degree of the public...
agricultural policy influence regarding the development of the agro-industrial complex, as well as the degree of support and impact of the regional institutional environment, its formal and informal institutions. Secondly, in the process of modernizing the agro-industrial complex, a multiform economy is being set up requiring intensive development of the production base and technology. Thirdly, when studying the creation of a multiform agricultural economy, it is important to get to know if there are human resources available. These, as a rule, are professionals who are able to work under the conditions of a transitional economy. Other factors that are paid attention to in the government program for development of the agro-industrial complex can also be cited, but, to our opinion, the dominants we have highlighted are the most important today (Shmakov, 2015).

Studying the evolution of the agricultural policy of the Russian Federation in the post-perestroika period, several its stages can be distinguished. This periodization can be based on analyzing the processes of privatization, the goals and tasks of the public agricultural policy and the results of reforms in the agricultural sphere in different years of the post-perestroika period.

The first stage (1990’s – early 2000’s) can be characterized as stabilizing. The purpose of the agricultural policy in this period was to try to halt the decline in agricultural production. The privatization of the property of collective and state farms, conducted in the late 1990’s, destroyed the existing balance in the development of the countryside. The production base shrank sharply. The infrastructure of the countryside (including schools, hospitals, kindergartens, etc.) actually lost its owner (a collective or a state farm).

The second stage (early 2000’s – mid 2000’s) is considered a period of recovery. The agricultural policy of this period was aimed at bringing the amount of agricultural production back to the level of the late 1980’s. It was envisaged that this stage would last the first decade.

The third stage (mid 2000’s – present) is a strategic one. It is anticipated that the Russian agriculture will match the level of the most developed agricultural countries and consolidate its positions in the global distribution of agricultural production, and the range of agricultural products will expand.

Since 1990, in the agro-industrial complex of Russia, there take place significant, almost revolutionary, processes primarily associated with the land reform and changes in the forms of ownership. There emerges a new agricultural system, the basis of which are privatized collective and state farms (called
“krupkhozes” in the literature), independent farms and personal subsidiary farms. At the beginning of the post-perestroika period, the public agricultural policy led to a rapid collapse of collective and state farms, which caused considerable damage to the Russian agricultural sector. Numerous laws and by-laws were adopted, often contradictory to each other, which made the situation with the countryside even more aggravated. As the role of the government has been reduced, the amount of the government funding has dropped sharply as well. Policies of non-interference in the pricing, the resulting price disparity and many other disastrous factors have brought the agro-industrial complex as a whole out of control. Furthermore, the reforms of the early 1990’s – mid 2000’s have gradually led to a rupture of the system of economic and social interactions established in the pre-perestroika period [Nechiporenko, 2010]. Probably, the only positive outcome of the government influence on the evolution of the countryside was the emergence of the multiform economy. Several important laws on the development of the countryside have been adopted in that period, including the Law of the RSFSR of December 21, 1990 and June 26, 1991 “On the Social Development of the Countryside” (No. 438-1, amended by the Law of RF of 28.04.93 No. 4888-1) and the Law “On the Priority Provision of the Agro-industrial Complex with Material and Technical Resources” (No. 1490-1, amended by the Law of RF of 24.06.93 No. 3119-1). Also adopted was the Program “Revival of the Russian Countryside”, and other decisions on agricultural development were made. However, they never have been implemented in full. During this period, the agro-industrial complex acquires a fundamentally new production structure featured by a sharp reduction in the public sector, a noticeable growth of the share of personal subsidiary farms and the emergence of independent farms. Many large enterprises are in a state of crisis and decline, the number of available jobs is decreasing, while unemployment and migration of the population are on the rise. The transition of personal subsidiary farms to primitive technologies causes the productivity to fall. A social consequence of all the transformations in the agricultural sector is the sharp impoverishment of the rural population and the degradation of the rural social sphere. Ongoing is the process of returning to patriarchal relations. Russia was really at a risk of losing its food security.

Since the early 2000’s the public agricultural policy is beginning to change. Its goals and tasks in support of the agro-industrial complex are set out in two major programs: “The Strategy of Russia’s Socio-Economic Development for 2001-2010” and “The Main Areas of the Agro-food Policy of the Government of the Russian Federation for 2001-2010”. These documents provide for the regulation of the markets for food, land and resources. Although price disparity was acknowledged the main cause of the financial and economic
crisis in the agricultural sector, no any particular measures were taken to eliminate it. The Federal Targeted Government Program “Social Development of the Countryside until 2010”, adopted in 2003, sets out two main, one might say, urgent tasks: the development of the social sphere and the improvement of the engineering infrastructure of rural municipalities. The National Project “Development of the Agro-industrial Complex”, approved in 2005, highlights three areas of social development of the countryside and modernization of the agriculture, namely the accelerated development of animal farming, the promotion of small economic entities and the provision of housing for young people in the countryside. Approximately from the middle of the 2000’s the agro-industrial complex of Russia is beginning to come out of the protracted economic and financial crisis. It is owing to the growing attention of the government to the agriculture and rural development in general, that qualitative institutional and socio-structural changes are beginning to take place in the agricultural sector of Russia. The socio-economic structure of the agro-industrial complex is getting augmented by a new innovative type of entity represented by agricultural holdings. Reforms in the economy lead to a change in the socio-economic behavior of the rural residents, manifested, first of all, in reducing the socio-economic potential of subsidiary farms and the formation of local centers of agricultural unemployment [Shmakov, 2014].

tural products in the domestic and external markets, sustainable development of rural areas and improvement of the standard of living and quality of life of the rural population. It is worth special mentioning that the decisions aiming at developing the entire agro-industrial complex were made in very different fields: law, finance (including compensations), taxation policy, development of the material and technical base, scientific and technical support, development of the infrastructure and staffing policy among other. The public agricultural policy pursued has made a great contribution to making the Russian agro-industrial complex multiform. Currently dominating in the agro-industrial complex of Russia are the following four forms of ownership: state, corporate, cooperative and personal (personal subsidiary farms). Several basic conditions affecting the establishment of multiformity in the Russian agro-industrial complex can be distinguished.

1. It is the public agricultural policy that produced crucial effects on the setting up of the multiform economy in the post-perestroika period. The formerly existing large state-owned and cooperative entities (collective and state farms) are reformed. Large farms, independent farms and personal subsidiary farms are evolving to become the principal forms of farming.

2. The emerging rural entrepreneurial community faces plenty of legal, economic, organizational and other problems in its activity. In the countryside, the public agricultural policy is now implemented by the local self-government bodies that to this or that extent affect the setting up of the various forms.

3. In the course of privatization and “distribution” of its fixed assets in the post-perestroika period, the agricultural sector suffered considerable damage, its financial standing turned difficult, the prices of agricultural products were on the steady decline, and many agricultural producers had to compete with the imports and would usually lose the competition. The agro-industrial complex was in need of not only new machinery, but also new technologies and methods of production that could entail changes in the ways of farming, new financial instruments, investment programs, wholesale markets for agricultural products and manufactured means of production, and many other.

4. The staffing policy was not just neglected, but it was of no interest to anyone at all. Sharp social stratification and unemployment are much exacerbated by alcohol abuse. Skilled workers and young people, who are the basis for the development of rural local communities and the resource of setting up a multiform economy, tend to leave the countryside.

The processes of reforming the agro-industrial complex have affected one of the essential components of its sustainable development, namely the rural human capital. To better understand the category of “human capital”, let us highlight its main functional features. They differ in terms of 1) possessing
by the individual some certain production abilities and the knowledge, skills, motivation and energy it takes to produce goods or services that can be used by himself or offered to the market for a certain period of time; 2) investment opportunities, since human capital is accumulated through investing in the individual (education, health care, vocational training, retraining, etc.). As a result of reforms, the agro-industrial complex of Russia has to encounter a multifaceted problem with labor resources, which is not just limited to rural employment, training and reproduction of skilled workers and their remaining with the agricultural sector. The situation with rural human capital depends on the level and quality of performance of the social institutions of economy, education, health care, family and culture. Today, rural human capital is much affected by the authorities and business. It should be noted that, theoretically, the human capital of the workers of the agro-industrial complex is their health status and the accumulated knowledge, skills, experiences and abilities they use in their labor activity, i.e. all that which benefits to the rural workers, their families, the agro-industrial complex and the entire society. Our findings suggest that the human capital of the agro-industrial complex of present-day Russia is of a low quality, is insufficient and poorly reproduced, as the social institutions that build up human capital (family, education, health care and culture) and the countryside as a whole are in a protracted systemic crisis. If the situation remains as it is, the genetic pool and human capital in rural settlements will irreversibly degrade. This, in turn, is most likely to prevent the countryside from performing all of its social functions. Although the countryside continues to fulfill its mission in the society, supplying it, as far as possible, with agricultural products by using the social potential it has, its capabilities are not unlimited. Improving the quality and efficiency of the human capital of agricultural workers and enterprises takes implementing incentive-oriented investment and social policies.

Eventually, it can be noted that the socio-economic transformations of rural local communities were institutionally based on the destruction of the system of socio-economic and social relations that had been established in the period of “socialism”. The liberalization, the expansion of social freedoms, the introduction of market relations and the emergence of new forms of ownership have caused the entire way of life of the rural local community and the entire system of socio-economic life to change. These processes resulted in the setting up of a multiform agricultural economy, the development of the private sector, the increase in labor productivity and the growth of the gross product, as well as in the emergence of a broad market for agricultural products. Analyzing of the current public agricultural policy, the evolution of multiformity in the economy and the creation of human capital allows identify certain positive trends in
the anagenesis of rural local communities in the Russian agricultural complex. The most significant manifestations of this process are the modification of the organizational and production structure of agricultural production, the change in socio-economic practices of the population that ensures the adaptation of the rural society to the reforms, the use of compensatory mechanisms, and the adjustment of the socio-economic situation as a whole.

References


INSTITUTIONAL TRANSFORMATION OF RURAL LOCAL COMMUNITIES
OF THE RUSSIAN FEDERATION IN THE 20TH – 21ST CENTURIES

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ИНСТИТУЦИОНАЛНА ТРАНСФОРМАЦИЈА РУРАЛНИХ ЛОКАЛНИХ ЗАЈЕДНИЦА РУСКЕ ФЕДЕРАЦИЈЕ У 20. И 21. ВИЈЕКУ

Резиме: У раду је приказана анализа институционалне трансформације руралних локалних заједница Руске Федерације. Разликују се три фазе институционалне промјене у друштвено-економском развоју села. Проучавање динамике развоја пољопривредних региона показује да је утицај социјалних и иновативних процеса на развој руралних локалних заједница у порасту. Институционална основа друштвено-економских трансформација руског села била је разарање система друштвених односа, формирање мултиформне економије, растућа улога јавне пољопривредне политике и формирање људског капитала на селу. Ови процеси резултирале су повећањем продуктивности рада и бруто производа и допринели су развоју тржишта пољопривредних производа. Либерализација, увођење тржишних односа и појава нових облика власништва довели су до промјене начина живота руралног становништва.

Кључне ријечи: институционална трансформација, руралне локалне заједнице, социјални ризици