## **ECONOMICS**

## DEVELOPMENTOFSOCIALINFRASTRUCTURE OFRURALSETTLEMENTSASAFACTOROFINCREASING THEEFFECIENCYOFAGRICULTURALPRODUCTION

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*Key words:* social infrastructure, rural municipal establishments, investments, rural settlements, agricultural enterprises, inter rural centers, generalized index of development, rank of value, efficiency of functioning, prosperity.

This paper considers social infrastructure of rural settlements, because this area of rural municipal establishments in particular were harmed and are currently least developed. It is important to note that all municipal rural settlements are differentiated in their social infrastructure objects. The conclusion is that social infrastructure is a main condition for effective development of agricultural production. It is a main reason for keeping workers in rural settlements and increasing their qualification and employment chances. For maintainance of stable development of the rural settlements it is necessary to urgently invest. In this case was considered a common presentation of interests of investment subjects of rural social infrastructure.

Rural municipal establishments are differentiated according to the degree of prosperity of the objects of social infrastructure that is the important condition for the effective development of agricultural production. In order to support the stable development of rural settlements it is necessary to make urgent investments in their social infrastructure; for this the generalized interests of investment subjects are studied.

The transfer of all-Russia and regional economic complexes to the principals of market economy in the conditions of price liberalization, high level of inflation and the deficit of state budget raised the problem of the functioning of the social sphere branches those that have budget financing1. Nowadays they are in a serious crisis because of the lack of financial and material resources, low level of salaries, the absence of organizational and economic mechanisms, effective social defence, the support of the important branches of social services, education, public health service, culture, housing and municipal economy. In order to create material presuppositions for deep structural and functional reorganization and future growth it is necessary to create the active system of the criteria of complex evaluation of its social and economic development.

In this context the problem of forming the mechanisms of managing social and economic development is significant on both regional and

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municipal levels of education. The important condition for the effective functioning of social infrastructure of a village became the compatibility and complexity of the placement of its objects and certain agricultural enterprises on the territory of rural municipal establishments.

Thus, for social infrastructure of rural municipal education it is necessary to form environment with special conditions of maximum accessibility and space and time closeness of its branches to social and territory of people's community.

All rural municipal establishments can be differentiated according to the level of provision by the objects of social infrastructure. Thus, in Samara region the coverage of child preschool institutions varies from 24 to 76 places for 1000 residents and only in 2 regions this index reaches the normative level that makes 70-90 places in kindergartens for 1000 residents. The number of schools in Samara region varies from 9 to 33. As for the quantity of hospital berths for 1000 people this index varies from 39.0 97,4. The number of cultural institutions varies from 15,0 to 45,0. Besides, many objects of rural social infrastructure are in a very unfavorable condition (the institution of public health service, municipal service and culture)2.

The generalized evaluation of the development of social infrastructure of rural territories made it possible to distinguish the regions with favourable and unfavorable levels. Point (infrage) State University of Farancies

dex) evaluation was used for this analysis, where separate components of the infrastructure got a certain score depending on the rank of value:

- ◆The number of places in child preschool institutions per 1000 residents 90 points;
  - ♦ Income per one resident 80 points;
- ◆The number of hospital berth per 1000 residents 100 points;
- ◆The number of culture institutions 50 points;
- ◆The volume of municipal services per person - 70 points;
  - ♦ The number of schools 90 points.

Depending on this evaluation the place of each region in Samara district was defined (Figure 1).

tres, but as well the objects that have the status of a town-type village or a town. Although regional centres, small and medium size towns play important role in providing social service for rural residents, we assume that the criteria of distinguishing rural social infrastructure should be its localization in the borders of rural villages that are determined by local administration. Such demarcation is significant for making effective managerial decisions as mainly the rural part of social infrastructure needs attention.

It is necessary to mention that all settlements, including rural inhabited localities, have different levels of infrastructure development. At present agricultural enterprises are supported by inter rural infrastructure, represented by settlements.

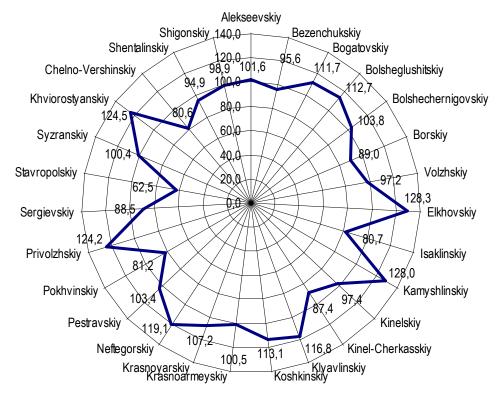


Figure 1.ThelevelofrelationsofthedistrictsofSamararegion tothestandardindicesinsocialinfrastructure

Stavropolskiy, Isaklinskiy and Chelnovershinskiy regions are the closest to the model. Chvorostyanskiy, Privolzhskiy, Elkhovskiy and Kamyshlinskiy regions are very far from the standard. Other regions occupy average position.

This evaluation is of practical importance: it draws the attention of district and local administrations to the regions, where there is a great need in the investments from budget of all levels into local social sphere, as it is in crisis.

However we refer to social infrastructure not only the objects that are placed in regional cenFor example, there are 9 inter rural centres in Isaklinskiy region that have the status of settlement. Each settlement has rural territory, where agricultural enterprises function. The level of settlement development depends firstly on the efficiency of the functioning of local economies, as well as the number of population living in these inhabited localities. 47 inhabited localities with different population number refer to 9 rural settlements. 9 from them are big settlements with population more than 350 people, 21 — medium size settlements with the population about 300

people and 17 small. Modern utilities here are represented only by electricity and in some settlements by gas. In 20 settlements, where the population is less than 300 people, there are no schools, culture and medical centres; the level of the accomplishment of housing fund is also very low and in some villages is represented by gas and water supply. Other services the residents can get in inter rural centre.

For example, the village - Novoe Yakushkino work for 4 agricultural enterprises, where 1701 people live. There are 29 objects of social infrastructure for 8 inhabited localities, i.e.there are less than 4 objects for one inhabited locality. As for the settlements with the population less then 100 people, there are no any infrastructure objects. The generalized index reflects the level of the development of social infrastructure, it is calculated as the ratio of settlement to the average regional index (see Table).

Thus, according to the calculated generalized index the settlement Novoe Yakushkino has the leading position, however, the indicative indices are lower than the average regional level by 1,2. As the settlement Klyuchi, it behind the average regional level by 2,17.

average household is 16 899 thousand rubles, for one resident - 10 154 rubles. The agricultural enterprises of the settlement Klyuchi are less stable and profitable: for one household there is 2105 thousand rubles of profit, and for one resident of the settlement 3228 rubles. The interrelation of the size of social benefits for one person and the profitability of agricultural enterprises is evident.

The degree of the development of social infrastructure depends on the financial stability of the enterprise. And vice versa the more objects of social infrastructure are there, the more profitable agricultural enterprises are located on the territory of one settlement.

Therefore, in order to support the stable development of rural settlements it is necessary to start activities targeted on the reconstruction of their social infrastructure by building and reconstructuring the objects of social sphere<sup>3</sup>. There should be investors for this, as without their support municipal institutions cannot participate effectively in social reforms and satisfy the main demands of the residents.

The research proved that considerable peculiarity of forming the strategy of investing into the objects of agricultural social infrastructure is the fact that the main motive for the potential investor

Generalized index of the development of social infrastructure of rural settlements

Indices	The indices of to of social infrassing settlements in relations in the indices of	
	Rural settlement	Rural settlement Novoe Yakushkino
Housing area that comes in average per		
1 person, м <sup>2</sup>	0,79	0,80
The availability of schools for pre-school children	0, 20	0,35
The availability of schools for school children	0,87	0,93
The number of average medical personnel for		
10000 people	0,84	0,91
The number of hospital berths for 10000 people	0,58	0,74
Library fond for 1000 people	0,79	0,82
The number telephones for 100 people	0,27	0,56
The volume of municipal services per person.	0,20	0,20
Generalized index	4,34	5,31

The infrastructure of these settlement is influenced not only by the historical factors. The development of settlements also depends on the profitability of local enterprises, as the higher the profit of the agricultural enterprises is, the higher taxation base is and, as a consequence, more money remains in the region and settlement for the development of social infrastructure. In the settlement Novoe Yakushkino the level of profitability for one

is not the possibility to get entrepreneurial results, but achieving the special social result reflected in forming the system of stable social reproduction in rural area. However the potential investors of rural social infrastructure have their own systems of interest of investment, very often cross-cut<sup>4</sup>. As a result of studying these problems the main interests of the groups of the potential investors into rural social infrastructure were revealed. (Figure 2).

The first and main suggestion — to continue increasing the minimum salary up to the level of living wage or change to the system of payment from income.

The Second. To increase the non-taxed minimum of profit. The means necessary for this will be found by increasing the money coming from the income tax from other categories of population, as well as a unified social tax that will surely happen because of the salary growth.

to recover the system of insurance tariffs and increase the salary regulated by the government.

The arguments in favour of strengthening the social orientation of the economy are known: high profits of population increase the demand, contributing to the growth of national industry; competitive salary stimulates more effective work; accessible education and health service improve the quality of the workforce and the health of the employees.

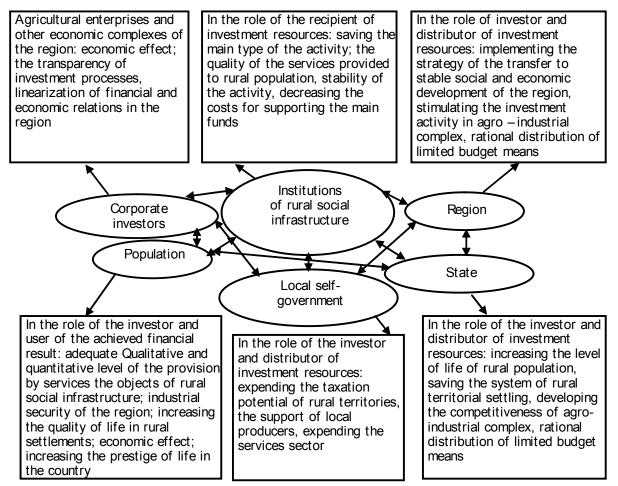


Figure 2. Generalizedrepresentation of the interests of the subjects of investments of rural social infrastructure

The third. Taking into consideration the low size of pensions nowadays (according to the norms minimal pension should be 40% from the salary of the qualified worker) or 1342,7 rubles, that is more than the minimum salary, the difference is 121,7 rubles, but this is less than the average cost of living. In the nearest future it is necessary to increase the salary of workers up to the average cost of living, and in this relation it is necessary to increase the salary of employees up

to:  $\frac{3731\times100}{40} = 9327.5 \text{ rubles It is also necessary}$ 

<sup>&</sup>lt;sup>1</sup> Sosunova L.A., Kukhtinova L.G. Functioning of the sphere of social services// Vestnik of Samara State University of Economics. Samara, 2007. 4(30).

<sup>&</sup>lt;sup>2</sup> See: Official site of Federal service of government statistics of Samara region: // http://stat@samrstat.samtel.ru.

<sup>&</sup>lt;sup>3</sup> *Ushachev I.* Social development of rural territories // Agro industrial complex: economics, management. 2003. 1.

<sup>&</sup>lt;sup>4</sup> The strategy of social and economic development of Samara region. M., 2002. 373 p.