

## **THE IMPROVEMENT OF ECONOMIC POLICY IN RESPECT TO THE SMALL MANAGEMENT FORMS IN THE CONDITIONS OF REFORMING LOCAL SELF-GOVERNMENT SYSTEM**

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The material examines the reasons hindering the development of small management forms in the rural sector and their effective transformation. Six main targets for the managers of state establishments, aimed at the successful realization of strategic directions of development of the rural sector of economy, are found.

The analysis of functioning of small management forms in the rural sector has shown that in the times of economic and agricultural reforms these forms of management turned out to be stable and mobile and took the main part in the food provision of the country. It has also been suggested that the small management forms, their effective transformation are hindered by a number of reasons, the most important of which are the population, price, supply-market, etc.

The main problem of the development of small management forms is considered to be the population one. E.g. the average age of farm workers in Ulyanovsk area is over 50 years old. In every of the 21 rural areas the death rate is higher than the birth rate. In the year 2008 the death rate was twice higher than the birth rate in 14 of the rural areas and more than 3 times in 3 of the rural areas. The situation appears when all the resources, abilities and investments cannot be used by anyone, the culture of the native rural production is lost, the continuity of generations is broken.

The price factor is the second most important. E.g., the purchasing price for beef and pork in 2008 was 100 rubles per kilo in the deadweight, while the price of meat on the market was 180 rubles, in the shops - 200 rubles. It means that the share of the middlemen is nearly equal to the share of the agricultural producer.

The next limitation to the development is provided by the supply-market factor. In some places principal investors are not interested in cooperating with the farmsteads, in some places there are no large factories and in other places the cooperation is hindered due to the previous negative experience.

Social-labor factor means that besides the population problem the development of small management forms is hindered because of the low level of attractiveness of living and working in the rural area. The level of income of rural population in Ulyanovsk region is twice lower than in the city.

The material and technical factors should also be taken into consideration as potential obstacles. Despite the obvious successes of the national project in the agricultural and production complex and the first stage of the realization of the Governmental program in agribusiness, farmers continue to have serious problems because of the lack of resources for the development of their farming. The only way here is the cooperation with a large production center but, because of some reasons, such cooperation is largely underdeveloped in most regions.

All the above problems confirm that small management forms need support, which should be arranged on the federal, regional and state level by involving those farms in the general economic mechanism. State policy should be aimed at stimulating the development of small management forms in the general system of agricultural production complex.

According to the estimation of the Minister of Rural Economy A.V.Gordeev<sup>1</sup>, the municipal level is the least effective in successful realization of strategic directions of development of rural sector of economy.

To establish a mechanism of effective local self-government, we should first analyze the functions of small forms of management according to the type of the settlement, which is done in the table .

To sum it up, improving regional economic policy in the conditions of reforming local self-government we should mention that the practical realiza-

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**The ability of realization and the meaning of functions of small forms of management in rural sector according to their location and size of settlement**

Functions of small forms of management	Type of settlement			
	City	Suburb	Settlement of city type	Rural settlements
<b>Занятость</b>				
1. Constant employment in social production	Nearly total	Nearly total	According to the development of large-scale production	According to the development of large-scale production, also the lack of occupation in the bankrupt organizations
2. Secondary employment	High opportunities	High opportunities	Limited opportunities	Limited opportunities
<b>Business</b>				
1. Personal employment	Limited opportunities	Limited opportunities	Limited opportunities	Limited opportunities
2. Human services	Underdeveloped	Underdeveloped	Developed	Highly developed
3. Trade	Highly developed	Highly developed	Developed	Underdeveloped
4. Leasing techniques	Underdeveloped	Underdeveloped	Developed	Developed
<b>Food supply</b>				
1. Having personal goods production	Underdeveloped	Underdeveloped	Developed	Highly developed
2. Cooperation with other manufacturers	Underdeveloped	Underdeveloped	Developed	Developed
<b>Belongings</b>				
1. Personal ground area	none	rare	usually	Nearly always
2. Technical units	none	none	usually	Nearly always
<b>Finances</b>				
1. Opportunities to attract tools for development	High opportunities	Middle opportunities	Weak opportunities	Very weak opportunities
2. Part of production in rising the prosperity of family	Weak	Weak	High	Very high

tion must be organized within the limits of the general regional program of developing the agricultural sector. To establish successful cooperation between the participants of this program the regional (the municipal) administrations must appoint a person in charge who will be responsible for the achievement of the results of the program, the rational usage of financial resources and the general management of the program considering the peculiarities of the agricultural sector of the area.

Regional (municipal) coordinating boards are responsible for the following tasks:

- ◆ devising the strategy of development of the rural sector in the region (municipality);
- ◆ developing special programs and normative documents considering the development of

rural sector and providing them for an approval to the legislative and executive bodies;

- ◆ establishing the informational/data activities on the regional (municipality) level;
- ◆ organizing training seminars for the representatives of agricultural production complex;
- ◆ participating in the program activities and controlling their realization;
- ◆ summarizing and spreading successful experience.

1. *Gordeyev A.V.* About the fulfillment of the measures implementing the priority national project in the field of agricultural and industrial complex // Industrial policy in the RF, 2006.

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