

ETHNO-ECONOMICAL CHARACTER OF THE AGRARIAN ECONOMY OF THE SOUTH OF RUSSIA

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В статье рассматриваются особенности этнологической составляющей экономики юга России в условиях рыночных реформ. Выделены характерные функции этноэкономики. Представлены направления модернизации аграрной политики в условиях преодоления кризиса. Проведен SWOT-анализ условий и темпов динамики экономики Зерноградского района Ростовской области.

Ключевые слова: этноэкономика; аграрная сфера; маркетинговый подход.

The ethnological component features of the economy of southern Russia in the context of market reforms is considered in the paper. The specific functions of ethno economy are marked out. The directions of agrarian policy modernization in the crisis conditions are represented. A SWOT-analysis of conditions and economic dynamics rates in Zernogradsky area of the Rostov region is conducted.

Keywords: ethno economy; agrarian sphere; the marketing approach.

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Market-transformational reforms in Russian economy strengthened the process of the regionalization with increasing role of ethnological factor inside it. Market reforms in South Russia regions, especially the Northern Caucasus led to collapsing of the industrial sector of economy, reinforcement of its agrarian and raw materials set, aggravation of the domestic regional stratification. The industry established in regions hasn't changed a lot the type of ethnological economy, which had been making by centuries.

The diversity of social-economic system is determined by differences in environmental conditions and ethnological factors of people of different regions. Ethnological differences condition the development of ethno economy, placed in agrarian sphere in the South of Russia. Ethno economy is the system of management, set under the influence of ethnological-economical component and based on the concentration of separate business-niche by one or another folk. Ethno economy is also determined as a form of economical and labor action of the folk, related with traditional, mostly agrarian sphere of the production.

Moreover in conditions of forming the market economy ethno economical component expand at the South of Russian Federation out of proceeds of the enterprise in the sphere of tourism, production and disposal of the ecologically clean products,

traditional home craft industry, where the main role belongs to domestic economy. Shanin T. determines ethno economy as an informal sector of the transitional economy of the Russia (ex-polar economy) with its representative characteristics — «family and not wage labor; mutual support and credit, i.e. owing money, based mostly on the trust and relationship then on the formal contract agreement; relationship, neighborhood, ethnothy and attachment to the same locality as a base of interactions; house holding incorporated most of the forenamed characteristics...» (*Shanin 2000*).

Of course, the ethno economy is an important component of the economical development, the dynamics of which is determined by law and tendencies of the macroeconomic development in general. In the up to date economic and political Russian history the next stages of the economical development is neatly tested:

- 1991–1998 — the stage of transformation reduction in the conditions of the system market reformations, the stage of post socialistic recession;
- 1998–2002 — the stage of the recovery growth, the source of which was an establishment of the slack capacities;
- 2003–2006 — the start of the new, investment and imitation period of the growth, differed in active investments, rapid rate change of GDP (7,2%), development of the gas and oil field and another raw material fields, which floated related branches of industry, that lent some stability to the growth;
- 2006 — the end of 2008 — the period of the enhancement growth, based on the investments into the infrastructure, that described by high level multiplicative effect; Russian economy could raise to the absolutely new level of the effectiveness and possibilities;
- the 4-th quarter of 2008 — the 1-st semi-annual of 2009 — financial-economical slump came to Russia in September 2008;
- the 2-nd semi-annual 2009 — the start of the way out of the slump.

At the 1-st of October 2010 the growth of GDP in RF was 104,2% (the prediction was 3% for 2010). The real disposable income per capita practically didn't change in January-September 2010 (101,2%). The consumer price index was 106,7% on the 18-th of October 2010. The economic-active population (15–72 years) has achieved the number of 76,1 million people (54% of general population) in the September 2010, 71,1 million people of them are occupied and 5 million people are jobless. The economic-active population rose for 700 thousand people, the number of jobless dwindle for 732 thousand people (12,7%), the level of unemployment fall back from 6,9% to 6,6%¹ (in 1998 it was 13,3%).

All this processes determine the positive shifts in the ethno economy of the South of Russia. Generally, there are two systems in economy of South of Russia — the corporate (it dominates in South Federal District) and ethno economy in the republics of Northern Caucasus Federal District. It was traditionally representative for domestic system of the South, but it was located in individual enterprise in conditions of collapsing large-scale sector in agriculture and undeveloped farms and ensures more than 50% of agricultural production. Ethno economy assured:

¹ See: (<http://www.gks.ru>).

- ❖ the survival of population in conditions of transformation reduction in 1990-s;
- ❖ employment of population in conditions of economic boom in 2000-s;
- ❖ absorption of jobless population owing to growth of the circle unemployment in conditions of slump in 2008–2009.

About 80% of population occupied in archaic type of production by virtue of traditions and ethnological preferences in Adygeya, Kalmykiya and Northern Caucasus' republics. From the one hand, ethno economy is an atavism (*Ovchinnikov 2010*), but on the other hand it demonstrates durability in conditions of social convulsion and capability of flexible specialization for imperatives whereas it fulfils next functions:

- ◆ equalizing function, owing to which ethno economy plays the role of structure-remade frame of the agrarian sphere of the economy of multinational region;
- ◆ amortizing function, which in conditions of the slump lightens its collapsing influence on the region's economy;
- ◆ function of the transitive module connecting a phase of crisis with a phase of revival in economy, the transfer device;
- ◆ social and economic, allowing to provide life and reproduction of the population;
- ◆ function of «sponge» which absorbs a manpower from other spheres, preventing unemployment splash;
- ◆ traditional character preservations due to which the ethnos in the conditions of reforms and revolutions keeps the norms and customs, thus providing innovations;
- ◆ the function of the power generating device providing start of investment processes and gradual «warming up» of economy.

It is necessary to consider that the structure of the ethno economy is non-uniform. There are the traditional dominating parts and the innovative segment connected with marketation of the ethno economic component. It is shown that traditional products of ethno economy are not only on local, but also on the inter-regional markets (Adygeyan salt, use of traditional foodstuff in market sector — cafe, recreational establishments). Expansion of this innovative segment demands using marketing.

In particular, ethno economic complex of the Kabardino-Balkarian republic includes:

- ◆ traditionally-ethnic (agriculture and other traditional kinds of wildlife management and national crafts);
- ◆ industrially-ethnic (industrial processing of agricultural raw materials);
- ◆ market-transaction-ethnic (mountaineering).

Development of the South of Russian region is characterized by the following ethno economic risks:

- ◆ risk of transformation of the ethnicity to the instrument in the race for power;
- ◆ innovative readiness for social and economic modernization;
- ◆ the compelled migration;

- ◆ poverty and unemployment growth;
- ◆ deterioration of potential of an investment complex;
- ◆ uncontrollable movement of the capital.

The prevention of these risks and as a whole development of agrarian economy causes necessity of modernization of agrarian policy. In our opinion, modernization of an agrarian policy in the conditions of an overcoming crisis is represented by the following:

- ◆ evolution of its target orientation — from revival of agricultural production after the transformational recession of 1990th on increase of competitiveness in the conditions of formation of the international system of food safety as imperative of world food, financial and economic crises;
- ◆ restructuring of supporting tools of agrarian policy realization through transition from mainly direct support (subsidizing of credit rates, indemnifications on combustive-lubricating materials, mineral fertilizers, acquisition of techniques, etc.) to indirect support of demand (through use of food coupons), allowing simultaneously to solve a social problem of life-support in the conditions of global crisis finishing;
- ◆ more effective tools of state regulation on the basis of maintenance of timeliness of the state trading and purchasing interventions, carrying out of annual auctions on grain purchase for state food funds in the third quarter of a year (in harvesting period);
- ◆ using of marketing approaches in the course of modernization of territorial administration system in villages, providing formation of image of territory on the basis of fastening of demand for territory and its production for stakeholders (population, local business) and creating it for external subjects (investors, buyers of production, potential inhabitants, consumers of services (for example, recreational) region.

Strategy of modernization of development in agrarian sphere on the basis of dynamical development of the national and borrowed (imitating) technological innovations assumes introduction of organizational, including administrative, innovations that is provided with conformity to requirements of creativeness and qualities of the generated human capital in a context of vocational level of the population and its economic consciousness, allowing to realize a paradigm of modernization. Thereupon qualitative perfection of a manpower acts as the major reference point of modernization, defining moving of a vector of the state agrarian policy from the general support of the human factor to formation of an enterprise layer in village.

An important institutional innovation of summer 2010 there was an introduction of an interdiction for grain export at rather stable situation in many agricultural regions. In the Rostov region the areas under early grain hectares have been increased by 10 thousand (4 %) the crop has raised from 6 464,8 thousand to 6 582,8 thousand tons, and productivity — from 25,8 to 26,1 centner/ hectare. But the interdiction

has ignored the institute which we formed 20 years — the market and also has a negative political resonance — 70% of our grain export goes to Egypt. It has demanded cancellation of an interdiction for grain export under the state international contracts.

Application of innovation marketing technologies as one of directions of modernization strategy of agrarian sphere, in particular, the Rostov region is based on use of three marketing factors:

- image of rural territory (propagation of its appeal to internal and external consumers);
- public relations (expansion of public participation);
- infrastructure (expansion of competitive positions of territory).

Territorial Council about marketing as the noncommercial organization providing advancements of territory and its product and financed from means of the budget, payments of business, public organizations and attraction of grants can become the institute providing modernization of territorial administration system in village.

It is necessary to notice that as a whole for Russia the raw branches, called to become the innovative locomotive of Russia, become a concept priority «Modernization-2» (*Yurgens 2011, 1*), in southern regions with domination of an ethno economic segment by such locomotive there can be a modernization of agrarian sphere.

In the conditions of an overcoming the crisis and preservation of high rate of unemployment the ethno economic component of a regional economy extends through development of small business in agrarian sphere. Besides, realization of the priority national project «agrarian and industrial complex development» has shown that stimulation of small agrarian business allows compensating low level of motivation to development of business activity that is especially important in the conditions of the overcoming crisis. Now parameters of development of small business in agrarian areas of the Rostov region, for example, in Zernogradsky area are below averages in the region (see table 1).

Table 1

Development of small agribusiness in Zernogradsky area of the Rostov region

Indicator	Value	Average value across the Rostov region
The share of small business in total of the enterprises and the organization	18,16%	35,44%
Share of employers in SB	9,72%	21,7%
Mid-annual rate of a gain of SB	7,65%	5,8%
Mid-annual change of profit of SB	-0,39%	37,88%
Mid-annual rate of a gain of employers in SB	2,44%	7,51%

The SWOT-analysis of conditions and rates of dynamics of Zernogradsky area economy has allowed to allocate competitive advantages and deterrents of development of small business (see table 2).

Table 2

The SWOT-analysis of conditions of development of small agribusiness in Zernogradsky area of the Rostov region

Competitive advantages	Deterrents of development
Low level of a salary (8430 RUR) Rich cultural heritage	High level of a competition between manufacturers Low level of internal solvent demand (8473,4 RUR)
Affinity of Ust-Donetsk river port (30 km) High profit of SB sector (on the average nearby 600000 RUR)	Insufficiently developed network of highways with density 145,72 m/km ² Absence of a railway branch

Economic-sociological interrogation with direct participation of employees of economic theory department SFU of businessmen, workers of regional administration and representatives of the public has allowed to reveal the most demanded niches for development of small business in Zernogradsky area (see table 3).

Table 3

Claimed niches for small business in Zernogradsky area according to groups of respondents

Administration	Factors	Businessmen	Precondition
Innovations for agriculture	High quantity of scientists-land-owners	Animal industries	The area is basically plant-growing, animal industries will be advantageous
Animal industries		Building in housing and communal services	Deficit of companies in housing and communal services
Plant-growing	Growing up rare cultures (sorghum)		

In Zernogradsky area the most perspective kinds of small agribusiness are: plant growing; building and housing and communal services; animal industries, innovations.

As a whole, the Rostov region policy of small agribusiness development as a dominant of ethno economy includes:

- development of a business education for the purpose of training of beginning businessmen, improvements of professional skill of working businessmen through creation of system of during life training centers; distribution of information materials about small business;
- stimulation of the existing enterprises (large, medium, small) to business development in investigated territory that promotes: creation of new workplaces, competition strengthening in territory, introduction of culture and ethics of enterprise activity (a positive example and experience for local population).

Realization of these directions will allow duplicating successful experience of businessmen that can effectively use means allocated with the state.

However for transformation of agrobusiness into mass institutional practice of youth in ethno regions the formation of competences of the agro businessman at various educational levels, realization of business-incubating and the state support of the beginning youth agro businessmen by soft loans are necessary.

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