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Transformation of the Modern Agro-industrial Complex of the North Caucasus under Conditions of Import Substitution under the Influence of Western Sanctions

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ABSTRACT

Underdevelopment of the market infrastructure, lack of financial resources, administrative barriers, unsettled lending problems, disorder of land relations, high level of migration of the rural population, especially youth and other factors acted as the main constraints to economic growth and social transformations in the agro-industrial complex. At the same time, the state practically avoided solving these problems on the wave of the ideology of market self-regulation of the economy. The size of budgetary aid to agrarians decreased, the volumes of crediting and investments did not correspond to real needs, and the conducted price policy proved destructive for the majority of agricultural organizations. All this and other negative factors led to significant losses in the complex. Recently, state authorities began to consider the agrarian sector of the economy and its development issues as priorities of state policy. In particular, a number of federal and regional programs were adopted to resolve the accumulated economic and social problems of the agro-industrial complex and rural areas. In addition, the situation of agrarians has recently become more complicated due to the accession of our country to the World Trade Organization, as well as the introduction of sanctions by a number of countries against Russia in connection with its actions in Ukraine, and therefore the problem of import substitution of food products has acquired particular relevance. In these conditions, it is important to realize that the country's food independence is impossible without developing its own innovations and own science, the agribusiness sector needs modernization and additional investment infusions.

JEL Classification: J43, O13, P32, Q18, Q19.

Keywords: Agro-industrial complex, import substitution, sanctions, economic and national security.

1. INTRODUCTION

The agro-industrial complex in the economy of any country has a special role. It consists in the fact that the products of the agro-industrial complex are the basis for the vital activity of the population of the country and the reproduction of the labor force, it is raw materials for many types of non-productive consumer goods and industrial products. A dynamically developing, competitive agro-industrial complex is the basis of the country's food security.

It is obvious that the provision of such development, achievement of competitiveness, today is not determined by the size of the country, nor by natural resources and their reserves, nor by the presence of powerful financial capital. Today, such factors as developed human capital, scientific achievements and new knowledge come to the forefront, as well as the ability and ability to transform them into innovative technologies and products. That is, the basis for economic development is the innovative sphere – new technologies, knowledge-intensive industries and companies.

The distinctive properties of innovations are uniqueness, originality and originality. The main criteria for innovation include: the relationship and inseparability of innovation elements in the innovation process: knowledge, resources, skills with the dominant and guiding role of man; The novelty of the resources, methods, methods used and the results obtained; Practical implementation; Orientation on the final result, as well as on obtaining the maximum return on the used capital; Positive integrated efficacy; Strategic direction.

The essence of modernization in the agro-industrial complex consists in its transition to intensive and resource-saving technologies, its development on the basis of innovations, which may entail an increase in labor productivity and yield, energy efficiency and environmental friendliness of products, high quality and living standards of the rural population.

Unfortunately, according to analysts, the current modernization potential of domestic agricultural producers is almost not used today (Sysoev et. al., 2011; Sysoev et. al., 2012). It is estimated that 3% of the total number of completed, accepted, paid for by the customer and recommended for the implementation of applied scientific and technical developments was sold in limited quantities, 4% – in one or two farms, while more than 80% of the developments are not used in practice.

One can single out the point of view according to which modernization is a kind, one of the types of innovations. In the economic literature, there are opinions that the concepts of “modernization” and “innovation” are identical (modernization is seen as a set of innovative ideas that lead to changes that affect the whole society) (Karepova et. al., 2015; Shkvarya et. al., 2016).

2. THEORETICAL ANALYSIS

The study is based on the fundamental developments of domestic and foreign scientists and economists on the development of agriculture, promote the upgrading of processes and innovative changes in the agro-industrial complex, the formation and realization of import of food policy.

The empirical base of the research is the domestic and foreign literature, including monographs, articles on issues examined, the data statistical compilations Russia and territorial bodies of the Federal State Statistics Service of the Republic of Dagestan, the data of the Unified interdepartmental information and

statistical systems, analytical reviews of the Ministry of Agriculture and Food of the Republic of Dagestan, as well as the regulatory and legal acts and state programs of the federal and regional authorities in Asti on the development of agro-industrial complex.

In operation, various methods: monographic, graphic, economic and statistical, economic analysis of complex method, economic and mathematical modeling, computational and structural.

3. RESULTS

The basis of food security is stable domestic production of agricultural products and food, raising the level and quality of life of the rural population, preserving natural resources for agricultural production.

The aggravation of the food problem in the country was caused by the introduction of certain special economic measures by Russia to ensure the country's security, when approximately one-fifth of the total volume of Russian food imports came under foreign sanctions. At the same time, un-sanctions are contradictory. On the one hand, they showed that the main reason for the negative situation with the food supply of the country's population was the imperfection of the state agrarian policy being implemented, and thus accelerated the search for new strategic approaches to the solution of the problem of food independence, giving it special urgency, and on the other, significantly exacerbating the existing Economic risks in the agrarian sphere and caused additional difficulties in the reliable provision of the country's population with domestic food Tion.

The main of them include:

Firstly, the risk of reducing the level of state support for the agro-industrial complex and the implementation of new large investment projects has increased;

Secondly, the reduction in agricultural producers of their own financial resources for investment in conditions of high credit crunch and a decrease in investment activity, the uncertainty of the duration of foreign sanctions;

Thirdly, the activity of individual sub-sectors of agriculture, food and processing industries directly depends on imported supplies of seeds, genetic material, new technologies, agricultural machinery, equipment. In addition, the opportunity to establish their production in the country in a relatively short time absent. This is a hidden threat to the country's food independence, which is much more dangerous than the presence of excess imported food on the domestic market.

Ensuring national food independence rests on the problem of import substitution in terms of material and technical resources for agro-industrial production;

Fourthly, the high dependence of import substitution on investment activity;

Fifth, the presence of significant distortions in the structure of agriculture, causing a backwardness of livestock production;

“One-sided” development of the grain economy and an increase in grain exports, which led to the breaking of technological links between crop and livestock production;

Sixth, devaluation of the ruble, a decrease in the incomes of the population and, as a consequence, a reduction in domestic demand for food, an increase in consumer food prices in the domestic market and a

deterioration in this regard of food provision, especially of the poor. In 2014, the country's consumer prices for food increased by 15.7%. Consumption according to rational norms, such most valuable products as vegetables, fruits, berries and dairy products can't afford 80% of the population, meat – 30%;

Seventh, the danger of smuggling into the domestic agro-food market of contraband agricultural products through.

“Third” countries, expansion of re-export and “gray” imports;

Eighth, the continuing imperfection of the existing organizational and economic mechanism. He and his individual instruments do not orient manufacturers to raise the level of production and do not guarantee its stability;

N-ninth, low rates of structural and technological modernization of agriculture, renewal of its basic production assets and reproduction of natural and economic potential (Altuhov, 2015).

Import in 2014 was reduced by 8% (up to 39.7 billion dollars). The reduction of imports was observed almost throughout the range, primarily from countries in respect of which special measures were taken to limit supplies. The import of freshly frozen meat decreased by 21.5%, cheese and cottage cheese by 30.1%, fresh and frozen fish by 16.2%, fresh and frozen poultry meat by 14.1%. At the same time, 85.9% of the volume of imports came from non-CIS countries and 14.1% from the CIS.

The main import items are fresh meat and ice cream, fresh and frozen meat, fresh and frozen fish, milk and cream, uncontracted milk and cream, condensed milk and cream, butter, cheese and cottage cheese, fresh or chilled potatoes, fresh or chilled tomatoes , Onions, garlic, fresh or chilled, cabbage, cucumbers and gherkins, fresh or chilled, bananas, oranges, tangerines, fresh grapes, fresh apples, corn, palm oil and its fractions, coconut (copra), palm kernel or babassu oil and their Factions, sah Ar-raw, salt, suitable for eating (Allahverdiyev, 2012).

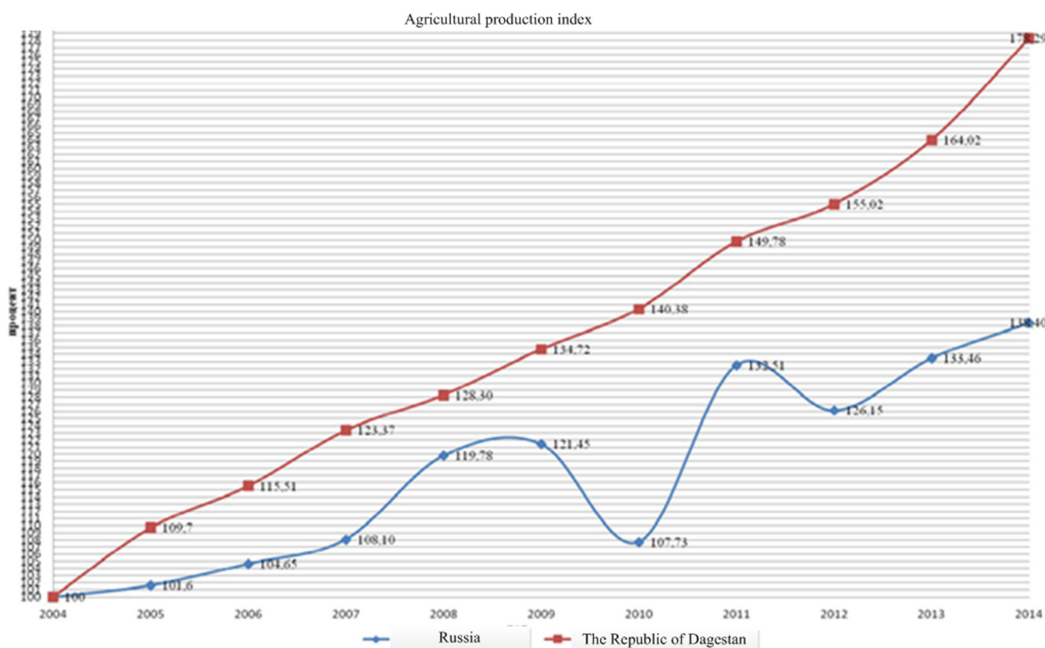


Figure 1: The index of production of agricultural products of Dagestan on the basis of Rosstat data

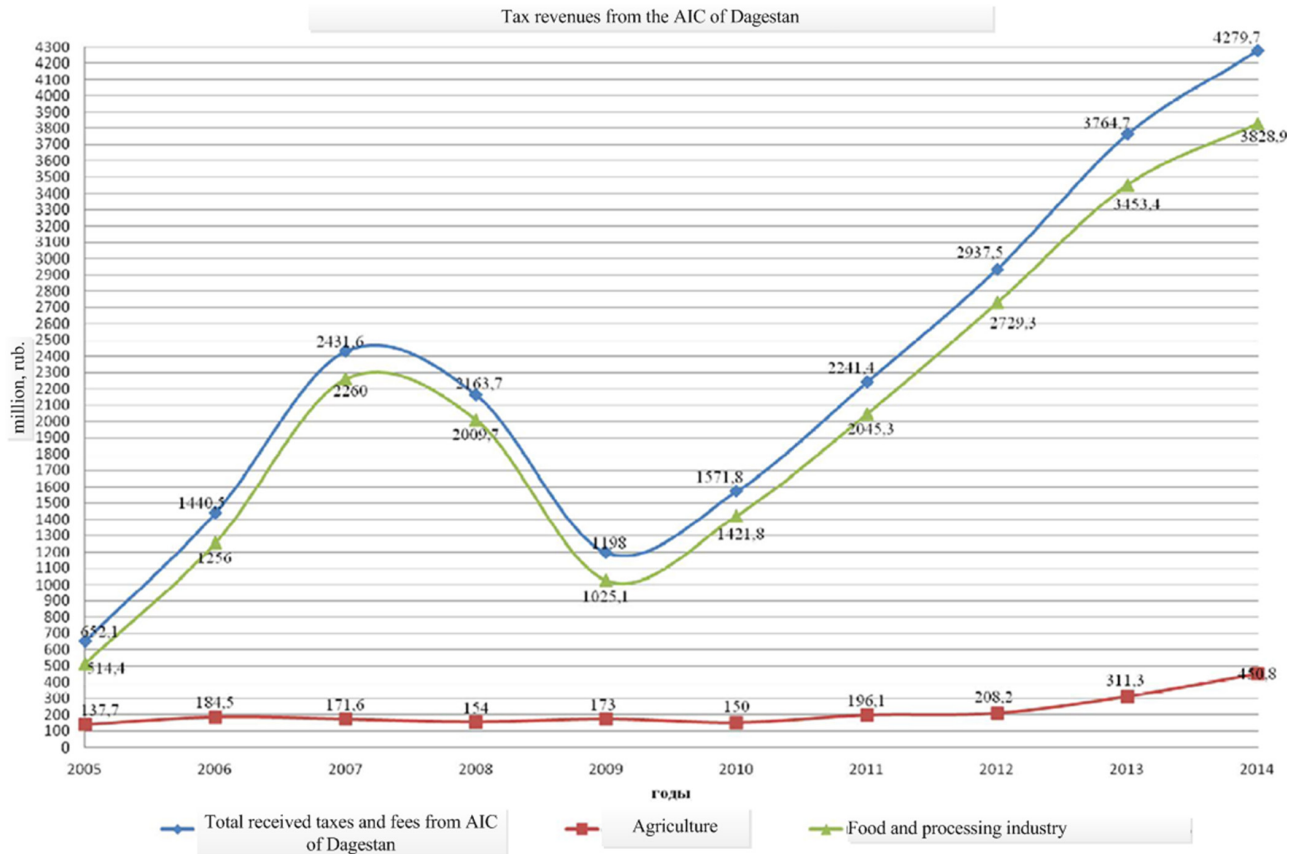


Figure 2: Dynamics of tax revenues from the AIC of Dagestan

If in 2012, to all levels of budgets from the agro-industrial complex received 2937.5 million rubles, then in 2014 – 4279.7 million rubles, or for 2 years of receipt increased by 45.7%.

However, despite the fact that the economy of the region is more agrarian, the agro-industrial complex is experiencing many problems, the system of agriculture in the market economy has not been created, agricultural products are not competitive even in the domestic market, and everything that happens in the agricultural sector is taking place Almost spontaneously.

Russia depends on imports of a fairly wide range of food products. Consequently, it is possible to overcome this by the processes of increasing the productive forces in the national agro-industrial complex. This will make it possible to form a solid basis for the appearance on the shelves of domestic products of good quality, competitive in comparison with the familiar and well-known world brands.

Table 1
Average monthly nominal accrued wages of agricultural workers in Russia, NCFD and RD for 2010-2014

	2010	2011	2012	2013	2014
Russian Federation	10 171,2	11 869,4	13 542,1	15 088,7	17 114,7
North-Caucasian Federal District	8 601,7	10 544,4	11 096	12 975,3	15 389,5
The Republic of Dagestan	3 773,1	4 447,4	3 627	6 964,1	7 782

As can be seen from the table, despite the positive dynamics, the salaries of agricultural workers in the republic remain low and 1.9 times behind the level of wages of workers in the North Caucasus Federal District and 2.1 times from the salary in agriculture in the whole of Russia.

Most of the villagers are not satisfied with their financial situation. The concern of the rural population with their financial situation is caused by the fact that during the last years of reforms there has been a rapid growth of nominal monetary wages, and the relative level of wages in agriculture has significantly decreased, and here delays in paying it out reach a maximum period. Wages are a category not only economic but also moral, designed to provide and maintain a certain social status for a person. At present, wages do not fulfill their obligatory functions: reproductive and stimulating.

The contradiction between the growth of material interest, the rise in prices and the real value of wages, generates protest behavior, lack of initiative, inertness in work, a desire to change a profession, a specialty or to move to other spheres of employment for workers of agriculture and youth. Despite certain positive shifts, which are largely due not to the development of production, but to political measures, it seems that the range of food products included in the structure of imports is significantly diverse and numerous, in comparison with the structure of exports.

Ultimately, this leads to the withdrawal of highly qualified specialists from the village, reducing the level of social protection of the rural population.

4. DISCUSSION

A significant contribution to the study of the problems of the development of regional agro-industrial complex under modern conditions was made by many Russian scientists Allahverdiev A.I., Babkov G.A., Bondarenko L.V., Buzdalov I.N., Gimbatov G.M., Doholyan S.V., Lobacheva T.S., Molchanova O.V., Petrosyants V.Z., Paptsov A.G., Poskus B.I., Pulatov Z.F., Semin A.N., Usachev I.G., Khanmagomedov S.G., Chetvertakova V.P., Sheikhov M.A., Epstein D.S. The works of Bespakhotny G.V., Borkhunov N.A., Kosholkina L.A., Miloserdova V.V., Mihailushkina P.V., Petrikova A.V., Sandu I. are devoted to the research of problems of development and modernization of the agroindustrial complex. S., Svetlova NM, Shutkova A.S. Etc. Among the works in which the theory and practice of import substitution are considered, it is important to note the works of Lindert P., Kamilova M.K., Kuzmina M.I., Shkarupa E.A., L. Kosholkina, A.N. Makarova, Nazarchuk E.N. and etc. (Kosholkina, 2008; Lindert, 1992; Makarov, 2011; Nazarchuk, 2008; Sheikhov & Kamilov, 2012; Shkarupa et. al., 2014).

The result of these studies are scientific materials designed to create a theoretical and methodological basis for ongoing economic transformations in the sphere of the agro-industrial complex.

Domestic agricultural commodity producer is not only in more adverse natural, but also macroeconomic conditions in comparison with foreign farmers. High fuel prices, which make high-margin production of agricultural products impossible. Energy supply in agriculture in Russia is 2-4 times lower than in developed countries. In Japan, it reaches 7.5 kW/ha, the USA – 7.1, the European Union – 4, Germany – 3.5, and in Russia – only 1.8 kW/ha. Due to the lack of machinery, up to 14% of the crop is left in the fields every year, up to 11% is lost because of its imperfection. As a result, the actual yield of crops is significantly lower than it could be (Erofeev & Sokolov, 2012).

At the same time, despite the rather high level of the development of the scientific problem, it should be noted that many theoretical and methodological issues on which the successful functioning and development of the agro-industrial complex depends on its modernization are not fully understood, and some are of a debatable nature.

So, in particular, the opinions of scientists differ on the very concepts of modernization and innovation, the need for modernization and/or innovation, as well as the directions of modernization development necessary for the domestic agribusiness.

5. CONCLUSION

The agro-industrial complex of Dagestan occupies a special place in the life support of the republic. About 55% of the population live in rural areas of the country (27% in Russia), and therefore agriculture largely determines the state of the entire national economy and the socioeconomic level of the overwhelming majority of the population of Dagestan, which leaves its imprint on ethnocultural auto-stereotypes (Karabulatova, 2016). It includes more than 1000 agricultural units of various organizational and legal forms of ownership, more than 17 thousand peasant (farmer) farms and about 485 thousand of personal subsidiary farms of the population. In agriculture, about 20% of the gross regional product is produced, more than 250 thousand people are employed (almost 30% of the employed in the whole economy), 12% of the basic production assets are concentrated. According to economists, by 2020 Russia can occupy 10-15% of the market of organic products. In 2013, sales of organic products in Russia increased by 10% compared to 2011 and amounted to 160 million US dollars.

The priority development of the agro-industrial complex in the republic with its main branches: animal husbandry and plant growing is explained by favorable agro-climatic conditions and excessive labor resources. The Republic has favorable agro-climatic conditions for the cultivation of valuable crops with a high potential for productivity (Bondarenko, 2015).

Special agro-climatic conditions that promote the production of ecologically clean agricultural products, competitive in terms of its composition and taste, the availability of a reserve of labor reserves in rural areas, underscore the strategic importance of the agricultural sector for Dagestan.

In the Republic of Dagestan, the development of ecologically pure agriculture, the formation of agro-clusters, agro-technoparks, vertically and horizontally integrated structures as the most effective form of integration of agriculture, processing agricultural raw materials in industries are promising areas for the development of the complex with the use of modernization and innovation processes in the conditions of import substitution. Specialized research and educational organizations, and associated subsystems Production and social infrastructure of the region; Development of infrastructure in the region, corresponding to the goals and objectives of the functioning of innovative structures in the region; Promoting the development of agricultural personnel from the standpoint of organizing and managing production aimed at modernization and innovation; Formation of an effective information field.

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