



International Journal of Economics and Financial Issues

ISSN: 2146-4138

available at <http://www.econjournals.com>

International Journal of Economics and Financial Issues, 2016, 6(S8) 54-59.



Special Issue for "Fundamental and Applied Research in Economics and Management: New Perspectives"

Agrarian Policy of the Region in Terms of Economic Development Innovation

Alexandra V. Gridchina¹, Lyudmila L. Orekhova², Svetlana V. Lyubimtseva³, Nataliya V. Yakovenko^{4*}, Igor V. Komov⁵

¹Moscow Polytechnic University, Moscow, Russian Federation, ²Don State Technical University, Rostov-on-Don, Russian Federation, ³Moscow Aviation Institute (National Research University), Moscow, Russian Federation, ⁴Voronezh State University, Voronezh, Russian Federation, ⁵Voronezh State University, Voronezh, Russian Federation. *Email: n.v.yakovenko71@gmail.com

ABSTRACT

The relevance of the topic lays in the difficult situation of the agricultural sector, which explains the General decline in production, broken economic ties, lack of scientifically grounded concept of legal base for implementation of market reforms, and innovation mechanism, creating economic conditions for expanded reproduction, which led to the deconstruction of all existing systems. The current situation in the agricultural sector is characterized by crisis factors. The main cause of imbalance of the system of agriculture was a radical transformation of the ownership of the means of production. Changed organizational-legal forms of collective enterprises, was developed the sector of individual entrepreneurship in rural areas. Agriculture with its labor-intensive production may allow one of the most acute social problems-employment. Consequently, there is the problem of the development of the mechanism of economic relations between the governments, stakeholders in the agricultural production and commercial structures for the development of new adequate approaches to the provision of investment resources to the agricultural sector of the economy. Thus the expansion of the scope of economic methods of state return release of funds to the agricultural sector can become a real source of maintaining their resource potential as the most economical and effective innovative way to support the industry.

Keywords: Agriculture, Innovations, Innovation Transformation, Innovation Process, Food Security

JEL Classifications: Q18, R11, R58

1. INTRODUCTION

An integral part of state economic policy is scientifically based agricultural policy, the most important condition for stabilization and effective development of the agro-industrial complex, the main factor of food security of the country.

In modern conditions the actual problem is the development of a new strategy and priorities of the agricultural policy, which in the coming years should improve the competitiveness of the agricultural sector, rural social development. The strategic objectives of agricultural policy over the next 10-15 years are: Raising the standard of living of the population, the transition of agriculture to a path of innovative development, motivation of rural labor, improving the efficiency and competitiveness

of the agricultural sector on domestic and world markets, the active integration of Russia into the world system. The solution of these tasks will be impossible without the nationalization of leading industries, the introduction of public procurement and the modernization of the agricultural sector-is a necessary condition for effective state regulation of agriculture.

Object of research are innovation-active enterprises of the agro-industrial complex of Russia. Subject of research-the socio-economic, organizational and managerial relations arising in the development process of innovative transformations of the agro-industrial complex. Theoretical and methodological basis of research were works of domestic and foreign scientists in the field of modernization of the economy, agricultural policy, innovation theory, systems theory, management of innovation activities. The

methodological outline of the study is realized in the combination of the system and activity approaches.

2. THE INNOVATIVE POTENTIAL OF THE AGRICULTURAL SECTOR

The innovative potential of agro-industrial complex of the region represents resources mobilized for the achievement of the innovation objective, and the organizational-economic mechanism of their implementation.

Under the innovative potential of agribusiness refers to the tools and methods of creating and introducing new knowledge, technology, organization, not previously used ideas for the development and effective use, in order to improve the agricultural sector, which will require an integrated system of management of organizational, technical, and economic changes (Gureva et al., 2016).

Research of innovative potential of agricultural production allows analyzing the efficiency of its use, developing and substantiating recommendations for decision-making under conditions of resource limitation for the achievement of sustainable and effective socioeconomic growth of agribusiness in the region. Innovation policy determines the limits of external and internal order that interferes with or forming innovative capacity.

Currently, one of the factors in the development of the region is the formation and effective use of regional innovation potential.

Evaluation of innovative potential of the region is important for evaluations of regional innovation policy and development of regional development programs with the effective use of regional innovation resources.

In the economic literature the innovative potential of some authors (Buzdalov, 2014; Mercy and Mercy, 2012) is interpreted as a collection of innovative resources (material, financial, intellectual, scientific and technical) that enable innovation and the creation of innovative technologies, products, and services that should be considered as the resource-based approach to the definition of innovative potential. Others (Abramov, 2016; Godin, 2003) consider innovation potential in terms of innovative activities, i.e., the actual product obtained in the innovation process. In this case, the innovation potential is presented as a possible produced in the future, innovative products.

In our opinion, the innovative potential of the region should be considered not only as a set of innovation resources necessary for the implementation of innovation, but as an opportunity and the region's ability to create and use innovation.

The efficiency of use of innovative potential of the region depends on the efficiency of the use of each innovative resource that plays a certain functional role in the innovation process. Therefore, according to the author, the innovation potential should be considered as a collection of potentials: The production and technological (material); labour; financial; managerial and intellectual.

While the production-technological, human, financial, administrative and intellectual potential are not fully innovative potential of the region, but only in the part that creates the conditions and provides opportunities of innovation.

The innovation potential of the region should be considered as at the stage of formation and use. This approach allows identifying the main results obtained in the process of formation (the resource component) and use (result component) innovative capacity. Consequently, the results of use of innovative potential are different kinds of innovations (new technologies, new types of goods and services).

Thus, the innovative potential of the region is the opportunity and the region's ability to generate and use innovation resources necessary for innovative development that allows the region to create, disseminate and use different kinds of innovations (new types of goods and services).

For the development of effective regional innovation policy it is necessary to adequately determine the level of innovative potential. The proposed methodology for its evaluation requires the calculation of the integrated (generalized) indicator for evaluating the innovative potential in terms of its formation and use. To assess the conditions of formation of innovative potential of the region (resource component) is proposed to calculate the generalized indicator of formation of innovation potential of the region, and to assess the degree of use (the result component) is a General indicator of use of innovative potential of the region.

The resource component of innovative potential manifests itself:

- In the presence and accumulation of industrial space and equipment, the necessary (enabling) the implementation of innovative activities;
- In the set of sources and stocks of financial opportunities that are available and can be used for the implementation of innovative activities;
- Together human resources with the required skills, knowledge and abilities for realization of innovative activity;
- Together existing regional normative-legal acts that regulate innovation activity, innovation infrastructure of the region;
- In the totality of intellectual property that is directly involved in the creation, production and implementation of innovative products (services) are carried out in this product, largely determining its customer value (cost).

3. REFORMING OF AGRARIAN SECTOR OF ECONOMY

Russia's economic growth, providing by 2017, doubling the gross domestic product, is impossible without a thorough reform of the country's economy.

The reform of the agrarian sector of the economy is a complex system of measures to ensure the effective development of agriculture and related sectors, with its own peculiarities in the transition to an innovative path of development, which is due

to: The need to improve the competitiveness of agricultural production, ensure food security of the country and Russia's integration into the world economy (Mercy and Mercy, 2012; Ragulina et al., 2015).

Further deepening of market reforms in the agrarian sector of the economy is a system of measures with the division of the priority areas for the effective development of agriculture (Abramov, 2016; Sidoruk, 2009; Faminskii, 2007).

The agrarian economy of the country is to find the most acceptable to the market conditions of perfect forms and methods of management. New approaches to the agrarian reforms in the country on the basis of modernization and innovative development of the agricultural sector make it necessary to develop new priorities for the development of agriculture. The main role should belong to the state in the implementation of the strategic policy of innovative development of the agricultural sector. The state must find a balance in the interaction with the private sector, to abandon the practice of excessive interference in the business.

1. A special role in the agricultural policy of Russia owned agribusiness modernization. The need for modernization is due, primarily, the fact that a significant amount of agricultural production in many regions and the country as a whole, not competitive, which is manifested in the form of a significant increase in food imports. Modernization provides a transition to an innovation economy; improve its competitiveness (Mindlin et al., 2016). Therefore, the modernization of the economy serves the most important priority of agrarian policy of Russia.

It should be noted that the holding of a full-scale modernization of the agricultural sector requires a huge investment, but it is essential, since the main objective of modernization-achieving high competitiveness of agriculture.

Russia's accession to the WTO, of course, affected the interests of Russian agriculture; agricultural products on the world market should be competitive. This requires a strategy of innovative development of agrarian sector of Russia, based on the account of new world realities and principles and, above all, the need for a sharp increase in the competitiveness of domestic agricultural products, ensuring its breakthrough on the world market. In many European countries, the US innovation called the foundation of the economy. The main role in enhancing innovation in state-owned agro-industrial complex (Sidorenko and Mikhailushkin, 2015). In connection with the modernization of the agrarian sector is necessary to strengthen the state's role in defining priority areas of investment and innovation development in agriculture.

Given the importance of this issue, the Ministry of Agriculture of the Russian Federation together with the regional authorities need to develop a sectoral target programs of development of separate branches of agriculture-gardening, viticulture, the sugar beet industry and so on (Doronina et al., 2016).

These innovative programs should include the state credit and financial support, modernization of material-technical base of enterprises, development of product processing, increase the role of science in the innovative development of production, improvement of the mechanism of development of agro-

industrial integration, pricing, promoting the production of this type of product on the basis of direct procurement efficiency implementation of programs (Buzdalov, 2014). These and other measures will allow the government to provide intensive development of agricultural production and increase the attractiveness of both domestic and foreign investment in the agribusiness sector.

Development and improvement of efficiency of innovative activity in all sectors of the economy will contribute to the creation at the federal and regional levels, specialized innovation funds and the modernization of production assets. Of course, innovation in each region should be supported and regulated by the state. This calls for the creation of federal and regional authorities, which should be to coordinate, regulate and, if necessary, the unified management of innovative activity in various sectors of the economy, including the agricultural use of the experience of developed countries.

The experience of state support of innovation activity in developed countries shows that the state should develop such innovative policies that will improve the competitiveness of the agricultural sector. Therefore, strengthening the innovation today should take a central place in the implementation of state policy in the agro-food sector of the Russian Federation (Bogoviz et al., 2016).

In this regard, to ensure the innovative development of both regions and the country as a whole must be the adoption of the Federal Law "On innovation activity."

2. The decision of the problems of the agricultural sector depends on its financial condition. In 2010, accounts payable of agricultural enterprises of the country reached 1.3 trillion rubles mainly due to price disparity. We believe and recommend to the Government of Russia to carry out restructuring and one-time write-off of average interest cost (AIC) massive debt due to additional cash receipts from the sale of oil on the world market for the financial recovery of the rural economy. For most of the loss-making enterprises, except for cost of bad, should be applied external control procedure to select the most effective options for the reorganization of the economy, enabling the use of production funds and labor, change in relation to the local conditions of production specialization.

At the same time, it is necessary to hold state certification senior agricultural staff to determine their competence and the ability to effectively work in market conditions (Godin, 2003; Arzhakov and Silnov, 2016). The head of Attestation Commission must necessarily be representative of the Ministry of Agriculture of the Russian Federation, whose members are representatives of the agricultural business, agricultural scientists, leaders of manufacture, as well as foreign experts and businessmen.

3. Any special direction of the agrarian reform of its central part is the regulation of land relations. Land transformation designed to ensure the rational use and protection of land as the most important natural resource, creating the conditions for the reproduction and improvement of soil fertility, equitable development of market forms of farming.

It is necessary to create a more effective economic mechanism of regulation of land relations in the agricultural sector and

some regions of Russia, ensuring a civilized land market-their rational use, taking into account interests of the state and every agricultural producer (Kirillov et al., 2016).

Creation of state economic regulation and promote rational use of land must ensure social justice and the redistribution of land to create equal conditions for all forms of economic activity. It should be noted that without creating a mechanism for the implementation of land control is almost impossible to achieve efficient use of land resources, carried out at the federal, regional and local levels. It is necessary to land management transferred to the Ministry of Agriculture of Russia.

4. Market reforms in the agrarian sector of individual countries in the region will be much more productively, if the administration of the province, the region to create the scientific and strategic advisory centers of economic development with the involvement of scientists from different disciplines. This will avoid making hasty decisions, anticipate, predict the rapid development of the real sectors of the economy, including in the agricultural sector, and enhance the management of local authorities. The main functions of agricultural information and consulting center in the first stage will be to advise participants on business economics, finance, and taxation, pricing and marketing of agricultural products. The experience of information and advisory services in a number of countries in Europe as well as in some regions of Russia shows that market reforms in the agricultural sector is not possible without them.

There is a need to create a Russian Federal Information agribusiness consulting service with a well-established structure that provides interaction with the Ministry of Agriculture of the Russian Federation, scientific institutes, agricultural universities and farmers to improve the efficiency and competitiveness of the agricultural sector.

5. Agrarian reforms in Russia should ultimately ensure the effective functioning of the agricultural production and rural social development (Sidorenko et al., 2011). This requires a long-term state program of social development of rural areas, the adaptation of the agricultural population of released production, the modernization of the rural economic structure. The most important are the development of the agrarian problem is not alternative employment systems in rural areas, capacity-building for small and medium-sized agricultural businesses, commerce, crafts and rural plots of industrial production.

Without this it is impossible to attract people to live in rural areas, revival of the village to a full life.

The basis should be the development of rural infrastructure (Chuev et al., 2016). Needed modern housing construction in rural areas, the development of the road network, gasification, to create a fundamentally new quality of education and health care, trade, cultural sphere.

An important role in accelerating the social development of rural areas plays and will play the development of mobile communication, the creation of a system of rural internet library, internet cafe. At the same time will contribute to social development measures such as the extension of preferential tax system for the agricultural sector (Vinichenko et al., 2016).

Access to preferential tax treatment should receive not only the rural producer, but also a villager. It may be, for example, income tax incentives for villagers, increased tax deductions for their education, medical treatment, and housing.

6. An important factor in the success of agrarian reform in the country is to create a more perfect agribusiness management, the effectiveness of which depends on the functioning of the government.

The task of the management bodies should include regulation of economic, social, cultural and other problems of the village, which is impossible without the training of qualified personnel for the countryside (Gorbachenko et al., 2016), enhance research market problems, creating a market model of effective management in market conditions. It is important factors in improving the competitiveness of the agricultural sector.

Such a system can be created using the provided state planning major agribusiness development parameters for the harmonious combination of public and private interests and the realization of the federal program for the development of agricultural production, proportional development of organizations of all forms of ownership and types of management, the alignment of levels of social and economic development of Russian regions, improving the demographic the situation in rural areas and others (Malyshkov and Ragulina, 2014).

7. The main priority of the agrarian policy of Russia is to ensure food security of the country. The determining factors in this important national economic problem must be the following:

- Diversification of the agribusiness industries, an integrated approach of managing the operation of all types-state, cooperative, private enterprises, farms and private farms, a combination of state and market methods of regulation of the agricultural sector (Rizgaev and Mikhailushkin, 2015);
- Reducing food imports, the development of measures to address the high food import dependence, based on the Federal program of import substitution of agricultural products;
- Improve the quality of domestic agricultural products that meet the highest international standards;
- Development and adoption of the Federal Law on Food Safety, aimed at protecting the interests of domestic producers, modernization of agricultural production, improving the competitiveness of the industry, the formation of the state mechanism to ensure food independence of the country.

8. Reform of the AIC provides active industry integration into the world economy.

In a globalizing world economy particular attention must be paid to the development of state regulation of foreign trade and agro-food activities, the creation of a better mechanism to protect domestic producers in the domestic food market from imports of goods and at the same time providing favorable conditions for the export of agricultural products and foodstuffs. In the process of Russia's accession to the WTO is necessary to protect the economic interests of the domestic agricultural sector, especially in terms of attracting

foreign investment in the development of the agricultural sector. It is necessary at the federal level to develop effective food import system that is fully impact on the improvement of food security.

Strategic plan for the integration of Russia into the world economy should include a federal program to support Russian exports of specialists training system for foreign economic activity, the creation of special (free) economic zones, and organization of joint ventures with foreign investors.

The world experience of creating special economic zones shows that it is one of the most effective ways to attract investment, the catalyst development of foreign economic relations and the economy of the regions in which they are placed, as well as the country as a whole.

Special economic, including agrarian, the zone is able to attract large companies that use in the manufacture of high technology, to create new companies and joint ventures, and that is very important for the development of domestic business, to provide the real economic conditions for the investment of private capital, including foreign, to the development of agricultural economy. Today we can say with confidence that created agricultural areas in some regions of the country will function effectively in labor-intensive industries-horticulture, horticulture, sugar industry, whose products are made in a very insufficient and the country is forced to import. We consider it necessary to establish the Ministry of Agriculture of the Russian Federation a special body that will deal with the problem of creation of special agricultural economic zones in the country.

No less important priorities of Russian agricultural policy should be measures to improve state regulation and taxation of the financial system, pricing, insurance, environment and other areas of reform of AIC.

The first real step to strengthen state regulation of the agrarian sector of the economy will be the introduction of state orders for the necessary products at cost effective prices, the establishment of the State (federal) body on food procurement and food appropriate infrastructure for the reception, storage and processing of agricultural products.

Thus, the State's unified economic, financial, budgetary, social and external economic policy in the agrarian sector would allow to successfully solving the problem of recovery of the rural economy, to saturate the market food products of domestic production, increase the competitiveness of domestic agriculture, and improve the living standards of the rural population.

The AIC transfer conditions to an innovative path of development, modernization is necessary to develop and implement a national strategy for the development of the agricultural sector. By its design should involve the scientific potential, agricultural authorities, professionals and managers of advanced agricultural enterprises, foreign consultants. The aim of this strategy-promotion and state regulation of development and increase of competitiveness of the industry.

4. INFRASTRUCTURE CHARACTERISTICS OF REGIONAL INNOVATION SYSTEM OF THE AGRICULTURAL SECTOR IN THE REGION

Regional innovation system agricultural sector-the infrastructure of knowledge production-scientific and educational organizations, and the infrastructure of the commercialization of this knowledge - innovation centres, technology transfer centres, venture financing, etc., to ensure the materialization of knowledge and human capital in specific economic results.

The creation of a favorable environment for the expanded reproduction of new knowledge involves:

- Support of leading scientific schools, their staff capacity and equipment base on the basis of long-term institutional funding and grants from state budget funds;
- The consortium of scientific bodies with similar themes in a major cross-sectoral structures at the regional level;
- Attracting foreign partners and investors to implement regional programs.

The development of investment and innovative activities and the commercialization of scientific and technical results in the regions can be carried out on the basis of:

- Training for the innovation sphere, primarily in the field of technology venture capital financing;
- Stimulate agricultural corporations and large enterprises in the regions to develop their own innovative and research departments (in-house) and increasing their demand for products and services of other organizations of the innovation system;
- Build the infrastructure of the innovation system through the establishment of corporate structures in scientific-technical and industrial-technological spheres, including scientific and educational organizations, technology transfer centers, engineering, regional centers, etc.;
- Development of regional structures for the commercialization of technologies, creating a regional technology transfer centers.

5. CONCLUSION

The achievement of the strategic goals will be largely determined by the ability of public authorities to develop an effective mechanism for the implementation of the Strategy, a set of measures of legal, economic and organizational nature, to ensure "balance of interests," the coordinated actions of all participants of implementation of the strategy.

With the aim of further development and strengthening of scientific-technical potential of Russia it is necessary to create an integrated innovation system, such as a single research and production complex of branch institutes, scientific-production and creative groups, scientific schools, leading fundamental and applied research.

The main directions of implementation of strategic goals and objectives:

- The creation of a regional venture capital company and venture capital Fund, which will be the catalyst for the creation of innovative companies in the region;
- The creation of a network of techno parks and business incubators in municipalities of the Russian Federation;
- The implementation of major investment projects with participation of investment Fund of the Russian Federation;
- Participation in the high-tech Federal program for obtaining the state support;
- The organization of the enterprises with the regime of “industrial Assembly;”
- The development of a framework concessions;
- Participation in the implementation of the concept of industrial design;
- Work with companies on compliance of industrial products implement technical regulations;
- The creation of industrial clusters (Sidorenko and Mikhailushkin, 2015).

Infrastructure of innovative activities should cover all areas of support for innovation activities, beginning with the formation of a full-fledged legal base of scientific-technical and innovative activity, to create organizational-conductive technological system that allows effectively implements innovative technologies and solutions in various fields.

Conducting system needs to have infrastructure that can effectively implement innovation through laboratory testing, small-scale production, testing, and improvement in the industrial parks, with the subsequent realization of finished innovative projects and solutions to large, medium and small businesses (Sidorenko and Mikhailushkin, 2015).

Such construction of the regional conducting system requires a restructuring of management of innovation processes in the region, which should coordinate the scientific research and design and implementation activities in accordance with the allocated priorities.

REFERENCES

- Abramov, V. (2016), Allowance. World Economy: Textbook. Moscow: Dashkov Ko. p304.
- Arzhakov, A.V., Silnov, D.S. (2016), New approach to designing an educational automated test generation system based on text analysis. ARPN Journal of Engineering and Applied Sciences, 11(5), 2993-2997.
- Bogoviz, A.V., Ragulina, Y.V., Lobova, S.V., Zhukov, B.M., Stepanova, O.M. (2016), Services infrastructure forming in the process of transport logistics stock movement. International Review of Management and Marketing, 6(6), 278-283.
- Buzdalov, I. (2014), The social consequences of monopolistic environment and the class struggle of the Russian peasantry. International Agricultural Journal, 1, 3-11.
- Chuev, I., Chueva, L., Mikhailushkin, P. (2016), Economy of the Enterprise: The Textbook. Krasnodar: Atria-South. p427.
- Doronina, I.I., Kulikova, N.N., Razzhivin, O.A., Kostyukhin, Y.Y., Silnov, D.S., Sadovnikova, N.A. (2016), Human resource management features of an innovative cluster. International Review of Management and Marketing, 6(6), 57-62.
- Faminskii, I. (2007), Allowance. World Economy: Textbook. Moscow: Master. p670.
- Godin, M. (2003), Marketing: The Textbook. Moscow: Dashkov Ko. p602.
- Gorbachenko, V.I., Kuznetsova, O.Y., Silnov, D.S. (2016), Investigation of neural and fuzzy neural networks for diagnosis of endogenous intoxication syndrome in patients with chronic renal failure. International Journal of Applied Engineering Research, 11(7), 5156-5162.
- Gureva, M.A., Kirillov, A.V., Vinichenko, M.V., Melnichuk, A.V., Melnychuk, Y.A. (2016), Management of innovations and innovative process: Concept, essence, classification and diffusion. International Review of Management and Marketing, 6(6), 147-153.
- Kirillov, A.V., Vinichenko, M.V., Melnichuk, A.V., Melnichuk, Y.A., Vinogradova, M.V. (2016), Improvement in the learning environment through gamification of the educational process. Mathematics Education, 11(7), 2071-2085.
- Malyshev, V.I., Ragulina, Y.V. (2014), The entrepreneurial climate in Russia: The present and the future. Life Science Journal, 11(6), 118-121.
- Mercy, V., Mercy, K. (2012), Agrarian Policy of Russia - XX Century. Moscow: FSUE VO Russian Ministry of Agriculture. p543.
- Mindlin, Y.B., Kolpak, E.P., Gasratova, N.A. (2016), Clusters in system of instruments of territorial development of the Russian federation. International Review of Management and Marketing, 6(1), 245-249.
- Ragulina, Y.V., Stroiteleva, E.V., Miller, A.I. (2015), Modeling of integration processes in the business structures. Modern Applied Science, 9(3), 145-158.
- Rizgaev, A., Mikhailushkin, P. (2015), Market relations and markets in agribusiness: Textbook. Allowance. Krasnodar: Education-South.
- Sidorenko, V., Mikhailushkin, P. (2015), Competitiveness of the agricultural sector of economy of Russia. International Agricultural Journal, 6, 4-15.
- Sidorenko, V., Mikhailushkin, P., Ustich, A. (2011), Priorities of the agrarian policy of Russia. In-Ternational SH Journal, 3, 321-324.
- Sidoruk, A. (2009), Improving the regulatory support of agriculture in the Doha round of WTO negotiations. AIC: Economics and Management, 9, 98-102.
- Vinichenko, M.V., Melnichuk, A.V., Kirillov, A.V., Makushkin, S.A., Melnichuk, Y.A. (2016), Modern views on the gamification of business. Journal of Internet Banking and Commerce, 21(S3), 1-5.