The Theoretical Provisions for effective development of Agro-Industrial Territorial-Economic Systems in modern conditions

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The Theoretical Provisions for effective development of Agro-Industrial Territorial-Economic Systems in modern conditions

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ABSTRACT
In this article, based on the study of economic categories, the evolution of agricultural production scientific knowledge is examined, the theory and the practice of the agrarian economy is analyzed, and the genesis of the effective development theory of the agro-industrial complex of Russia in modern conditions is singled out. The study of the basic postulates of economic theory and the addition of a categorical apparatus have shown the need to achieve a constructive inter-branch and interterritorial interaction on the basis of agro-industrial geographic and economic system and the corresponding institutional environment development.

Keywords: agrarian economy, agro-industrial territorial-economic systems, agriculture, the theory of effective development, an effective agricultural production
1. **INTRODUCTION**

With the elimination of the planned economy, the agriculture of Russian Federation develops the market system of organizational and economic relations, characterized by the growing integration processes in the global space, as well as by the additional opportunities and constraints they cause.

The strategic priorities of Russian agrarian production: food sovereignty; import substitution of the main types of agricultural products; the development of an institutional environment that ensures an effective integration and the specialization of agro-industrial territorial economic systems (AIES).

At the same time, the traditionally inertial attitude to agriculture as a secondary sector of economy, the lack of clearly developed theoretical and methodological approaches, not always justified interest in institutional changes and the blind copying of foreign experience without taking into account local specifics reduce the effectiveness of the national agrarian policy measure implementation.

The purpose of the article is to supplement the conceptual apparatus and update the complementary components of AIES effective development scientific provisions, corresponding to the new agrarian paradigm of Russia.

In the process of scientific knowledge genesis and evolution, a certain conglomerate of production and institutional environment study of the agrarian sector of the economy was developed. Nevertheless, the depth of study is not the circumstance that reduces the relevance of this study.

2. **ECONOMIC DEVELOPMENT AND ECONOMIC EFFECTIVENESS OF AGRICULTURAL ACTIVITIES**

The current stage AIES institutional environment evolution calls for a creative rethinking of existing scientific concepts, the study of the essential content of the applied conceptual apparatus and its clarification.

The performed theoretical research is based on the postulates of the agrarian theory relating to the social branches of scientific knowledge in the study of complementary relations, individual interests and system production units in the process of agricultural activity performance. At that, the stating doctrine is the acknowledgment of the fact that the level of AIES production relations and productive forces development is determined
by the factors of the prevailing conditions for a corresponding socio-economic formation development [1].

The theory of agrarian economy as the means of the study subject understanding, as well as the ways of specific goal achievement and fulfillment, is formed in the dynamics of dependence on ideological innovations, changing environmental influences, which are the main factors and the prerequisites for the development and the implementation of AIES development concepts.

The outstanding thinkers of both the ancient world (Aristotle, Plato) and New Times (Galileo G., Kant I., Hegel G., etc.) devoted their studies to the phenomenon of "development" as a qualitative change of object or system characteristics.

J. Schumpeter has the priority concerning the study of qualitative changes in the economic sphere from the introduction of various technological, innovative, organizational, managerial and consumer innovations. J. Schumpeter revealed the impact of market demand and supply on innovation in his writings. Innovations were considered by him as the qualitative changes that characterize and determine the corresponding stage of production relations in society [2]. Subsequently, this theory was developed and supplemented by many outstanding economists.

We study the development processes from the point of view of their effectiveness concerning the reproductive processes of agrarian activity. The main functions of such processes are the provision of interaction harmonization between a state, business, and society and the optimization of technological, socio-economic and management-institutional subsystems of AIES in the production of products needed by society.

The economic category "efficiency" is used as a quantitative and a qualitative indicator of reproductive process actual development of a certain system, of any phenomena, the realization of business processes, etc.

Throughout almost the entire existence of civilization, the extensive methods of agrarian activities prevailed, providing for an extended reproduction and a surplus product obtaining. At the same time, the natural and climatic conditions of agrarian production, which differ in terms of years, can act as the factors of a surplus product deficit development directed to economic development. At the same time, the decline of productivity to the volume that does not exceed the need for incurred costs replenishment.
is not always a sign of simple reproduction, and in the long term it may even become the prerequisite for efficiency increase. Thus, the removal of agricultural land from the turnover increases their reproductivity and contributes in the future to additional surplus value obtaining. Thus, the reproduction in agrarian activity contains the tendency to self-development at the expense of labor means and objects qualitative characteristics increase and a promising increase of production manufacture indicators.

Thus, the conclusion - the optimality of intensive method involvement in reproduction processes characterizes the effectiveness [3]. In its turn, the effectiveness of agrarian activity reflects the production relations in society economic goal achievement to obtain a certain quality of products in the amounts necessary for state food security provision. Usually an effective development is judged by the ratio of an effect achieved to the costs incurred, which, in relation to AIES, allows to reflect the dynamics of agrarian product, the rural population, the resource potential reproduction in a complex of their components. At the same time, it should be noted that from the middle of the 20th century, the understanding of an objective limit of economic growth was developed in economic practice [4]. The tasks of interaction harmonization between human and surrounding world have formed an anthropocentric view of sustainable development as the balance of antagonistic goals: efficiency and self-recovery.

Having noted the main components of scientific ideas about economic development and economic efficiency with the reference to the purposes of this work, we will dwell in detail on the aspects of the agrarian theory development.

3. SCIENTIFIC COGNITION EVOLUTION OF AN EFFECTIVE AGRICULTURE

Historically, the agrarian production was the branch in which the social division of labor was developed. The surplus of the obtained food products over the needs of the individuals who receive them, made it possible to exchange them for other objects of labor, which formed the prerequisites for social relation development.

The theoretical developments in the field of economics and, in particular, its agrarian sector, prove that the need to study the nature of economic relations arose at the stage of a natural way of agriculture. The very term "economy" comes from the "Domostroi" by Xenophon of Athens. Noting the relative primitiveness of ancient civilization economic
relations state, the academician of RAS A. Tatarkin considered the abovementioned work as the first stage of evolutionary genesis on the way from the rational organization of the household to an effective management of global economic systems. In his opinion, the views and advice from Xenophon of Athens were raised by the great Ancient Greek scholars Plato and Socrates to the level of recommendations on the management of public (state) property, the distribution of goods and the development of foreign trade relations [5].

The legal culture of corporeal right regulation to state, communal and private lands, which has been developed during the millennium, formed the basis of Roman law. Later, in 529 the Byzantine emperor Justinian fixed the standards of land user legal relations, thereby marking the Middle Ages era.

Thus, the thinkers and the statesmen of the ancient world associated public prosperity with the effectiveness of relations in agrarian activity, with the allocation of land as the main means of production.

During the formation of modern institutions of state structure prototypes in Europe (XVII century), mercantilists began a lively discussion of land rent as the form of aggregate value distribution among the participants of social and production relations. The "fencing" processes that arose in England in the 15th century preceded this process. The desire of the nascent bourgeoisie to obtain super profits from the export of wool and cloth, has formed a stable position on the achievement of national economy effectiveness through the excess of exports over imports, as well as through an extensive expansion of its resource base.

In the nineteenth and twentieth centuries, economic science formed the understanding of the need for the transition from an extensive implementation of agrarian reproductive processes to the conduct of intensive methods that ensure a new quality of branch interconnections.

A. Smith, summarizing the accumulated knowledge of his predecessors and searching for better means of agricultural development in public interest achievement, continued to study such a parameter as differential rent. Concerning agrarian activity, its specificity was noted, which limits the possibilities of labor process diversity and division in comparison with manufactories. According to A. Smith, the seasonality of works, sale
and consumption of agricultural products acts as a deterrent to the effectiveness of agricultural activities, and the efficiency from the specialization of production is in the obtaining of surplus products that allow to sell them outside the production territory, that is, with the presence of market niches and the excess of own consumption [6].

Many economists of the XIXth century devoted their works to an effective development of agro-production. The conclusions by A. Marshal, devoted to land use and land rent payment, are relevant and deserve some attention. In particular, income is an inherent property of agricultural land; there is the tendency of diminishing return from the use of land at simultaneous labor costs increase for its cultivation; the rate of scientific and technological progress use in rural areas are behind the pace of industry; there are the advantages of the "farmer" form of land ownership as compared to leasing; the prospects for cooperation and its public benefits increase, etc. [7].

Subsequently, these conclusions were developed in the works by R. Solow, who substantiated the values of technological parameters in economic growth at the level of macroeconomics with the intensification of production, and also in the works of other authors [8].

4. THEORY AND PRACTICE OF AGRARIAN ECONOMY IN RUSSIA

Unlike European countries, with a high population density and limited opportunities for territorial expansion, in Russia an expanded reproduction was achieved only by extensive ways during the entire period of new resource involvement in agricultural production.

The first documentary evidence of food problem solution in Russian practice refers to the epoch of Tsar Boris Godunov. The long-term crop failure caused by climatic fluctuations, followed by famine, led to the national cataclysms and to the change in the ruling dynasty. In order to overcome natural disasters, the tasks of a state reserve development in the amount of three years of grain consumption were solved, but the lack of effective procurement regulation mechanisms did not reduce social tension.

In the era of Peter the Great, with the development of a regular army, the issue of food supply organization for the troops became the matter of public administration. This stimulated the Russian economy to search for effective methods of agricultural production, providing guaranteed additional sources of profit during the implementation
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of quartermaster activity. The providers of food at the state level began to meet the needs not only of the army and navy, but also to create strategic reserves and the reserves for the needs of the civilian population [9].

The agrarian reform of 1861 (the abolition of serfdom), the transformation of the organizational and legal form of ownership into the main means of the rural economy production - the land, reflected the desire of government institutions to overcome the systemic crisis caused by a total lag in agrarian technologies. The liberated peasants received legal and economic freedom and were de jure equalized in civil rights with other society strata. At the same time, the absence of financial problem solution, the predominance of archaic public ownership of land in the presence of a large proportion of landlord farms, and the shortage of land became serious obstacles to the intensification of agriculture.

The European experience of cooperation development, the discussion in the scientific community about its role in rural economy efficiency improvement, allowed S. Witte to substantiate the advantages of free labor, freed from coercive dependence existing under the communal order of land ownership. At the same time, the eminent statesman of the Russian Empire insisted on the exclusion of radicalism in the implementation of reform measures, the freedom of farmer choice to leave the community at the simultaneous reduction of administrative obstacles (the abolition of redemption payments). P. Stolypin, who is called the generator of agrarian reforms of 1906-1917, made the State Duma to approve the documents fixing the priority of farmers. After seven years of reforms, the share of individual farmers increased to 65%, the agrarian economy provided more than 54% of the national income, and the number of cooperatives reached the second position in the world (the 1st place belonged to Germany) [10].

Almost immediately after the October Revolution, the Government of the Bolsheviks adopted the Decree on Land, on the basis of which the nationalization of land and its transfer to the category of public property was realized. The lands belonging to the nobility were distributed among peasants and partly transferred to the newly formed labor communes and state farms. The processes of collective forms of agricultural production were formed during the long and dramatic transformations and reorganizations of the
rural area during the period of Soviet power establishment on the territory of the entire former Russian Empire.

New economic policy, the replacement of surplus appropriation system by a natural tax (since 1924 - it is monetary tax), the organization of the Central Agricultural Bank and the system of credit partnerships were called upon to resolve the systemic crisis. Many researchers regard the years of the NEP as the only example of scientifically based theoretical approaches of agricultural economics implementation into practice during the entire period of the USSR existence. The activities of NEP aimed at agricultural production revitalizing in the country reflected the theoretical developments and at the same time contributed to the development of a scientific organizational and production school (one of the most significant representatives of which was A. Chayanov).

A. Chayanov considered private cooperation, which is of a non-commercial character and unites peasant farms along vertical lines of interaction in the processes of production, processing, sales and lending as the basis of the country agriculture effective development. Nowadays, the theory of differential optima developed by A.V. Chayanov is a relevant one. Responding to the demands of time during the consolidation of farms and the establishment of state agricultural organizations, the agrarian economist was asked to determine an optimal size of an organization based on the calculation and the ascertainment of cost minimization points per unit of output, taking into account the results of territorial natural-geographical condition and biological process analysis.

A special attention should be paid to A.Chayanov's approach concerning the evaluation of agricultural enterprise efficiency not only from the point of view of production plan fulfillment and profitability level, but also from the point of view of its significance for the agrarian-industrial territorial-economic system to which it belongs [11].

The truly market conditions of agricultural production during NEP years, the solvent demand of a village, which is high relative to a "city", and an extremely backward level of labor productivity in industry have led to the distortions in commodity exchange and commodity-money relations and, above all, in the provision of farmers with the technical means of labor. At the same time, external challenges predetermined the task of heavy industry development, the emergence of which required the implementation of a nonequivalent exchange, in the opinion of the overwhelming majority of the country
leadership. Total collectivization with the full socialization of agricultural land and the means of production, accompanied by administrative-repressive methods of agricultural product seizure, the introduction of mandatory agricultural deliveries to the state and the complete withdrawal of surplus product, led to significant decline of AIES indicators. It can be stated that in the overcoming of the difficulties that have developed in the country during the 1920-ies and 1930-ies the scientific discipline of the agrarian economy in Russia developed from the distribution and the redistribution of the social product issues to the search for new methods of management and production, the specification of organizational factors and forms ensuring the implementation of industrialization policy on the basis of small-scale agricultural production elimination ideology. At the same time, a direct study of efficiency as an economic category was practically not carried out in those years, and the term "effectiveness" reflected only the success and the effectiveness of certain actions [12].

The development of repressive and administrative institutions, the inadmissibility of critical analysis and the understanding of the current management mechanisms have led to the decrease of scientific and theoretical validity and to the systemic nature of the agrarian economy theory in the USSR.

The measures of personnel training, the measures of rural worker stimulation along with the development of new lands, the increase of livestock number and mechanization did not change the command and administrative management practices. This was particularly evident in the development of virgin lands, due to which the sown area of grain crops increased significantly. The absence of scientific justification, an ill-considered policy of virgin lands development led to a whole range of man-made, ecological and humanitarian disasters. Simultaneously, significant production, financial and labor resources were withdrawn from the places of the rural population of Russia traditional residence, which could contribute to the sustainability of AIES at the implementation of other development scenarios.

Despite certain positive results, they were provided mainly by extensive methods of agricultural production. The reasons for this were the lack of real competitive conditions that make it necessary to increase production volumes for an agricultural producer with the minimization of costs, as well as the shortcomings of the economic management
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system, when the tasks of mainly quantitative indicator achievement were at the forefront.

The resources of agricultural organizations made it possible to support the population in the development of personal household plots, including machinery, seeds, and young stock. At the same time, there was the paradox in pricing, when low state retail prices for bread and underdeveloped production of concentrated feed allowed the population to fatten cattle and poultry with bakery products. Such distortions formed the dependence of the Soviet economy on wheat exports and demonstrated the stagnation of government bodies, their inability to assess the situation adequately, to develop fodder production, to import cheaper fodder grain, and to subsidize rural residents for the purchase of the latter.

A new vector to the rethinking of agrarian theory and the search for an optimal economic model, other forms of labor organization and its remuneration was given to the "perestroika" announced by the USSR leadership in the 1980-ies. The scientific community and agrarian practitioners had a lively discussion about the advantages of large-scale or farmer forms of production, the producer right to deliver products abroad directly with the receipt of foreign currency earnings. Collective and lease contracts, individual activities, etc. were promoted and actively implemented in the agrarian sector.

The mass privatization of public property in the post-Soviet period with the ignoring of the evolutionary self-development and the "removal" of the state from agrarian economy regulation, led to Russia strategic dependence on food imports and the actual loss of food sovereignty in 1998, which required the adoption of a new paradigm of agrarian policy.

The retrospective analysis of Russian agricultural economics theory and practice confirms the conclusion that the study of the economic category and an "effective development" was carried out mainly in relation to public production, the development of territories or the economic activities of industrial enterprises.

5. ADDITION OF CATEGORAL UNIT OF AGRICULTURE EFFECTIVE DEVELOPMENT THEORY

The transformation of production and social relations in the course of market reforms led to the global changes not only in the agriculture of Russia and its AIES, but also had a significant impact on agrarian economy development.
Traditional interpretations of development effectiveness with all their multidimensionality, connected with the solution of specific methodological issues on its essence and content do not reflect such features as modern conditions and the territorial features of agrarian activity fully.

In this regard, the need for creative rethinking and the supplementing of economic theory basic postulates ripens, taking into account modern realities.

The author's contribution to the development of agroproduction effective development theory:

1. The definition of economic development as evolutionary or impulsive (transformational) qualitative changes of a system is given at a certain stage of its development, accompanied by the complication of institutional organization and management mechanisms, the interactions between the elements of the system and the links with the external environment, the achievement of an appropriate technological and economic order and the ability to self-recovery.

2. They formulated the concept of "agricultural production effective development in modern conditions" as the achievement of the necessary quality of the agrarian sphere of economy on the basis of the institutional organization of reproduction processes and the introduction of adaptive management mechanisms that provide intra-industrial and intersectoral cooperation in the case of unstable demand and supply to achieve AIES sustainability and self-recovery ability.

3. They substantiated the content of AIES - it is the territorial system that unites rural areas, the evolution of the institutional environment and the specific features of the agrarian activity which were shaped by the historically established local structure and the specificity of reproduction processes.

Characterizing the presented innovations, it is necessary to emphasize that they reflect the main goal - the provision of public reproduction.

Summarizing the voluminous totality of the scientific results obtained so far, we note that the ambiguous prospects of domestic AIES, the search for effective ways and the means of negative trend overcoming are reflected in the transformation of modern economic science.
6. GENESIS OF AGRICULTURAL PRODUCTION EFFECTIVE DEVELOPMENT THEORY IN MODERN CONDITIONS

The study of theoretical foundations and the observed evolution of AIES institutional environment allows us to note the genesis of scientific approaches and the practical solutions to an effective development of agro-production in modern conditions (Table 1).

Table 1 - The genesis of RF agricultural production effective development

<table>
<thead>
<tr>
<th>Stages</th>
<th>Paradigms</th>
<th>Evolution elements of institutional environment</th>
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<tbody>
<tr>
<td>1st stage</td>
<td>Market-social transformation of the agro-industrial complex and its infrastructure.</td>
<td>The elimination of collective-farm system, the proclamation of farming priorities, the restrictions on the competence of government bodies and non-interference in business, the liberalization of pricing, etc.</td>
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<tr>
<td>1990-2000</td>
<td></td>
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<tr>
<td>IIInd stage</td>
<td>Restoration within the framework of administrative reform of agricultural management state institutions and the support of domestic agricultural producers.</td>
<td>The implementation of state programs in the specific aspects of agricultural production, the restoration of customs regulation institutions and the import restrictions of certain types of food products, etc.</td>
</tr>
<tr>
<td>2000-2006</td>
<td></td>
<td></td>
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<tr>
<td>IIIrd stage</td>
<td>The development of agrarian policy as RF national project priority.</td>
<td>A wide introduction of strategic management methods in the practice of agrarian activity management on the basis of the main parameters determination for an</td>
</tr>
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<td>2006-2012</td>
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Fully sharing the position that the primary cause of systemic problems in the agricultural production of Russia is the nonequivalent inter-industry exchange, we consider it is possible to supplement it with the fact of an inequivalent interstate exchange existence with agricultural products and the foodstuffs related to the conditions of economic instability, the overcoming of which can be ensured by the implementation of import substitution and food sovereignty of the country on the basis of agro-industrial geographic and economic system sustainable development.

This postulate, taken for truth because of its obviousness, plays a key role in the logic of the IVth stage of the genesis isolation concerning the theory of effective development of agricultural production and combines the following: first of all, the practical implementation of the conceptual alternatives to the development of Russian agriculture and AIES in a temporary perspective; secondly, it reflects the evolution of AIES institutional support and development in accordance with the dominant system of ideological views and the guiding ideas of government bodies; thirdly, it considers the totality of all the phenomena of AIES Reproductive System in the complex of their intra-branch and interbranch relations that are transferred from quantitative changes to a new quality in accordance with the dialectical method of cognition and under the influence of various factors of economic instability; Fourthly, it sets up the institutional environment

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<th>Stages</th>
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<tbody>
<tr>
<td>IVth stage</td>
<td>The provision of Russian agrarian activity effective development in the conditions of economic instability.</td>
<td>The reorientation of reproductive processes to the tasks of food security provision and the import substitution of agricultural products on the basis of AIES development.</td>
</tr>
<tr>
<td>Second half of 2012 – present time</td>
<td></td>
<td>effective development and the measures of their achievement.</td>
</tr>
</tbody>
</table>
to improve the management tools for an effective development of agro-industrial geographic and economic systems.

7. **CONCLUSIONS**
The study of the basic postulates of effective development theory concerning agricultural production showed the need to achieve constructive intersectoral and interindustrial interaction, as well as the development of an appropriate institutional environment of AIES as the key factors affecting the stability of the agrarian economy and the livelihood of rural workers. This led to the introduction of modern author additions to the theory of economic efficiency and the theory of the agrarian economy.

8. **SUMMARY**
The proposed approach contributes to the improvement of the system function implementation quality developed by the state agrarian policy, the laws of social and production relations, reproduction processes and the desire of the rural society to achieve favorable conditions for life.

The author's proposals make it possible to use the essential characteristics of the categorical apparatus to justify the corresponding concept of AIES formation, the main provisions of which expand and enrich the agrarian economy to meet public demands and needs.

The stated problems are ambiguous and extremely complex, which predetermines the search for fundamentally updated positions and interdisciplinary approaches to their resolution and subsequent research.
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