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# Rural Tourism In The Implementation Of The Strategy Of Agricultural Enterprises Development In Russia.

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#### **ABSTRACT**

The article discusses the current situation in the domestic agricultural sector. The author points out the problems existing in this segment that justifies the need for the development of non-agricultural activities. As an alternative way of development of enterprises engaged in agriculture, are invited to consider rural tourism. The study contains a description of the essential characteristics of this term, as well as the key benefits of its organization and development. According to the results of the research are formulated the conceptual conclusions about the place of rural tourism in the implementation of the new economic development strategy of the agroindustrial complex in the Russian Federation.

**Keywords:** agriculture, agribusiness, rural tourism, farm, private farming, tourism product.

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#### INTRODUCTION

Processes of innovative development and national economy modernization are an integral part of providing sustainability of development of qualitatively new economy. Under conditions of overcoming the world crises, strong growth is possible only as a result of development of qualitatively new economy that will lead to a new technological mode.

National agribusiness including agriculture is a backbone of the economy that forms commodity market, economic and food supply security as well as labor and settlement potential of rural areas. It is of special importance for the national and regional economy as it units all the economic sectors engaged in agricultural production, processing and distribution to the consumers. Agricultural production creates products that can satisfy the key needs of the population [3].

Considering the above-mentioned situation Russian government lends legal and organizational support to the analyzed sector. Thus, a number of enactments was passed at different levels including federal laws, national projects, national and regional development programs, etc. Due to these steps, some positive results were obtained: areas with developed rural tourism became more attractive to Russian and foreign tourists, the state of finances of local population engaged in tourist services, i.e. accommodation, catering, organization of leisure time improved.

However, the latest events caused by economic sanctions from the West exposed such problems existing in agribusiness as high level of depreciation of fixed assets, low qualification of staff involved in the sector under analyses, poor use of innovations, etc. and determined the adoption of set of measures that could contribute to quick and efficient recovery of agricultural enterprises with minimum losses.

In this regard, a new economic strategy of development of agricultural enterprises in Russia in needed in order to provide qualitatively new economy, where the key part would belong to rural tourism.

#### **MATERIALS AND METHODS**

It should be noted that national agribusiness holds high potential that is not implemented to the full extent. First of all this is the case of such factors as [8]:

- land resources;
- technologies;
- sales markets;
- human capital assets.

Further, it is worth to describe each of the above-mentioned factors that influence the level of agribusiness competitive ability. Thus, the Russian Federation possesses a huge reserve of the main agricultural resource – land suitable for agriculture. According to the official statistic data, about 10% of the world plough land and 55% of the world black earth soil belong to Russia. However, business entities do not use this resource to the full extent: large areas are abandoned.

When it comes to expansion of innovations in agriculture, there are also certain problems. In the view of T.N. Solovyeva and N.A. Pozhidaeva, the key difficulties in this area are [7]:

- limitation of budgetary funding of scientific organizations;
- lack of investment;
- high tax and loan rates set for scientific organizations;
- long payback period in agriculture that makes this sector unattractive for investors;
- lack of modern equipment, devices, necessary means, etc. in scientific institutions.

However, use of modern technologies would take agricultural enterprises to a qualitatively new level.



Availability of sales markets is a key aspect for the development of the analyzed sector. Meanwhile, this is the case of both domestic and foreign markets.

It should be noted that potential of domestic demand growth is based on increase of self-sufficiency in agricultural production (import substitution), growth of per capita consumption, increase of agri supplies share in the end product, etc.

Growth potential of demand on Russian products at foreign markets is caused by both beneficial geographical position and increasing shortage of food in a number of regions.

Such factor as labour resources should be emphasized. Describing this factor, it is important to mention that people currently migrate a lot: they leave rural area for cities to find job and improve quality of their living. Moreover, young people, who study in cities, have no intentions to go back to their native villages. Those, who stay in their home towns and villages, do not have enough qualification that could promote sufficient development of the analyzed sector.

Considering the problems emphasized during the assessment of the sector and rural areas, it is necessary to look for alternative ways of development and improvement of living standard of the local population. Therefore, among the priority goals is [9]:

- satisfaction of needs of Russian population in foodstuffs;
- achieving food sovereignty of the country;
- overcoming the gap in living standard between urban and rural citizens;
- support of good living standard in rural areas.

It is important to understand that the goals mentioned were set many times before. However, now there is such situation, when it is vital to proceed to their implementation. The main strategic lines are:

- scientific, technical and technological policy in agribusiness taken in conjunction with area of research and education;
- development of social sphere in rural areas;
- radical changes within the system of land matters;
- location and specialization of agricultural production;
- development of economic relations;
- development of international economic activity;
- $-\ \mbox{greening}$  production and adaptation to the climate changes.

Besides, it seems necessary to promote development of small businesses for the purposes of long-term growth of native enterprises engaged in agribusiness. This, in turn, requires summarizing and extending experience of cooperation and noncooperative forms of interaction between farm enterprises, private farm holdings and agricultural enterprises.

In this regard, promotion of rural tourism holds a peculiar place in the strategic development of national agribusiness. This is derived from the fact that development of nonagricultural activity in the areas, where agriculture is a fundamental sector, can diversify economy and get real financial gains.

## DISCUSSION

There are currently various approaches to determining the scope of the concept of rural tourism. Being one of the subtypes of tourism, rural tourism can be considered from the following views: [4]:

- as a form of social, cultural and leisure activity;
- as a sector, where goods are produced and services are rendered to satisfy main needs of tourism during their trips;
- as a system of economic relations between various parties that participate in production and consumption of tourist product.



It is worth emphasizing that the above-mentioned approaches do not contradict each other, but reveal various aspects of such complex category as rural tourism. However, none of them reflects specific character of the analyzed type of activity.

In this regard, rural tourism should be defined as a specific type of tourist activity that relates to organization of trips to the rural areas and assumes formation and delivery of complex tourist product (accommodation, meals, tour operations, organization of leisure time), reflecting and preserving natural and ethnic identity of the regions and providing economic benefits for the host party through creation of new vacancies and opportunities for the local population.

Particular emphasis should be put on specific features of rural tourism, among which is its social orientation. When revealing this concept, it is necessary to mention that a tourist faces new culture, immerses himself in the life of local citizens and their lifestyle, learns their traditions and customs. Tourists usually participate in rural activities, festivals, fests and other events.

Being an independent economic segment, rural tourism should be considered within the context of agribusiness development in general and agriculture development in particular. Indeed, currently representatives of science and practitioners argue who should develop this area: agricultural or tourism authorities [5].

In order to give a region maximum benefits from rural tourism it is necessary to develop regional strategy. Herewith, assessment of tourism potential of rural area and evaluation of prospects of its development assumes greater importance. Thus, O.E. Akimova and S.K. Volkov presented SWOT-analysis in their scientific research, which allowed the following conceptual conclusions on rural tourism advantages [1]:

- high natural and climatic potential of the Russian Federation;
- high agricultural potential of the country;
- availability of historic and cultural sites of international importance;
- big number of economic agents including commercial and noncommercial organizations that can promote tourism development in rural area;
- multibranch focus of farm enterprises and private farm holdings.

#### **RESULTS**

The indicated opportunities have direct influence on labour market increasing the level of income of rural population and improving their living standard. It should be noted that utility and social infrastructure is being revived: traffic networks are being developed, new cultural and educational institutions are being built, the old ones are being reconstructed, etc.

In addition, intensified tourist flow to rural areas assumes development of small businesses. Consequently, budget revenue grows and this has positive effect on social and economic development of municipal entity and region. In other words, properly elaborated regional strategy of rural tourism development can fundamentally change the situation in regional agribusiness.

When developing regional strategy it is reasonable to pay attention to its components. The most important of them is [2]:

- preservation and development of natural landscapes and cultural and historical heritage sites;
- accommodation of tourists (arrangement of guest houses, cottages, camping areas);
- presentation of traditional local cuisine;
- development of folk crafts;
- advertisement and promotion of tourism facilities of a region;
- creation of new tourist attractions;
- manufacture of eco products;
- sales of local goods, etc.



In our opinion, regional strategy of rural tourism development will have maximum effect if all the parties including government and municipal authorities, business entities, non-governmental organizations and individuals participate it its implementation. Herewith, it is very important to give regional authorities opportunities to exchange their experience in the analyzed sector.

Local initiatives of rural population have specific role in implementation of strategy of rural tourism development. They are presented in the form of a project created with the active involvement of local citizens that will reveal opportunities for solving local problems. Its implementation assumes participation of local population, rural entrepreneurs and other interested parties.

It should be noted that further optimization of agribusiness and its recreation facilities require huge investments. The government cannot provide appropriate funding of the sector under conditions of financial and economic crisis. Thus, it is reasonable to use resources that do not require significant input. This is the case of natural potential, i.e. forest lands located within rural areas. Forest ranges do not require big money costs or labour inputs for organizing recreation space.

Thus, the most attractive rural areas are ones with wooded banks of lakes, rivers and other waterbodies, forest ranges of various age and composition randomly located between large forests with diverse flora and fauna [6].

Since recreation activity makes territory development possible in any natural zone both in favorable and adverse periods, it can promote balanced use of labour resources in rural area, especially where seasonality prevails. Therefore, the released part of labour resources is engaged in recreation activity and this solves the problem of all-the-year-around employment.

Agriculture in the areas of high recreation potential can become an integral part of economy of recreation type for creation of food facility. Herewith, it should be focused on production of hardly transportable and shortlived foodstuffs in the volume sufficient to satisfy tourists demand for food products. Manufacture and implementation of eco-friendly, organic agricultural products will lead to increase in profits of agricultural enterprises, farm enterprises and private farm holdings by means of direct supply of tourists with foodstuffs.

Indeed, it is necessary to keep in mind strong correlation between recreation and agricultural potential when organizing tourist activity in rural areas.

Therefore, for the sake of further successful development of these segments, it is advisable to create agricultural recreation complexes in the form of business entities created on the basis of one or several agricultural enterprises, farm holdings with forest recreation potential united by geographic location, ecological policy or managerial style.

#### **CONCLUSIONS**

Thus, rural tourism holds a unique position in implementation of the new economic strategy of agribusiness development in the Russian Federation. Due to properly elaborated development program for this sector it is possible to achieve significant results in social and economic development of rural areas and also cut down unemployment, increase living standards, improve utility and transport infrastructure. That will have a positive impact on the state of each enterprise, region and country in general.

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