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OVERVIEW OF CONTEMPORARY ISSUES OF SUSTAINABLE RURAL DEVELOPMENT IN RUSSIA IN TERMS OF EXISTING DIFFERENCES BETWEEN REGIONS

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Summary

Paper includes analysis of current state in the sphere of sustainable rural development in the regions of Russia. Analysis included the set of indicators such as number of rural people, number of rural settlements, rates of births and mortalities, natural and migration increases and declines of population, rates of employment and unemployment, average monthly nominal per capita wages, and level of the subsistence minimum. Indicators have been measured separately for rural and urban areas; regions have been grouped in relation to the particular indicator. As a result, 82 regions have been grouped into aggregations according to their common characteristics and values of studied indicators. Such classification let to compare derived levels of rural development in particular regions, to analyze gaps between rural and urban areas, to discover common threats to sustainable development, and to elaborate local-oriented rural policies.

Key words: sustainable rural development, rural areas, income level, employment, diversification.

JEL: Q18, P25

Introduction

Sustainable rural development is one of the most important directions of contemporary social and economic policy of the country. That is especially relevant for such countries as Russia, where agriculture amounts to essential part of national economy and over one fourth of population live in rural areas. Effectiveness of rural policies directly affects living standards of those people, social and demographic situation in rural areas, national food security, social and economic control over rural territories, and development of traditional cultures and rural way of life.

Over 1990-2000s there were certain reforms implemented in agricultural production and land relations in Russia, including in the sphere of rural development. Those reforms let

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to stabilize situation in rural areas during transition period. However, current conditions of economic development require new approaches to rural areas in order to ensure their economic, social and environmental sustainability. Rural areas lag behind urban ones in terms of living standards and quality of life. Gaps in infrastructural development between rural and urban (even suburban) areas are continuing to grow. Number of rural settlements goes down because of huge migration outflow from rural areas to cities. Migration brings together related negatives: ageing of population, lack of labour of high qualification, degradation of population, growing social tensions, abandonment of rural settlements and agricultural lands, lowering effectiveness of agricultural production, and growing environmental load because of outdated machineries and low culture of farming.

The research of contemporary issues of sustainable rural development was conducted on the case of Russia. Taking into account the essential differences between various regions of the country in terms of provision with natural, social and labour resources, development of rural infrastructure, and environmental conditions of agricultural production, such differentiated approach let us both to discover common threats to sustainable development and to investigate their specifics in every region of the country.

The set of indicators included into the analysis involved number of people, number of rural settlements, rates of births and mortalities, natural and migration increases and declines of population, rates of employment and unemployment, average monthly nominal per capita wages, and level of the subsistence minimum. The above-mentioned indicators have been measured separately for rural and urban areas. Further comparison of derived levels allowed analyzing the gaps between rural and urban areas.

Classification of Russia's regions on the level of rural development had been implemented, which let us to group regions into four major aggregates, to discover common features and threats to sustainable development, and to elaborate differentiated approaches to local rural policies.

Material and Methods

Data for the purposes of the current research had been obtained from the reports of the State Council of the Russian Federation (Report on Sustainable Development of Rural Territories of the Russian Federation), Federal Service of State Statistics of the Russian Federation, Ministry of Agriculture of the Russian Federation, and the Ministry of Economic Development of the Russian Federation.

Studying different issues, related to sustainable rural development, we have addressed works by L. Bondarenko and E. Lavrukhhina in the sphere of employment in rural areas and diversification of rural economics (Bondarenko, 2011; Lavrukhhina, 2013), M. Lescheva in the sphere of integration of agricultural producers (Lescheva, 2007; Lescheva, 2008; Trukhachev, Lescheva, 2010) and V. Erokhin in the sphere of international influences on regional rural entrepreneurship and cluster development of regional production integration (Erokhin, 2007a; Erokhin, 2011; Erokhin, Ivolga, 2012; Erokhin, 2009).

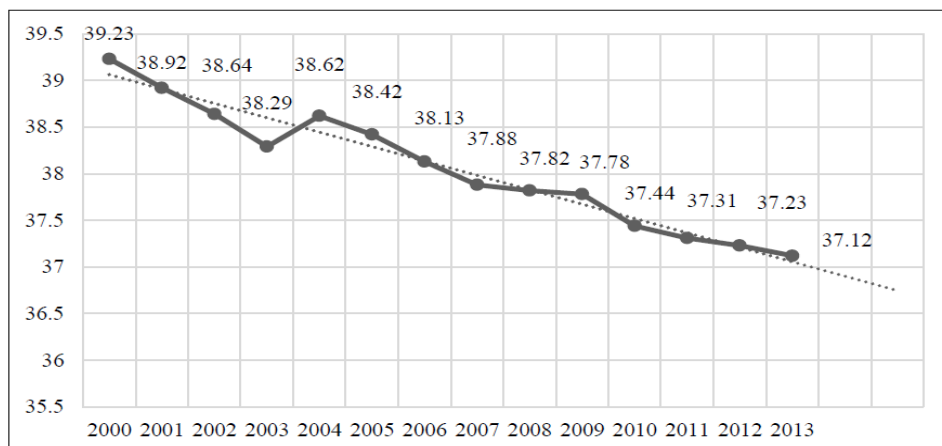
The special attention was paid to theoretic researches and practical developments in the sphere of sustainability of rural areas, performed by A. Merzlov (Merzlov, 2012; Merzlov et al., 2012). His approaches had been used for classification of rural areas on the level of their rural development.

Contemporary Russian approaches to rural policies and practices of rural development had been compared with the international experiences (Erokhin, Ivolga, Andrei et al., 2014) and internationally-recognized researches in the sphere in the sphere of regional economics (Heijman, Schipper, 2010).

Results and Discussion

The tendency of the last decade is shortage of rural population in Russia. Since 2000, it had been decreased on 5.4% (from 39.23 mln people down to 37.12 mln people), (Figure 1). The linear trend shows further population decline in 2014-2015 (down to 36.5 mln people by 2015).

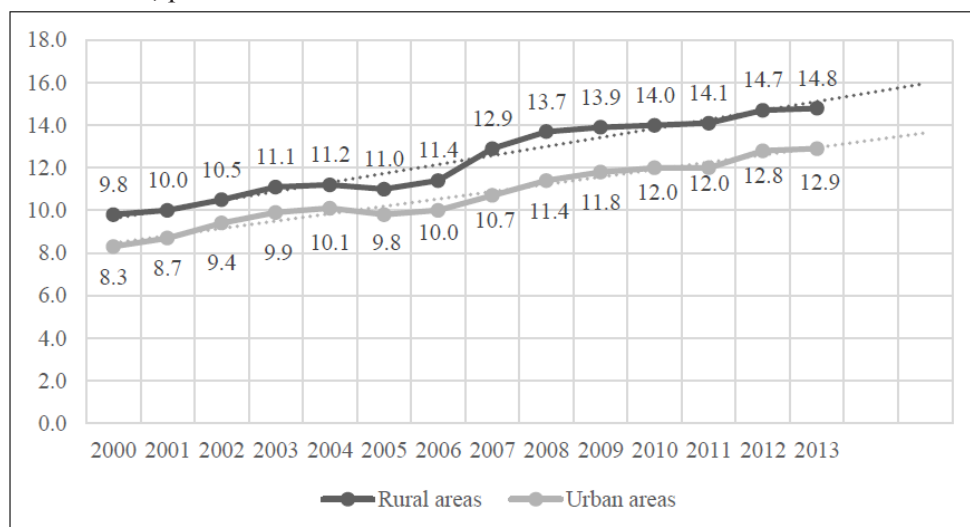
Figure 1. Rural population in Russia in 2000-2013, mln people.



Source: Author's development based on (State Council of the Russian Federation, 2014)

In terms of the regions of Russia, the most essential rural population decline was observed in North-West and Siberian federal districts (NWFD and SibFD correspondingly). Share of NWFD in overall rural population of Russia decreased from 6.5% in 2000 down to 6.0% in 2013, share of SibFD decreased from 15.1% down to 14.3% correspondingly. However, the downturn trend was not true for every region of the country, since the share of North-Caucasus Federal District (NCFD) in total number of rural inhabitants in Russia grew from 11.1% up to 13.2%. The most part of rural population is concentrated in Privolzhsky Federal District (PFD) – 23.0%, while the least populous region is Far East Federal District (FEFD) with only 4.1% of Russia's rural population in 2013 (State Council of the Russian Federation, 2014).

Migration outflow is the major reason of depopulation of rural territories in Russia. Despite the certain natural increase (Figure 2), social and economic components dominate over the natural one.

Figure 2. Crude birth rate indexes for rural and urban areas of Russia in 2000-2013, permille.

Source: Author's development based on (State Council of the Russian Federation, 2014)

However, despite the growing crude birth rates both for rural and urban areas of Russia, number of regions with natural rural population increase is only 34, which is about 41%. The rest 59% of Russia's regions (48 regions in total) experience natural decline in the rural population (Table 1). The most severe decline is observed in Pskovskaya Oblast, where mortality exceeds birth rate twofold.

Table 1. Grouping of Russia's regions on natural increase (decline) in the rural population in 2013.

Groups on natural population increase / decline	No. of regions	Regions
Natural increase	34	<i>Republics:</i> Adygeya, Altay, Buryatia, Dagestan, Ingushetia, Kabardino-Balkariya, Kalmykia, Karachaevo-Cherkessia, Komi, Yakutia, North Osetia-Alania, Tyva, Udmurtia, Khakassia, Chechnya <i>Krais:</i> Zabaykalsky, Krasnoyarsky, Permsky, Stavropolsky, Khabarovsk <i>Oblasts:</i> Astrakhanskaya, Irkutskaya, Kaliningradskaya, Murmanskaya, Omskaya <i>Autonomous oblasts and districts:</i> Evreyskaya, Nenetsky, Khanty-Mansiysky, Chukotsky, Yamalo-Nenetsky
Natural decline	48	
Including mortality/birth rate:		

below 120%	15	<i>Republics:</i> Bashkortostan, Mary El, Chuvashia <i>Krais:</i> Altaysky, Krasnodarsky, Primorsky <i>Oblasts:</i> Amurskaya, Volgogradskaya, Kemerovskaya, Novosibirskaya, Rostovskaya, Samarskaya, Saratovskaya, Sverdlovskaya, Moscow City
120-150%	16	<i>Republics:</i> Karelia, Tatarstan <i>Krais:</i> Kamchatsky <i>Oblasts:</i> Arkhangelskaya, Bryanskaya, Vologodskaya, Kaluzhskaya, Kirovskaya, Kostromskaya, Kurganskaya, Magadan-skaya, Moskovskaya, Orlovskaya, Sakhalinskaya, Tulskaaya, Yaroslavskaya
150-200%	16	<i>Republics:</i> Mordovia <i>Oblasts:</i> Belgorodskaya, Vladimirskaya, Voronezhskaya, Ivanovskaya, Kurskaya, Leningradskaya, Lipetskaya, Nizhegorodskaya, Novgorodskaya, Penzenskaya, Ryazanskaya, Smolenskaya, Tambovskaya, Tverskaya, Ulyanovskaya
over 200%	1	<i>Oblasts:</i> Pskovskaya

Source: State Council of the Russian Federation, 2014

Rural settlement systems are becoming more and more dispersed. Number of abandoned rural settlements is growing, together with the share of rural people living in bigger rural settlements of a suburban type, with access to the more developed economic and social infrastructures (Table 2).

Table 2. Number of rural settlements in Russia in 2002-2010.

Year	Total	grouping on number of inhabitants				
		abandoned	less 10 people	11-50 people	51-100 people	over 100 people
Number of rural settlements, thousand						
2002	155.3	13.1	34.0	38.1	14.9	55.2
2010	153.1	19.4	36.2	32.8	13.8	50.9
As percentage of total, %						
2002	100.0	8.4	21.9	24.5	9.6	35.6
2010	100.0	12.7	23.6	21.4	9.0	33.3

Source: Merzlov et al., 2012

As of Merzlov et al., 2012, number of rural settlement decreased on 2.2 thousand during 2002-2010. The share of abandoned settlements reached 12.7% (19.4 thousand) of the total number of rural settlements of the country, while the share of settlements with over 100 inhabitants went down to one-third (50.9 thousand). If abandoned/big ratio in 2002 was 1:4.2, in 2010 it turned to 1:2.6.

In 2013 migration outflow from rural areas has increased on 170% in comparison to 2000, and has amounted to 1.46 mln people, including 616.2 thousand (42.2%) people aged 15-29 (State Council of the Russian Federation, 2014). Number of regions of Russia with net migration gain was 18 as of 2013 (Table 3). The highest migration gain coefficient was observed in four oblasts: Kurskaya, Leningradskaya, Moskovskaya, and Yaroslavskaya, while 41 regions of the Russian Federation resulted with the highest migration decline coefficient (above 70).

Table 3. Grouping of Russia's regions on migration gain/decline coefficient in 2013, per ten thousand inhabitants

Groups on migration gain/decline coefficient	No. of regions	Regions
Regions with net migration gain	18	
including with net migration gain coefficient:		
below 20	6	<i>Oblasts:</i> Kaliningradskaya, Nizhegorodskaya, Ryazanskaya, Samarskaya, Smolenskaya, Tulsckaya
21-70	8	<i>Republics:</i> Adygeya <i>Krais:</i> Krasnodarsky <i>Oblasts:</i> Belgorodskaya, Kaluzhskaya, Lipetskaya, Novgorodskaya, Pskovskaya, Moscow
over 70	4	<i>Oblasts:</i> Kurskaya, Leningradskaya, Moskovskaya, Yaroslavskaya
Regions with migration decrease	64	
including with migration decline coefficient:		
below 20	3	<i>Republics:</i> Tatarstan <i>Oblasts:</i> Vladimirskaya, Tverskaya
21-70	20	<i>Republics:</i> Altay, Bashkortostan, Ingushetia, Kabardino-Balkariya, Karachaevo-Cherkessia, Chechnya <i>Krais:</i> Stavropolsky <i>Oblasts:</i> Astrakhanskaya, Vologodskaya, Voronezhskaya, Ivanovskaya, Irkutskaya, Novosibirskaya, Orlovskaya, Penzenskaya, Rostovskaya, Sverdlovskaya, Tambovskaya, Tumenskaya, Ulyanovskaya
over 70	41	<i>Republics:</i> Buryatia, Dagestan, Kalmykia, Karelia, Komi, Mary El, Mordovia, Yakutia, North Osetia-Alania, Tyva, Udmurtia, Khakassia, Chuvashia <i>Krais:</i> Altaysky, Zabaykalsky, Kamchatsky, Krasnoyarsky, Permsky, Primorsky, Khabarovskiy <i>Oblasts:</i> Amurskaya, Arkhangelskaya, Bryanskaya, Volgogradskaya, Kemerovskaya, Kirovskaya, Kostromskaya, Magadanskaya, Murmanskaya, Omskaya, Orenburgskaya, Saratovskaya, Sakhalinskaya, Tomskaya, Chelyabinskaya <i>Autonomous oblasts and districts:</i> Evreyskaya, Nenetsky, Khanty-Mansiysky, Chukotsky, Yamalo-Nenetsky

Source: State Council of the Russian Federation, 2014

Depopulation of rural areas is partly caused by unemployment. Two regions of Russia, Republic of Ingushetia and Republic of Tyva, have the most severe unemployment in rural areas, which is above 50%. In the majority of the regions, levels of employment are higher, but still very much below than in urban areas and non-agricultural industries. Employment in agri-industrial sector had been decreasing over the referred period of 2000-2013, while employment in non-agricultural industries had been increasing. As of 2013, number of people employed in agriculture-related industries decreased on 6% (244 thousand people) in comparison to 2012 (State Council of the Russian Federation, 2014).

Share of agriculture-related industries in rural employment is very much affected by natural and environmental factors. As environmental conditions for agricultural production get worsened, the share of agriculture in rural employment decreases (Table 4).

Table 4. Share of rural population employed in agriculture in total rural population in federal districts of Russia in 2009-2013, %.

Federal district	2009	2010	2011	2012	2013
Russia, average	24.2	23.4	22.9	22.3	20.9
Central Federal District	22.7	21.1	20.2	20.3	18.7
North-West Federal District	12.6	10.5	10.4	9.4	10.1
South Federal District	28.0	28.3	25.7	26.1	22.6
North-Caucasus Federal District	30.4	31.4	29.1	28.4	29.3
Privolzhsky Federal District	27.9	25.8	26.7	25.2	24.1
Ural Federal District	16.4	17.1	17.2	16.5	16.2
Siberian Federal District	23.7	23.7	24.0	23.0	20.7
Far East Federal District	12.6	12.3	11.6	11.5	8.9

Source: State Council of the Russian Federation, 2014

As of the employment in rural areas in general, regardless of agricultural or non-agricultural jobs, the situation is getting better. There are still three regions in Russia with severe unemployment among rural population: Republic of Ingushetia (46.3% of rural people are unemployed), Republic of Tyva (29.7%), and Republic of Chechnya (26.1%). The major part of Russia's region are able to secure unemployment rate in rural areas below 10% (61 regions out of 82 in 2013), while some of the regions have higher rates of unemployment (Table 5).

Unemployment adversely affects level of income in rural areas. In the regions of Group 3 (with level of unemployment in rural areas over 20%), the relation of per capita disposable income of rural households to the level of the subsistence minimum is even negative (77.3% in the Republic of Ingushetia in 2012), while in the regions form Group 1 it is much higher (up to 321.5% in the Republic of Bashkortostan) (State Council of the Russian Federation, 2014). Chukotsky Autonomous District also has a negative income-subsistence ratio, while other regions keep that indicator in a positive field.

Table 5. Grouping of Russia's regions on unemployment rural areas in 2013.

Level of un-employment in rural areas, %	No. of regions	Regions
Below 10	61	<i>Republics:</i> Adygeya, Bashkortostan, Buryatia, Kabardino-Balkariya, Kalmykia, Mary El, Mordovia, Tatarstan, Udmurtia, Khakassia, Chuvashia <i>Krais:</i> Kamchatsky, Krasnodarsky, Krasnoyarsky, Permsky, Stavropolsky <i>Oblasts:</i> Arkhangelskaya, Astrakhanskaya, Belgorodskaya, Bryanskaya, Vladimirskaya, Volgogradskaya, Vologodskaya, Voronezhskaya, Ivanovskaya, Kaliningradskaya, Kaluzhskaya, Kemerovskaya, Kirovskaya, Kostromskaya, Kurganskaya, Kurskaya, Leningradskaya, Lipetskaya, Magadanskaya, Moskovskaya, Murmanskaya, Nizhegorodskaya, Novgorodskaya, Novosibirskaya, Omskaya, Orenburgskaya, Orlovskaya, Penzenskaya, Rostovskaya, Ryazanskaya, Samarskaya, Saratovskaya, Sakhalinskaya, Smolenskaya, Sverdlovskaya, Tambovskaya, Tverskaya, Tulskaaya, Tumenskaya, Ulyanovskaya, Chelyabinskaya, Yaroslavskaya <i>Autonomous oblasts and districts:</i> Nenetsky, Khanty-Mansiysky, Chukotsky, Yamalo-Nenetsky
10-20	17	<i>Republics:</i> Altay, Dagestan, Kalmykia, Karachaevo-Cherkessia, Karelia, Komi, Yakutia, North Osetia-Alania <i>Krais:</i> Altaysky, Primorsky, Khabarovskiy Zabaykalsky <i>Oblasts:</i> Amurskaya, Irkutskaya, Pskovskaya, Tomsckaya <i>Autonomous oblasts and districts:</i> Evreyskaya
Over 20	3	<i>Republics:</i> Ingushetia, Tyva, Chechnya

Source: State Council of the Russian Federation, 2014

Despite the positive income-subsistence ratio in the most of the rural areas, growth rates of nominal wage in agriculture fell. Average monthly nominal wage in rural areas in 2013 grew on 12.0% in comparison to 2012 (in 2012 growth rate was 13.4%), and reached €370. Taking into account inflation and faster growing nominal wage in non-agricultural industries, the actual relation of wages in agriculture to the average national level decreased down to 52.19% (Table 6).

Table 6. Average monthly nominal per capita wage in rural areas of Russia*.

Indicator	2000	2012	2013	Variation: 2013 to 2000, %, (+,-), p.p.	Variation: 2013 to 2012, %, (+,-), p.p.
Average national, Euro**	83.35	657.66	706.77	845.92	107.47
Average in agriculture, Euro**	36.93	348.95	368.88	998.86	105.71
relation to national average, %	44.31	53.06	52.19	7.88	-0.87
absolute variation, Euro	46.42	308.71	337.89	291.47	29.18

* Presented financial numbers are real, inflation is considered (Rosstat, 2014).

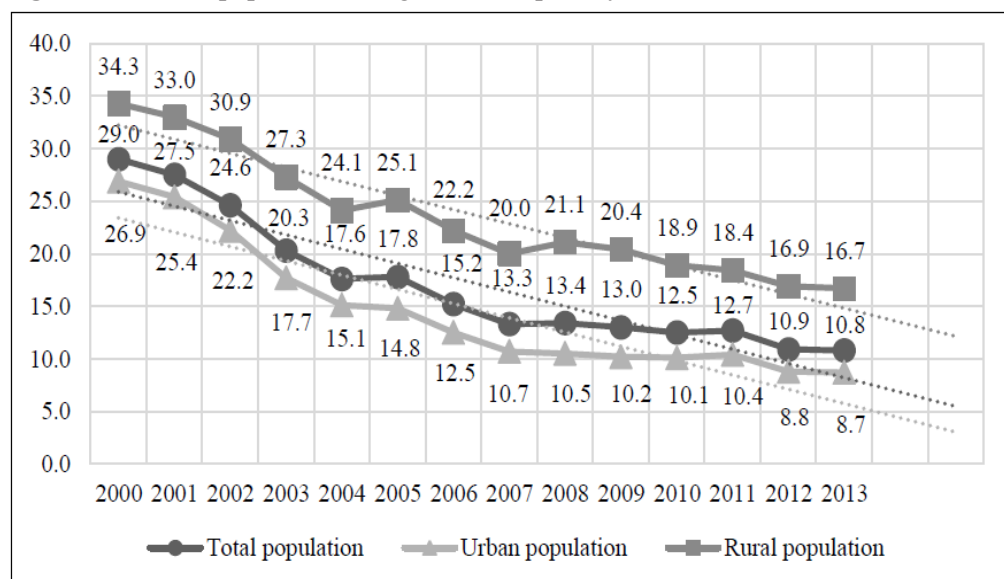
** Author's recalculation into Euro based on (Central Bank of the Russian Federation, 2014).

Source: Author's development based on (State Council of the Russian Federation, 2014; Rosstat, 2014; Central Bank of the Russian Federation, 2014).

As to the income-subsistence ratio itself, it increased over the referred period. In the majority of regions the per capita disposable income of rural households exceeds the level of the subsistence minimum at least twofold. Leaders are Moscow Oblast (threefold), Belgorod Oblast (3.4 times), and Leningradskaya Oblast (3.8 times). Outsiders are Republic of Dagestan, Republic of Chechnya, and Republic of Tyva.

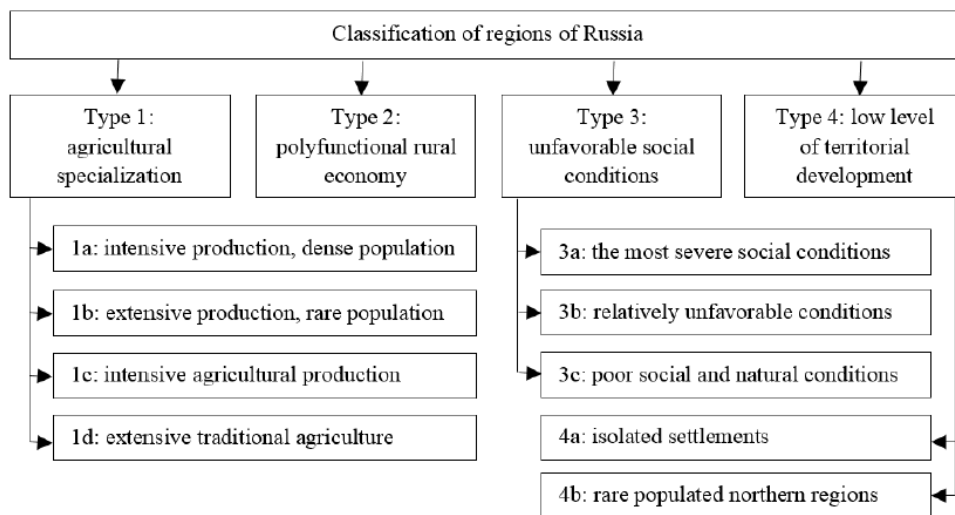
Total number of people living below the poverty line was 15.6 mln in 2012; share of those people in total population was 10.9% (State Council of the Russian Federation, 2014). Over 2000-2012 number of people with income below the minimum subsistence level decreased almost threefold. Rural people amount to 40.4% of all Russia's population living below the poverty line (Figure 3).

Figure 3. Share of population living below the poverty line in Russia in 2000-2013, %.



Source: Author's development based on (State Council of the Russian Federation, 2014)

Considering the existing essential differences between regions of Russia in the sphere of rural development, social and demographic potential, development of infrastructure, employment, income levels, and natural conditions, it is worthwhile to group the regions by types. As of Merzlov and other researches (Merzlov, Ovchintseva and Popova, 2012; Merzlov et al, 2012), there are four types and nine subtypes of the regions depending on the character of rural development, utilization of available agricultural and environmental resources, level of social and demographic development, and threats to sustainable development of rural areas. We have concluded those types and subtypes into the chart for the purposes of further investigations (Figure 4).

Figure 4. Classification of regions of Russia on the level of rural development.

Source: Author's development based on (Merzlov, Ovchintseva and Popova, 2012; Merzlov et al, 2012).

Regions of Type 1 are the major agricultural and rural zones of the country. They have predominantly agricultural specialization of their rural territories and favorable natural, environmental, and social conditions of sustainable rural development. Those regions, while accommodating 18% of Russia's territory, amount to 64% of total rural population of the country and about 60% of the national gross agricultural production.

Regions of the Type 1 are divided into four subtypes depending on the level of intensification of agricultural production and density of rural population. Thus, regions of the Subtype 1a are densely populated and develop intensive agricultural production. Those are the regions of the Central Black Earth Region (central part of the European Russia) and North Caucasus. Rural settlements are predominantly big, with an average size of over 100 inhabitants. Occupying only 2.4% of the Russia's territory, those regions amount to one fifth of total rural population of the country and one fourth of national gross agricultural production. The major characteristics of those regions are high level of land reclamation (70-80%), migration attractiveness, and high-productive agriculture. Rural development in those regions is based on favorable farming conditions, labor resources of proper qualification, high return on investments, intensification of agricultural production, and development of large-scale agricultural production (Trukhachev, Lescheva, 2010; Lescheva, 2008). However, regions of the Subtype 1a still have certain structural problem, which threat sustainable rural development: low regulation of land relations, growing unemployment in mono-functional rural areas (Bondarenko, 2011), low level of environmental management, and social and ethnic conflicts (Merzlov et al., 2012).

Regions of the Subtype 1b, on the contrary to the Subtype 1a, have predominantly extensive type of agricultural production and dense rural population. Those are the regions of southern parts of Volga River, Ural, and Western Siberia. They are less diversified in terms of agricultural

production when comparing to the Subtype 1a; their major specialization is grain production. Although those regions produce about 22% of national gross agricultural production, they do that on the much bigger acreage (7% of Russia's territory). Potential of sustainable rural development in those areas is related to favorable demographic structure (even taking into account the existing density of population), essential land resources, and development of small and medium farms, including in the sphere of animal production. The main concerns in terms of long-term sustainable rural development are low level of diversification of rural economy, underdeveloped and outdated rural infrastructure, and narrow market for local agricultural products and food because of rare population and long distances between settlements (Merzlov et al., 2012).

National republics of middle Volga River and Ural region are classified as Subtype 1c. They have intensive agricultural production (13% of national gross agricultural production with only 2% of territory of Russia). Those regions are characterized by essential regional support to local agricultural producers and rural development (especially in the Republic of Tatarstan and Republic of Bashkortostan), which makes them attractive for migration and secures employment and traditional rural way of life. However, as most of the regions in Russia, there are certain problems related to outdated production and distribution facilities, underdeveloped social and medical infrastructures in rural areas, and lower living standards in rural areas in comparison to cities.

The last subtype of the Type 1 includes republics of North Caucasus and regions of Siberia with traditional extensive agricultural production. One of the major advantages of the regions of the Subtype 1d is high natural increase of population (average natural increase is 5.6%). Since those regions are predominantly mono-ethnic, social tensions in rural areas are lower in comparison to the regions of the Central Russia. Traditions are very important, that is why rural way of life is a kind of value even for young people (which are an additional factor of retention). Agricultural production amounts to 21% of gross regional production in the regions of North Caucasus (10-14% in Siberia). Density of rural population varies depending on the region, natural conditions, and development of agricultural production (from only 1.3 inhabitants per square km in Siberia up to 33 inhabitants per square km in the regions of North Caucasus).

Type 2 includes regions with diversified rural economy, agricultural production of a suburban type and favorable social conditions. There are only two regions in Russia, which are closely connected to the biggest urban agglomerations of Moscow and Saint-Petersburg (Moscow and Leningrad Oblasts correspondingly). Such proximity conditions strong orientation of agricultural production on urban markets, developed rural infrastructure of a suburban type, high migration attractiveness, growing share of services and non-agricultural activities in rural employment, and intensive utilization of recreational resources. Agricultural production is predominantly concentrated in big agricultural organizations and integrated complexes (Trukhachev, Lescheva, 2010). Potential of sustainable rural development is preconditioned by the highest migration attractiveness of those regions in Russia, opportunity to use urban infrastructures and to get better employments in the cities, proximity of high-capacity urban markets with developed distribution and transport infrastructures. However, those advantages

easily pass into threats to sustainable rural development, particularly to land tensions, shortage of natural and environmental landscapes, high pollution, high costs of production because of growing prices for land and labour, and migration of the qualified labor resources to cities.

Regions of the Type 3 have unfavorable social conditions for the purposes of sustainable rural development and vast zones with attributes of economic and social depression. The major common characteristics of those regions are depopulation and social degradation of rural areas, as well as the growing gaps between living standards in rural and suburban areas. The regions of Type 1 occupy one fifth of the Russia's territory and provide about one fourth of national gross agricultural production. However, this share in gross production is getting shortened.

Regions of the Subtype 3a have the most severe social conditions: rare rural population (4 inhabitants per square km), small average size of settlements (below 100), continuing depopulation, and migration outflow (net migration decline is 2.5 permille). Because of low employment opportunities in rural areas people move to cities. The major threats to sustainable rural development are also ageing, migration outflow of young people (up to 17 permille), social degradation and growing social tensions, underdeveloped rural infrastructure, bankruptcy of agricultural producers, low labour efficiency, high production costs, abandoned settlements, and derelict land. The way to increase effectiveness of rural economy in those areas may be related to diversification and development of alternative types of activities and sources of income.

Subtype 3b includes regions with better social conditions and higher density of rural population (11 inhabitants per square km in average). When comparing to the Subtype 3a, those regions have better economic and social preconditions for sustainable rural development; however, there are still tendencies of social and economic depression observed. Local agricultural organizations lack labour resources of high qualification, rural settlements suffer from migration outflow of young people and ageing of population.

Regions of the Subtype 3c are characterized by a combination of unfavorable social and environmental conditions. Those are the regions of Ural, south of Siberia, and Far East. Density of rural population is very low (2 inhabitants per square km in average). Agricultural production is not a predominant type of rural activities, since many people are involved into forestry and mining. As other rural areas of the country, regions of the Subtype 3c suffer from migration outflow and underdeveloped infrastructure.

The rest of the regions are related to the Type 4. Those are northern and eastern parts of the country with area of 62% of Russia's territory and population of only 6% of total population. The regions are not heavily involved in agricultural production, and their impact into the national gross agricultural production is very small. Subtype 4a includes regions of northern part of Russia and Far East. Rural people in those regions are employed in forestry and mining. Agricultural production is supported by regional and federal budgets. Bankruptcy of forest-industry enterprises, high unemployment and migration outflow create serious threats to development of rural areas.

The biggest territory out of all regions of Russia is occupied by rare populated regions of the High North. Occupying over 44% of the territory of Russia, those regions accommodate only 2% of rural population. Average density of population is extremely low – below 0.08 inhabitants per square km. Agricultural production includes traditional industries of indigenous Arctic ethnic groups, such as reindeer husbandry, hunting, animal breeding, and fishing. Apart from common problems of migration outflow and underdeveloped rural infrastructures, the serious threat to sustainable development of those regions is environmental pollution caused by mining enterprises.

Concluding the conducted classification, we have to emphasize, that regions of the Type 1 are characterized by the growing role of agricultural production in rural development (upon condition of modernization of traditional agricultural production). In order to ensure sustainable rural development in those regions it is necessary to promote introduction of innovation into agriculture, diversification of rural economy, infrastructural development of rural areas, and alternative sources of income for rural people, including in the areas, not related to agriculture.

Regions of the Type 2 are characterized by the highest convergence of rural and urban areas, outrunning growth of services and recreation up to supersession of traditional agricultural activities, and absorption of labour resources by urban and suburban areas.

Group 3 includes regions with the severest economic and social depression of rural areas. The biggest constraints of sustainable development of rural areas in those regions are shortage of labour resources and underdeveloped infrastructure.

Regions of the Type 4, occupying the biggest territory, have the smallest share in total rural population and national gross agricultural production. Those regions are very rarely inhabited, and are very risky for any kind of agricultural production, except traditional hunting, fishing and animal breeding of local ethnic groups.

The above presented classification, however, still does not reflect the whole range of differences between rural areas in Russia. Local regional differences are sometimes even stronger, than the interregional ones. That very much depends on a number of factors, including economic, social, environmental, geographic, historic, cultural, and ethnographic. That is why elaboration of strategic directions of rural development and related state and regional policies has to consider both existing interregional differences and internal identities of every district and even settlement.

Conclusions

International approaches to sustainable rural development include such categories as conversion of agricultural production into the organic one, preservation of biodiversity, and involvement of local societies into elaboration of rural development policies and their implementation. Russia still lacks those directions in its rural policies, at least in practices of rural development. There are no sufficient support of small farms and rural households, promotion of diversification of rural economy, and

development of information and consulting services for local agricultural producers and relevant infrastructure.

As our research has shown, regions of Russia are very much diversified in terms of current economic and social situation in rural areas, contemporary rural policies and potentials of sustainable rural development. The currently introducing national concept of innovation development and modernization of agri-industrial sector may increase those gaps even further, since rural areas with favorable conditions will continue developing, while depressed territories will continue suffering from growing migration outflow and degradation of rural settlements.

That is why “industry-based” approach should be transformed into a “regional-based” approach in order to eliminate gaps between regions and promote economic development of rural territories in the stagnated regions. The existing state policy of rural development, particularly the Federal Target Program “Sustainable Development of Rural Areas in 2014-2017 and to 2020” recognizes regional specifics (provision with natural, social and labour resources, development of rural infrastructure, environmental conditions of agricultural production, etc.). However those specifics do not very much affect the actual budget allocations, since volumes of financial support often depend on political issues and loyalty of local authorities.

Classification of regions on the level of rural development is necessary in order to determine priority zones for development and directions of support. Permanent structural shifts in rural employment and drain of skilled labour resources from rural areas call for diversification of rural economy, support of small and medium businesses, development of cooperation of farmers and integration of big agricultural producers, and promotion of non-agricultural job alternatives in rural areas (tourism, services, etc.).

The set of measures to be considered by the next Rural Development Strategy 2030 includes implementation of rural development issues into the national and regional development strategies; consideration of tasks of sustainable rural development in the rural area planning schemes; improvement of rural infrastructure, including transport and communications; analysis of environmental problems and existing threats to sustainable environmental development; elaboration of measures to secure biodiversity; expand special support measures, such as for young people and families, in order to retain them in rural areas; increase of investment attractiveness of rural areas in general and rural settlements in particular as local centers of rural development.

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