

# PRIMARY AREAS OF LABOR FORCE DEVELOPMENT IN RUSSIAN RURAL TERRITORIES

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## ABSTRACT

*Nowadays labor force becomes one of the key factors that contributes to economic growth of Russian rural territories which are characterized by deteriorating demographic situation, rising poverty and unemployment, high migration outflow of population, worsening social infrastructure, etc.*

*In result of comprehensive analysis the authors concluded the growing importance of rural labour force development in Russia.*

*The primary areas of labour force development which has been proposed by authors includes strengthening health care system of rural population, ensuring appropriate standard of living, stimulating entrepreneurial activity and self-employment, raising educational and professional level of the rural population, encourage inter-territorial migration will leads to higher employment rate and agricultural development in Russia.*

**Key words:** development of the labor potential, population of agricultural territories, rural employment, agrarian unemployment, migration.

## INTRODUCTION

The prevailing part of the territory of Russia is rural areas, which are home to almost a third of the country's citizens. These areas, with their solid natural, demographic, economic, historical and cultural potential, are able to make a greater contribution to addressing the problems of economic growth and social development of the country. However, steady stagnation of rural areas has been seen over recent years. The authors have set the task in this article to define the factors determining the development of the agrarian labor potential, provide a forecast of the core indicators of rural employment and justify the key areas of development of the labor potential.

According to the authors, building the labor potential of the population of rural areas is determined by the following factors in the current conditions: economic (capital-labor ratio of agricultural enterprises, investment potential of rural areas, financial resource capacity and availability for the development of small and medium businesses, the number and efficiency of development of households and self-employment in agricultural areas, etc.); social (provision of amenity infrastructure, state of the labor market, payroll rate, economic activity of the rural population, working conditions, etc.); demographic (migration, life expectancy, death rates, structure of vocational education and training, etc.); natural and climatic

(climatic pattern, geographical feature, degree of the territory development, quality of land resources, availability of natural resources, fertility of soils, etc.); cultural (prestige of agrarian specialties, mobility, housing conditions, availability of cultural facilities, organization of youth leisure, etc.), and others. Of course, it is difficult to analyze the influence of all factors in this article, therefore only few of them will be explored.

According to the authors, the following key factors have a positive impact on the development of the labor potential of the population of rural areas: possibility to increase the labor potential at the expense of the labor resources of rural areas and redistribution from excess working regions; great opportunities for development of the environmentally friendly agricultural production; high natural and resource potential; availability of considerable unused labor resources; relatively low cost of labor; high investment appeal of rural areas, etc. According to the authors, the following factors can be named as hampering the development of the labor potential of rural areas: unfavorable demographic situation; high rate of unemployment among rural population; outflow of rural population to cities; low payroll rate and income of the rural population; state of health of the rural population; insufficient level of rural infrastructure development; low level of housing improvement; stagnation of production and jobs in the basic branches of the rural economy; unfavorable, unattractive working conditions, etc. [Mirzabalaeva F.I., Alieva P.R., 2016]. According to the authors, the definition of the main areas of development of the labor potential of agricultural areas, taking into account the factors listed above, is very important.

## METHODS

In the process of research, the authors used statistical methods, methods of sociological research, and methods of economic and mathematical modeling. The socio-economic systems are subject to severe volatility, and a change in the structure of indicators is observed in the conditions of globalization of the economy and state regulation. Due to this, relevant and flexible statistical tools should be used to forecast changes in complex socio-economic systems, which the labor market belongs to. In our view, additive methods should be used to forecast the labor potential of rural areas. The ARIMA method is a variation of the additive forecasting methods. It is used in the forecasting practice in cases where time series have a complex structure and therefore their simulation using traditional approaches does not produce an adequate result. The conducted analysis of the forecasting methods has shown that the autoregressive integrated moving average model (ARIMA, the Box-Jenkins model) should be chosen to build a forecast for the development of labor potential in the rural areas. Size of population engaged in agricultural production in the period of time  $t$  ( $Y_t$ ), taking into consideration the range of  $r$  exogenous factors  $x_{kt}$ , looks as follows:

$$\Delta^d Y_t = c + \sum_{i=1}^p a_i \Delta^d Y_{t-1} + \sum_{j=1}^q b_j \varepsilon_{t-j} + \varepsilon_t + \sum_{k=1}^r g_k x_{kt}$$

where  $\varepsilon_t$  is a stationary time series (autocovariance process);

$c, a_i, b_j, g_k$  are parameters of the model;

$\Delta^d$  is an operator of the difference of time order  $d$ .

Data for the period from 2000 to 2014 are used to forecast the size of population employed in rural areas for 2025 (Table 1) ( $Y_t$ ).

<b>Table 1</b>	
<b>SIZE OF POPULATION EMPLOYED IN RURAL AREAS IN THE RUSSIAN FEDERATION, THOUS. PEOPLE.</b>	
Years	Size of population engaged in agricultural production, thous. people.
2000	8,366.8
2001	7,929.1
2002	7,640.2
2003	7,217.1
2004	7,300
2005	7,489
2006	7,254
2007	7,045
2008	6,774
2009	6,683
2010	6,622
2011	6,565
2012	6,467
2013	6,364
2014	6,247

Source: Compiled based on the data from the Federal State Statistics Service  
[http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/wages/labour\\_force/#](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/wages/labour_force/#)

The time series under study sees a distinct trend: average values of the size of the rural population are gradually decreasing. As a result, it can be concluded that the time series is rheonomous. Standard procedures are required to bring it to a state suitable for forecasting: periodic data evaluation, taking logarithms, etc. A logarithmic transformation is applied to reduce the variance of the analyzed series. A monotonic decreasing trend was revealed in result of this transformation. The trend is removed from the data using the first-order difference operator.

Autoregressive and autocorrelation components are used to take into account the impact of the key factors on the size of population employed in rural areas. The following exogenous variables of the model are singled out: state of the amenity infrastructure in rural areas; state of industrial infrastructure in rural areas; size of the average monthly wage in agriculture; federal and regional programs of state support for agricultural producers; state programs to support young professionals working in the countryside.

Years	state of the amenity infrastructure in rural areas	state of industrial infrastructure in rural areas	size of the average monthly wage in agriculture	federal and regional programs of state support for agricultural producers	state programs to support young professionals working in the countryside
2000	3.7	4.0	3.0	4.0	3.0
2001	3.6	4.1	3.0	4.0	3.0
2002	3.6	4.2	3.0	4.2	3.0
2003	3.6	4.2	3.0	4.3	3.0
2004	3.6	4.4	3.0	4.4	3.0
2005	3.5	4.4	3.0	4.4	3.0
2006	3.5	4.4	3.0	4.5	3.2
2007	3.6	4.5	3.2	4.6	3.3
2008	3.5	4.8	3.3	4.8	3.4
2009	3.4	5.0	3.4	5.0	3.5
2010	3.3	5.0	3.4	5.1	4.0
2011	3.3	5.3	3.5	5.2	4.5
2012	3.3	5.4	3.6	5.5	5.0
2013	3.5	5.6	3.7	5.8	5.0
2014	3.5	5.8	3.8	6.0	5.0

Source: Compiled by the authors based on the results of the study

Empirical research methods were used to evaluate the exogenous factors that have impact on the state of the labor potential of rural areas. During the survey, 60 experts (20 teachers of agricultural universities and 40 top managers and senior specialists in rural areas of the Ryazan region) were polled. Assessments of the state of selected factors on a scale from one to ten were

obtained as a result of the questionnaire of the expert group within the framework of the study (Table 2).

The actual data obtained in result of the questioning of experts were normalized. An integral evaluation of the factors influencing the development of the labor potential of rural areas

$X_{hkt}$  was given using averaging, standardization to the level of the initial value of the time series, as well as the convolution of expert evaluations of n factors.

$$X_{kt} = \sqrt[n]{\prod_{h=1}^n X_{hkt}} = 1,239$$

where  $X_{hkt}$  is a standardized evaluation of factor h at the time t.

As such, a process of improvement of the state of labor potential in rural areas emerged, determined by the growth of the investment attractiveness of the agricultural sector, and further by the adoption and implementation of state programs for the development of the agrarian sector. However, despite positive trends, the integral indicator of the group of qualitative factors of the labor potential of rural areas still remains quite low (1.239), which is caused by multiple problems in the agribusiness of the country.

As such, structural changes in the demand and supply of workforce take place in the rural labor market, which must be taken into account when drafting forecast scenarios for the development of the sector.

The first scenario can be attributed to the category of extensive. This is determined by the fact that it is supposed to maintain the existing trends in the development of labor potential in rural areas. The development of rural areas under the extensive scenario does not merely mean an increase in the size of labor resources in the sector, but also the presence of a progressive component, the share of which corresponds to the actual rates of development of the agricultural sector, taking into consideration the further implementation of the objectives for the priority national project "Development of agribusiness" [Federal target program "Sustainable development of rural areas for 2014-2017 and for the period through to 2020. 2013]. This scenario assumes the growth of the scale of agricultural production with a simultaneous systematic increase in labor productivity (about 4% per year) and an increase in high-performance jobs by 171,000.

The second scenario can be attributed to the category of intensive. It suggests the qualitative economic growth and describes the accelerated variant of development of the labor potential of rural areas. The intensive scenario will be based on the active state support, realization of major investment projects, attraction of domestic and foreign investors. Improvement of the quality of human capital assets and use of high-tech industries on this basis are fundamentally important. The conducted calculations allowed to build a forecast of the size of population engaged in agricultural production in 2025 for each of the forecasts. Under the intensive scenario of development of the labor market, the size of population engaged in agricultural production will amount to 7,740 thous. people, while under the extensive scenario it will amount to 6,414 thous. people.

The next stage in the formation of scenarios for the development of labor potential in rural areas is the calculation of the key technical and economic indicators for each scenario (Table 3). Actual rural population figures were taken for calculation of the performance indicators. Implementation of the developed forecasts will allow to reduce the unemployment rate to 8.5

and 8.3%, respectively. As such, the conducted research revealed that the implementation of the development of relevant measures would lead to positive results in the labor market. They will allow to increase the level of employment and income of the rural population significantly, to reduce the spread of poverty, etc. The developed forecast of development of the labor potential can be used by state authorities in formulation of the strategy for rural development, while methodological approaches and indicators can be applied to found the projects for the programs to ensure sustainable development of the rural market of labor.

Indicators	Actual (2015)	Scenarios for development (2025)	
		extensive	intensive
Size of population living in rural areas, thous. people	37,887	37,060	37,060
Size of population engaged in agricultural production, thous. people	6,293	6,414	7,740
Average monthly wage in agriculture, rub.	19,721.1	29,192.05	66,854.53
Labor productivity, thous. rub.	281.0	415.95	2,395.63
Unemployment rate in the rural area, %	8.6	8.3	7.8

Source: Compiled by the authors based on the results of the research

## **RESULTS OF THE RESEARCH**

Let's consider the actual situation in the rural market of labor and the impact of some of the factors on the processes of shaping the labor potential of agrarian territories. Rural unemployment is one of the most serious problems, which is one of the risks that contribute to the growth of poverty and hinder the sustainable development of the labor potential of rural areas. The level of employment of rural population in economically active age has increased from 57.8 in 2010 to 60.7% in 2015, while the level of general unemployment over this period has decreased from 10.6 to 7.9% (Table4).

At the same time, the situation in the social labor field of rural areas remains complicated. There were 1,540 thous. Unemployed in rural areas in 2015, including 1,411 at employable age [Survey of population on employment issues, 2015]. The level of general unemployment in rural areas is almost twice as high as in urban areas (Figure 1).

Men dominated in the distribution of unemployed people by sex in 2015: their share amounted to 55.7% of total unemployed. In the age structure of this category of unemployed, the most numerous were the groups of the population 20 to 49 years old inclusive, i.e. young people and the average employable age, while the least numerous were the groups 15 to 19 and 50 to 72 years old, i.e. young people and those in the senior employable age. In the composition of the unemployed by marital status, 49% were married and, accordingly, 51% were single. The largest mass educational group among the unemployed was represented by persons with secondary general (35.6) and secondary vocational (37.4) education, while the smallest groups were people with higher professional education (11.6). At the same time, only 35% were registered, while the remaining unemployed were socially unprotected in the market of labor: they did not receive

Unemployment benefits, assistance in employment, vocational guidance, training and retraining. Excess of the scale of general unemployment over the scale of registered unemployment in 2015 was almost 3 times. Across the subjects of the Russian Federation, the ratio of total and registered unemployment in rural areas varies from 1.2 times in the Chukotka Autonomous District to 9.3 in the Republic of Mari El.

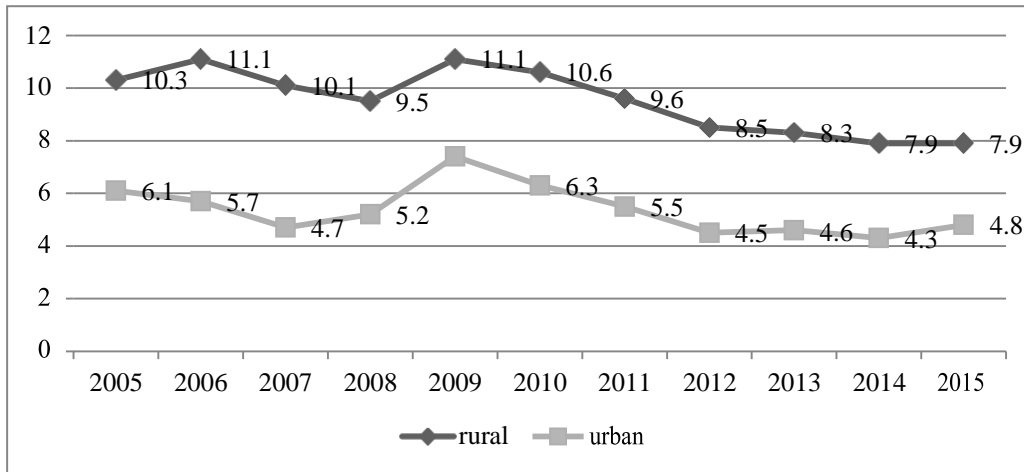
**Table 4**  
**INDICATORS DESCRIBING THE SITUATION IN THE RURAL LABOUR MARKET**

	Total, thous. people	of which		Labor force partici pation	Employment rate, %	Unemployment rate,%
		employed	unemployed			
2005	17,789	15,952	1,836	62.7	56.2	10.3
2006	18,249	16,223	2,026	63.1	56.1	11.1
2007	18,380	16,523	1,857	63.8	57.4	10.1
2008	18,329	16,595	1,734	64.0	57.9	9.5
2009	18,479	16,423	2,056	64.9	57.6	11.1
2010	18,308	16,362	1,947	64.7	57.8	10.6
2011	18,345	16,592	1,753	65.7	59.4	9.6
2012	18,100	16,561	1,540	65.8	60.2	8.5
2013	18,081	16,579	1,502	65.7	60.2	8.3
2014	17,893	16,484	1,408	65.7	60.6	7.9
2015	18,133	16,694	1,438	65.9	60.7	7.9

Source: compiled by the authors on the basis of Rosstat data [Workforce, employment and unemployment in Russia (based on the results of sample labor force surveys). 2016. – p. 16.]

The actual figures of rural unemployed people outside the state-regulated market of labor are much higher than recorded in official statistics. The matter is that when the unemployed are accounted according to the ILO methodology, not all citizens who do not have a profitable occupation and express a desire to work are assigned this status. The unemployed do not include the population looking for job but not ready to start it at the time of the survey on employment issues, as well as those who are not looking for job, including those who gave up finding job [Bondarenko L., Tatarova L., 2014.]. A large gap between the number of unemployed counted according to the ILO methodology and the number of those registered is explained by the fact that the prestige of the state employment services as an authority capable of solving the problems of the unemployed is very low and application there for help in employment is low.

**Figure 1**  
**GENERAL UNEMPLOYMENT RATE IN URBAN AND RURAL AREAS, % (COMPILED BY THE**  
**AUTHORS USING THE ROSSTAT DATA. [WORKFORCE, EMPLOYMENT AND UNEMPLOYMENT**  
**IN RUSSIA, 2016, P.15-16.]**



The unemployment benefit does not provide the minimum required rate of replacement of lost earnings; the jobs offered do not meet the requirements of those in need of employment, as they are mostly jobs with wages below the subsistence line or with hard working conditions, etc. In rural areas, the situation is aggravated by the territorial remoteness of employment centers, lack of any jobs at the place of residence, and poor awareness of the population about the kinds of assistance that employment services can provide.

Long-term unemployment is characteristic for the majority of rural residents; 33.7% of them had no job for more than one year in 2015. It must be noted that 26.8% of unemployed were in a situation of hard-core unemployment in rural areas in 2010. Long-term unemployment is one of the most acute social problems of the modern market of labor in rural areas. It leads to de-qualification of the workforce and the accelerated depreciation of human capital assets, increased poverty and economic inequality, as well as weaker motivation to seek for a job. Besides, hard-core unemployment does not fulfill the functions of anti-inflationary restraint and reconciliation of supply and demand in the labor market. Unemployment also affects the mental and physical health of the rural population. According to opinion polls, 40 to 75% of various categories of unemployed people experience feelings of frustration, loneliness, resentment, uselessness, anxiety, uncertainty and despair. They get insomnia, depression, irritability, decreased vitality and nerve strain. In these conditions, along with supporting the income of unemployed people, it is necessary to more actively implement measures aimed at improving their physical and mental well-being and eliminating social isolation [Rodionova L.V., 2012].

Poverty is the most severe social consequence of unemployment. Rural poverty is described by a massive nature and particular depth. Its rate exceeds 80% in some settlements, and the poor population is not able to solve the basic tasks of development of the agrarian economy and the social field of the village, let alone economic development. Their employment in decent jobs is the most efficient way to overcome poverty and the most important prerequisite for the transition of rural areas to sustainable development.



Migration is another important factor affecting the formation of labor potential. The share of urban residents amounted to 1/3 by the end of the 1930s, to 1/2 in 1957, and to nearly 3/4 of the population of Russia in 1991, reaching the highest number of over 108 mln people by 2016 .

According to the National Census 2010, more than 37 million people or 26% of the country's population live in 154 thousand rural settlements. At the same time, 40% of these rural areas are classified as underpopulated – no more than 10 people living within one settlement. Intra-Russian migration mobility contributed to a predominant concentration of population and labor resources in the central, north-western and southern regions, and to the formation of a personnel deficit in the northern and eastern regions of the country at the same time. Unbalanced flows of workforce in Russia, which lead to an uneven distribution of labor resources across the country, particularly to their surplus in some regions and shortages in others, have the most negative impact on the agribusiness of the country. This often causes a high level of unemployment, the most characteristic for the labor-surplus regions of Russia in the first place, which is one of the reasons for the outflow of the rural population [Shichkin I.A., 2015].

In general, the scale of internal migration in Russia during 1989-2010 was described by negative dynamics, which led to a reduction in the number of internal migrations more than twice. Since 2011, as a result of changes in the procedure for statistical accounting, in particular the inclusion of persons registered in the place of stay for a period of 9 months or more in the permanent migrants, the statistics has included people who have lived for a long time outside the place of permanent residence and temporarily registered there for a specified period – for example, students. Therefore, according to Rosstat data, the scale of internal migration in the period of 2011-2015 increased significantly, nearly reaching the 1990 level. However, if the former instruments of statistical accounting are operated, the actual volumes of internal displacements remain in the range of 2-2.5 mln people [Size and migration of the population of the Russian Federation in 2015. 2016, [http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/publications/catalog/doc\\_1140096034906](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/publications/catalog/doc_1140096034906)].

**Figure 2**  
**DEMOGRAPHIC YEARBOOK OF RUSSIA, 2015, P. 15.**

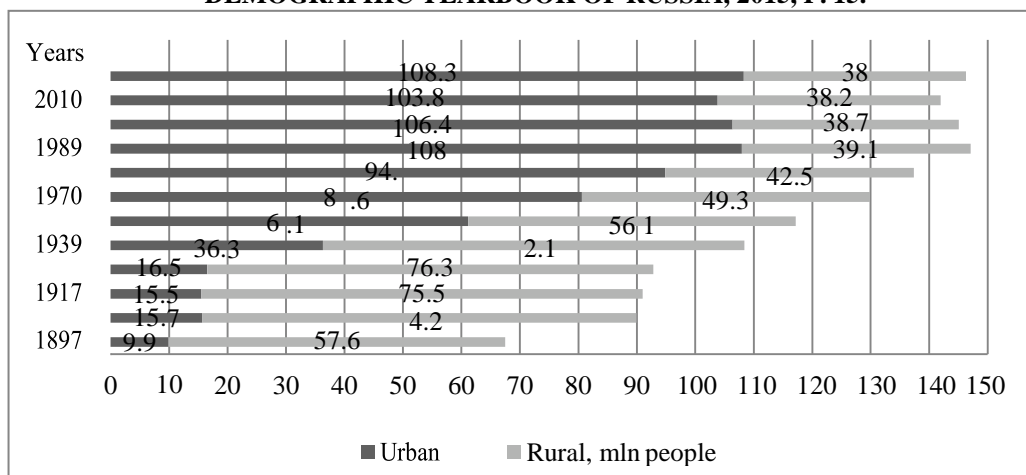
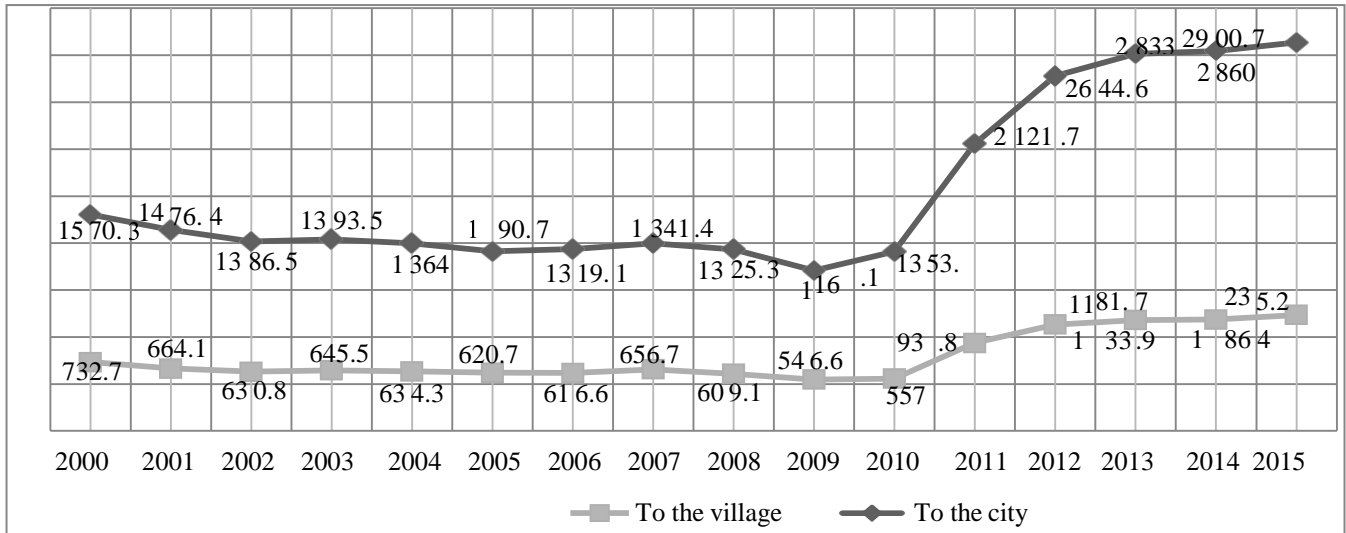


Figure 2 : Size of urban and rural population in Russia, according to census and the current accounting

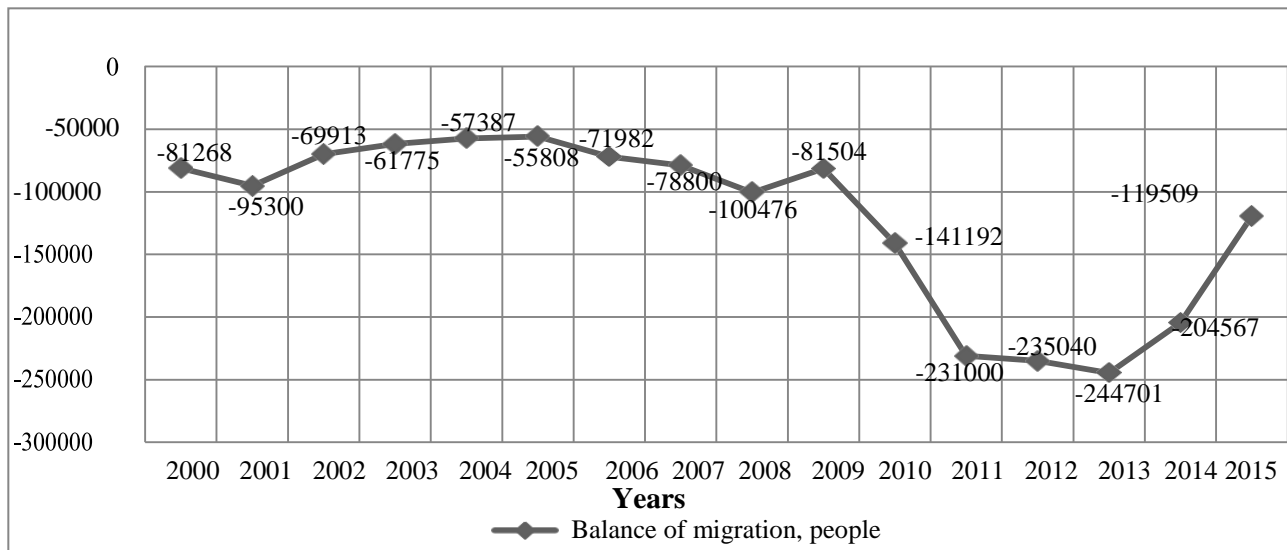
**Figure 3**  
**NUMBER OF PEOPLE WHO HAVE ARRIVED TO URBAN AND RURAL SETTLEMENTS OF RUSSIA**  
**OVER THE PERIOD 2000-2015, THOUS. PEOPLE**



In recent years, urban settlements and agglomerations have improved their migration appeal, accumulating both domestic and foreign labor resources. Meanwhile, the outflow of the rural population of Russia to cities continues, which is partly offset by immigration of foreign citizens, who often give preference to rural areas (Figure 3). Migration of rural population to urban areas contributes to the excessive concentration of labor resources in relatively small areas and to the elimination of smaller settlements. The exploitation of agricultural lands, which are the main resource potential of the agribusiness of the country, becomes problematic without such settlements. When describing the current trends of population exchange with rural settlements in Russia, it must be noted that migration turnover grew by 1% in 2015 in comparison with the figure of the year before, including a 10% growth in the share of foreign citizens residing in rural areas. Meanwhile, migration loss amounted to 137,871 people in 2014 and 47,535 people in 2015, mainly due to women leaving the village, as their share among the migrants to the urban area is higher than that of men. On the contrary, foreign migrants living in rural areas, mainly for the purpose of carrying out labor activities, were dominated by men by 38% and 27%, respectively, over the period of 2014-2015.

As a result of migration exchange with urban settlements, the rural areas of Russia have lost about 1.7 mln permanent residents over the past 15 years, with the most intensive urbanization processes occurring in 2011-2013 (Figure 4).

**Figure 4**  
**NET MIGRATION IN RURAL AREAS RESULTING FROM INTRA-RUSSIAN POPULATION EXCHANGE WITH URBAN SETTLEMENTS OF THE RUSSIAN FEDERATION OVER THE PERIOD OF 2000-2015, PEOPLE.**



Employable population shows the most active migratory mobility. The share of people of this age group in the total migration turnover of rural settlements amounted to 71.2% (1,961,827 people) in 2014 and to 70.5% in 2015; at the same time, the number of migrants (1,963,860 people) also increased. The number of foreign citizens of employable age amounted to 150,686 people or 77% in 2015. [Size and migration of the population of the Russian Federation in 2015. 2016, [http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/publications/catalog/doc\\_1140096034906](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/publications/catalog/doc_1140096034906)].

Young people of the 15-29 age group accounted for half of all incomers and 55% of those who left rural areas in 2015. The share of people with primary vocational education and secondary (complete) general education predominates among the migrants from rural settlements. In some cases, a steady migration outflow of the employable rural population in the reproductive age affects the socio-economic development of these areas. The relevant problem of building the labor potential of the country's agriculture is attracting and securing the youth, especially in the agricultural specialties, due to their low prestige and low wages. There is a high demand for skilled livestock breeders, machine operators, agronomists, animal technicians, veterinarians, builders, drivers, engineers, turners, accountants, teachers and paramedics in the village. Lack of qualified specialists in the agribusiness of Russia hinders the implementation of the current policy of import substitution.

An increase in the migration differentiation of the country's territory broken down by federal districts has been observed in recent years (Table 5).

<b>Federal district</b>	<b>Balance</b>	<b>Size of population as of January 1, 2016</b>	<b>Share of rural population, %</b>
Central	- 46,482	39,104,319	18
Northwestern	9,586	13,853,694	16
Southern	- 81277	14,044,580	37
Ural	24,007	12,308,103	19
Far Eastern	- 29351	6,194,969	24
North Caucasian	- 116,610	9,718,001	50
Siberian	- 110,315	19,324,031	27
Volga	- 213,954	29,673,644	29
Crimean	- 4431*	2,323,369	42

Source: \*Data on the Crimean Federal District are provided for 2015. 2016, [http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/publications/catalog/doc\\_1\\_140096034906](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/publications/catalog/doc_1_140096034906)].

Traditionally high rates of outflow of rural population to urban settlements of Russia are typical of the peripheral regions of the Volga, North Caucasian, Siberian and Southern Federal Districts. However, taking into consideration that the North Caucasian Federal District has high natural population growth and share of rural residents, a depopulation type of population reproduction has been formed in most regions of the Volga Federal District, along with a decrease in the share of rural residents, which affects the labor potential of the local population and sustainable development of territories. On the contrary, the positive balance of migration in rural areas in exchange with urban settlements has been observed in the Ural and, in recent years, the North-West Federal Districts.

Major Million-strong cities – Moscow, Saint Petersburg, Kazan, Ufa, Yekaterinburg, Nizhny Novgorod, and Samara – primarily enjoy migratory attractiveness for rural residents. At the same time, many rural migrants prefer to move to regional, republican and district urban settlements, because this often shortens the duration of social adaptation.

There are various reasons that impact migration flows, but it is primarily the lack of opportunities for an adequate life in the donor regions. The determinants of intra-Russian migration of the rural population include the uneven socio-economic development of the country's territories and the associated low level and quality of life in rural areas in comparison with urban settlements; low level of wages in agriculture and the public sector; unsatisfactory rates of construction and commissioning of individual residential buildings in rural areas; lack of or insufficient support of the rural population by local authorities in

the employment matters; unemployment due to a shortage or lack of vacant jobs for the employable rural population; a weak level of development of the social, road, transport, engineering and telecommunications infrastructure; limited opportunities for educational, professional and personal development.

## DISCUSSION OF RESULTS

Urgency of the problems identified in the study determines the expediency to develop a set of priority areas for the development of the labor potential of the rural population, including measures in the fields of healthcare, education, socio-economic and migration policy of the state, including:

1. Maintaining and strengthening the health of the rural population as one of the key components of the labor potential:

- construction and reconstruction of the rural health posts, as well as better transport and information equipping of district doctors;
- Provision of high-quality and affordable healthcare services;
- Decrease in the share of rural population addicted to psychoactive substances; and
- Propaganda of self-preserving behavior and a healthy lifestyle.

2. The following tasks need to be solved to ensure an adequate quality of life for the rural population:

- Increase of the level of wages in the economy, since they remain the main motive and material incentive for labor activities. In turn, the level of income determines a standard of living, which is a factor of the development of the human potential of the population, in particular rural population. It is very important to have a job with decent salary in modern society, which allows to ensure economic freedom for a working person and their family, which means solving housing problems in a place of residence, getting medical services on a commercial basis, developing, having vacations, etc.

- Implementation of new industry remuneration systems in order to ensure uniform approaches to regulating the wages of employees of budgetary organizations towards raising their remuneration. Equalization of the differentiation in the levels of remuneration in the branches of the national economy of the country in general is required. Average cost of labor in each profession must be calculated and codified at the state level. Regulating authorities are required to exercise control over employers in order to prevent labor remuneration below the subsistence level set in each region.

- Assistance in solving housing problems of the rural population. This area suggests using a mortgage lending system with state interest rate subsidies and elimination of the down payment in order to create opportunities to purchase housing under construction or ready-made housing, as well as land to build a house on. Development of regional housing programs with the participation of employers focused on the specialists in demand in rural areas is advisable.

- Construction and modernization of social infrastructure in rural settlements. The most important elements of the rural social infrastructure, which the rural population needs along with housing, include healthcare, educational, recreational, sports, retail and catering facilities. Development of these infrastructure components creates the conditions for increasing the intellectual, moral and physical health of the rural population and thereby contributes to the development of human potential. Availability of kindergartens, schools, health posts, cultural and sports centers in rural areas will slow urbanization processes. In this regard, it is advisable to take into consideration the experience of Belarus in the construction and development of agro-towns, which are modern and well-equipped rural settlements, where industrial and social infrastructure is created to ensure high social standards and an adequate standard of living for the local population and residents of the adjacent territories.

- Payout of a lump sum cash benefit – "rural maternal capital" – for each child born who has lived for more than three years in the village in the regions with the established depopulation type of population reproduction.

3. Intensification of entrepreneurial activity and self-employment is considered one of the key strategic areas of development of the labor potential of the rural population, including:

- creation of favorable conditions for the development of self-employment and small business of rural youth in agribusiness, including through preferential taxation and non-reciprocal subsidization of the promising business

initiatives.

- Grant support for rural youth projects and entrepreneurial initiatives (Kakkar, Vikas and Yan, Isabel K.M., 2011).

- Stimulation of investment activities, including through the reduction of the tax burden on investors engaged in investment projects in agriculture.

- Intensification of social responsibility of business in rural areas. State incentives in the form of grants, subsidies and tax preferences can intensify business efforts related to the implementation of educational and cultural programs, projects for the upgrade of rural areas, renovation of local infrastructure and various social events.

- Development of a state program to support ethno and agro-tourism. The rural residents can position their settlement as a tourist destination and actively promote various services and products by attracting investors, partners and customers (Peri, Giovanni, 2016). This will result in creation of additional jobs in the village and promote intercultural communication and the in-depth development of rural residents. It is advisable to strengthen this area in the context of the upcoming World Cup 2018, during which tens of thousands of foreign tourists can be introduced to the recreational and cultural component of rural areas of Russia.

- Reduction in unsustainable employment of rural population through mandatory conclusion of long-term employment agreements and strengthening of control over employers' compliance with all labor rights and provision of social guarantees for employees.

- Overcoming the culture of social dependency, formation of a stable focus on active participation in the life of the small motherland in the youth as a condition for improving the quality of life of the territory.

4. The following priority tasks must be solved in order to increase the educational and professional level of the rural population as a fundamental component of the labor potential:

- Development of the labor potential of the rural population by their professional training, advanced training and retraining. Continuous education should take a central role in the training system for agribusiness. Motivate rural residents to study and acquire new knowledge, skills and competencies throughout their lives.

- Adjustment of the structure of vocational education, taking into consideration the prospects of socio-economic development of rural areas, conducted on the basis of monitoring the labor market demands.

- Broad application of opportunities of distance learning and contract form of employment for graduates of educational institutions.

- Development of regional programs of agricultural exchange of highly qualified specialists for the dissemination of positive labor and entrepreneurial experience. Establishment of Centers of Excellence in agroindustrial production is advisable (National Farmers' Federation, 2014).

- Introduction of travelling seminars, short-term courses and special programs for training personnel that is in demand in rural areas into broad practice.

- Creation of opportunities for teaching the rural population the most popular skills: computer literacy, work on the Internet, customer care in the service sector, training communicative skills.

- Involvement of small and medium-sized businesses in training of young professionals for agribusiness, which suggests provision of opportunities for internships and subsequent employment. In addition, successful managers of agricultural enterprises can act as mentors and tutors for beginning entrepreneurs and young specialists.

- Development of innovative approaches to evoke the interest of pupils and students in the problems of the agribusiness of the country and their active involvement in participation in agricultural exhibitions and competitions. Procedures for testing and interviewing the graduates of rural schools in order to find out shortcomings in acquired knowledge and competencies. This information can provide a more objective picture of the level of graduates' training and then allow to strengthen the labor potential of the rural youth (Regional Stewardship Department, 2012).

- Expansion and deepening of the work on informing the rural youth about the state of the regional labor markets, trends of their development, job opportunities on shift and seasonal jobs.

New opportunities for entrepreneurship and self-employment rapidly emerge during the establishment and development of the digital economy. Interactive platforms of talents as one of the tools of the digital economy help the unemployed population and as those who seek for additional income self-realize, turning them into active economic entities. More and more specialists in urban areas abandon the traditional stationary workplace and move on to remote cooperation, in particular using such online platforms as Freelancer.com, Free-lance.ru and

Prohq.ru. At the same time, freelance job encourages performers to constantly improve their qualification and expand their specialization. More active use of digital technology by the rural population, mainly young people, in the field of employment will contribute both to the development of their labor potential and to the diminishing intensity of urban processes in Russia.

Modern digitalization offers a great potential for developing the labor potential of the rural areas. At the same time, those who are receptive to changes will benefit and take advantages, as opposed to those who resist and ignore them. Therefore, the rural employable population should repeatedly upgrade their professional and educational skills throughout the working life, including timely acquiring new information and communication technology in order to ensure their relevance and competitiveness in the labor market.

5. Promoting interterritorial mobility with the purpose of developing the human and labor potential of the rural population in result of acquiring new knowledge, skills and experience can be achieved through the following measures:

- Elimination of administrative barriers to internal migration and ensuring freedom of travel for Russian citizens and their choice of the place of residence and stay within the country through a transition from permissive to declarative registration at the place of residence.

- Modernization of the transport infrastructure with the purpose of saving time while improving the quality and availability of rail, road and air communications. The developed transport links between rural and urban settlements in Russia will provide an opportunity for rural residents to obtain education and modern professional skills, to work, rest and travel, thus contributing to the development of their labor potential without the need to move to other regions and countries for permanent residence.

- Expansion and deepening of the work on informing the population and employers through the mass media about the state of regional labor markets, trends of their development and employment opportunities. Improvement of the mechanism for collecting and disseminating information on employment opportunities for citizens to other regions for seasonal and temporary jobs. Annual identification of the migration patterns of the rural population (conducting sociological surveys and identification of the main causes of migration of the employable population).

- Partial or full reimbursement by the government of the expenses of the rural youth associated with moving to another settlement and training in the popular specialty in case of concluding an agreement on subsequent employment in the rural area.

- Provision of financial opportunities for moving and adaptation of young Russian specialists, graduates of agricultural higher educational institutions, agricultural technical schools and colleges in rural settlements. The government should offer Russian citizens a social benefit package that can include compensation for the transportation expenses of the migrant and their family members, associated with moving to the countryside; provision of accommodation and a lump sum adaptation benefit.

- Development of the programs to attract seasonal and shift workers in all sectors of agriculture will allow to partly reproduce the quantitative parameters of the labor potential of the agribusiness of the country.

- Reimbursement by the government of the expenses of the rural youth associated with moving to another settlement and training in the popular specialty in case of concluding an agreement on subsequent employment in the rural area.

- Advisable introduction of a system of preferences and measures of state support for foreign labor migrants who are willing to work in rural areas and possess a profession or qualifications, the demand for which cannot be satisfied by internal labor resources.

- Targeted measures are required to attract workforce to the social sphere of the territories with a corresponding shortage. The program "Country Doctor" that has been implemented since 2012 and is aimed at overcoming the shortage of personnel in rural healthcare can serve as a positive example.

The growing importance of the development of rural areas, modernization of agribusiness and strengthening of the labor potential of the rural population have all focused increased attention to this range of problems on the international agenda. The member countries of the Organization for Economic Co-operation and Development (OECD) took a course to build a new agricultural paradigm in 2006, which assumes a radical reform of the state policy in agribusiness

and a contemporary approach to the development of the rural labor resources. The action plan "New Rural Policy: Linking Up For Growth" was developed. The need to modernize rural areas and their labor potential was also noted in the framework of the VIIIth OECD Conference "Innovation and modernization of the economy of non-urbanized regions" held in Krasnoyarsk in 2012 (Organization for Economic Co-operation and Development OECD, 2015).

In our opinion, the analysis of the experience of the European Agricultural Fund for Rural Development (EAFRD), which has the provision of a high quality of life for the rural population and the diversification of the rural economy as a strategic goal (Tudor, Monica, 2009), seems practical and expedient.

It is very important to establish a high-tech, productive and competitive agribusiness in the context of globalization, increasing risks and opportunities. This aim cannot be achieved without investing in the human capital assets of the rural population. The state should develop the labor potential of the population as a pillar of its own geopolitical and socio-economic security by promoting the improvement of the living standards of the villagers, maintaining their health, upgrading local infrastructure, providing opportunities for education, employment and running private business.

### CONCLUSION

Human resources in rural areas are a prerequisite for food security and a key factor of the socio-economic development of Russia. Despite the positive changes, the overall socio-economic situation in the countryside currently remains complicated. This article analyzed such acute socio-economic problems of agrarian territories as unemployment, which leads to the dequalification of the workforce and the accelerated depreciation of human capital assets, growing poverty and increased economic inequality, and a weaker motivation to look for a job. The authors have justified the need for the development of rural areas as the creation of contemporary social, road, transport, engineering and telecommunications infrastructures; creation of new opportunities for educational, professional and personal development of the rural population.

In this regard, there are the following priority areas of the development of rural areas in the context of improving employment rate and efficiency of using the labor potential, overcoming the scale of rural unemployment and improving the efficiency of the use of the rural labor resources; stimulating the creation of new jobs; developing tourism and associated labor-intensive service industries; eliminating the high level of the personnel turnover in agribusiness; increasing the number of graduates of agrarian educational institutions settled in rural areas; eliminating the negative demographic processes and trends (falling birth rate, growing level of mortality and morbidity, addiction to psychoactive substances, etc.); creating conditions for the development of territorial mobility of citizens; improving the material wealth and social security of rural residents, declining psychological dissatisfaction with working, living and leisure conditions; easing the informal, hidden and incomplete employment in rural areas; and preventing the ongoing process of releasing labor from the sectors and branches of the rural economy.

In their future studies, the authors are going to establish the impact on the labor potential of rural areas of such important factors as the capital-labor ratio of agricultural production, dynamics of investment in agriculture, features of self-employment and the development of



households in rural areas. In conclusion, it should be noted that the measures proposed in the study and aimed at developing and implementing the labor potential of the rural population of Russia can be used in the development of the federal and regional programs for socio-economic development, thus contributing to the sustainable development of rural areas.

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