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PROBLEMS OF FORMATION OF LABOR POTENTIAL IN RUSSIAN SMALL TOWNS AND RURAL SETTLEMENTS: A STUDY ON THE EXAMPLE OF THE PRIMORSKY REGION, RUSSIA

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ABSTRACT

Development of small towns and rural settlements is an actual subject of Russian scientific researches, along with the regional and branch economics. The main scientific and practical problem of the article is reduction of labor potential in Russian small towns and rural settlements. The purpose of the article is to actualize the problems of formation of labor potential in small towns and rural settlements by the example of Primorsky Region. Methodological basis of the study are the theses of modern economic theory, theory of small towns, economic geography, the concept of rational distribution of population and labor resources. These theses are applied in the article through the systematic approach and statistical analysis. The article proves the relevance of declared subject, considers distribution of the population in Primorsky Region, and studies the main problems of formation of labor potential in small towns and rural settlements. The author points such problems as narrow economic specialization of the settlements, backwardness of small towns and rural settlements in terms of quality of habitat, unclaimedness of highly skilled workers and the demographic decline in the settlements.

KEY WORDS

Labor potential, small cities, rural settlements, Primorsky Region, socio-economic development, unclaimedness of labor force, demographic decline.

Small towns and rural settlements are very important elements of Russian population's resettlement scheme, especially in the Far East. Throughout the history of development of the Far East, urban and rural settlements were the most widespread populated localities. Unlike the western part of Russia, where the main functional purpose of the settlements was the maintenance of agricultural production, formation and development of the Far Eastern settlements were conformed to important political and economic tasks: extraction and processing of natural resources, location of significant industrial facilities, implementation of Russian military and political interests in the Far East. That is why the growth rates of small towns and rural settlements in the region in the 1960s, 1970s and 1980s were higher than the rates of development of large cities (Belskaya, 2005). The total number and structure of modern settlements in Primorsky Region are presented in tables 1, 2.

Table 1 – The number of settlements in Russia and Primorsky Region by types, 2016

Number of municipalities	In Russia as a whole, units	In Russia, percentage share	In Primorsky Region, units	In Primorsky Region, percentage share
Total, including:	22406	100,0	158	100,0
Municipal districts	1788	8,0	22	13,9
City districts	852	3,8	12	7,6
Urban settlements	1592	7,1	23	14,6
Rural settlements	18177	81,1	101	63,9

Source: Federal State Statistics Service of Russia.

There are many examples of rapidly developing territories in Primorsky Region: small cities of Arsenyev, Dalnegorsk, Bolshoy Kamen, and their adjacent agricultural areas.

Through the small cities and settlements, rather high potential of human resources was formed in Primorsky Region in Soviet period. This potential is high in its quantitative parameters and qualitative characteristics.

Table 2 – Distribution of population in Primorsky Region by types of settlements, for 01.01.2017

Type of settlements	Population in municipal districts	Population in urban settlements	Population in rural settlements	Population in city districts	Population in villages of city type
Population, thousand people	498,4	171,4	326,9	1 325,2	158,0
Share in population of the Region	25,8%	8,9%	16,9%	68,7%	8,2%

Source: Federal State Statistics Service of Russia.

RESULTS AND DISCUSSION

At the present time, the main problem of formation and development of labor potential in small towns and rural settlements is the gap between accumulated human capital and the low level of socio-economic development in these areas. This problem has the systematic nature and manifests itself in a number of aspects, the most important of which are the following.

1. The most of small towns and rural settlements are monofunctional according to the established economic specialization. A narrow production orientation forms a very one-sided labor market of the monopsonistic type. There is the strong dependence of employment, incomes and living standards of people from one particular enterprise or from exclusively development of agriculture. In the situation of decline in the financial stability of such enterprises and farms, the burden of grievous consequences lays on inhabitants and local governments (Tokarev, 2007). In addition, the special features of this type of labor market are low labor mobility, growth of the share of informal employment, decline of the quality and safety of labor, inefficient of the state regulation.

2. Lag of small towns and rural settlements in terms of quality of habitat from the big cities and central territories of Russia. In general, in Russia only 20% of small towns and settlements reach the normative indicators of urban development, and in rural settlements such indicators are much lower. The acute problem of Russian rural territories is the insufficient level of development of the socio-cultural infrastructure, its incompleteness (Mayakova, 2004). First of all the problem concerns the education, health care, housing and communal services, cultural and leisure infrastructure. Often in small towns and rural settlements you can see the neglect of territories, the old rural way of life.

A special factor that influences to quality of the environment is remoteness of the settlements from regional center, transport and communication isolation of the settlements from the main economic, scientific and cultural centers and market infrastructure. On average, 75% of Russian small towns and rural settlements are located at the distance of more than 80 km from the regional centers (Mayakova, 2004). In the Far East and Primorsky Region this indicator is several times higher (table 3).

Numerous scientific studies show that the more remoteness of a settlement from regional center, the higher migration outflows from the settlement and the weaker development of labor potential. A specificity of organization of the settlements in Russian Far East should be noted here: their great remoteness from the regional center promotes increase of their role as separate, independent centers of management, economic and cultural services in big part of the Region's territory. However, at the present time, the economic and managerial potential of the territories has been weakened, and migration outflows from the most of the far areas can grow soon without significant investments to development of strategic projects (Krasova and Ma, 2015).

Table 3 – Remoteness of small towns and rural centers of Primorsky Region from the regional center Vladivostok

Place in population rating	Small towns and rural centers	Population, people	Distance to the regional center, km	Share in population of the region
1	Vladivostok	606 653	0	31,4%
2	Ussuriysk	168 598	98	8,7%
3	The find	153 581	179	8,0%
4	Artem	105 338	45	5,5%
5	Arsenyev	53 083	239	2,8%
6	Spassk-Far	41 539	223	2,2%
7	Big Stone	38 718	109	2,0%
8	Partizansk	37 470	167	1,9%
9	Lesozavodsk	36 027	362	1,9%
10	Dalnegorsk	35 405	491	1,8%
11	Dalnerechensk	26 378	409	1,4%
12	Kavalerovo	14 525	424	0,8%
13	Chernigovka	13 046	188	0,7%
14	Slav	12 314	181	0,6%
15	Chuguevka	12 171	316	0,6%
16	The King	10 860	176	0,6%
17	Pokrovka	10 360	133	0,5%
18	Frontier	10 215	196	0,5%
19	Yakovlevka	4 480	281	0,2%
20	Olga	3 625	438	0,2%
21	Ternej	3 318	662	0,2%

Source: Federal State Statistics Service of Russia.

3. *The unclaimedness of highly skilled labor force, the lack of conditions for the qualitative self-realization of human capital.* As a rule, development of human capital in small towns and rural settlements is hampered by stable, low-paid and narrow-profile work and limited range of high-quality jobs. Studies of many Far Eastern scientists show that the main reasons for migration outflows of youth from the settlements of the Far East are the following: low perspectives in professional growth; unpromising real estate market; uncomfortable public transport; high level of goods' prices; low demand for specialists with high level of human capital and high innovative activity in the business environment of the settlements (Latkin and Grivanov, 2014).

The scientists note that the last factor is the most important when young people choose a model of their migratory behavior.

4. *Constant demographic decline of small towns and rural settlements.* The socio-demographic situation is characterized not only by fall of population, but also by deformation of age structure of the population, decrease in the share of young people and employable persons, and increase in the share of pensioners. Small towns and rural settlements in Russia are the main donors for regional centers: researches for more than 100-year period show that the population consistently migrates to cities with population with more than 500 thousand people, where the relatively high quality of urban environment is formed (Yurasov and Goryachev, 2015). In particular, increase in the population of Vladivostok is mainly due to the migration component, namely by means of migration from the territories of Primorsky Region and the whole Far East. Also the higher mobility of modern population should be taken into account here: less than earlier people are attached to the territory, to their parents' home, their small homeland. Modern people focus their attention on a perspective work, quality of life, opportunities to spend leisure and travel interestingly. Therefore, most of young people who were born in 1990s and in 2000s, are going to leave the small towns and rural settlements. According to report of the Ministry of Economic Development of Russia, in 2010s the outflows of population from the periphery to large cities can achieve 20 to 40 million people (Bondarskaya and Yuriev, 2014).

Reduction of quantity of human resources, deterioration of their structure and quality lead to delay in the socio-economic development, debilitation of entrepreneurial and social initiatives in small towns and rural settlement.

CONCLUSION

What measures should be taken in this situation? According to the author's opinion, two main ways are necessary, without which development of human capital cannot take place.

1. *Creation and development of industrial facilities in the territory of urban and rural settlements.* The human resource is special resource: it is the essential condition for economic activity, but it requires some special conditions for its development. In big cities there are many opportunities for formation of labor potential because of large consumer demand for various goods and services, much higher developed market infrastructure. But in small towns and rural settlements realization of human capital requires a certain center of entrepreneurial activity. Such centers can be created on the base of the shipbuilding complex «Zvezda» in Bolshoy Kamen, the helicopterbuilding complex «Progress» in Arsenyev and other significant industrial facilities on various territories of Primorsky Region (Sapunov and Krasova, 2012).

2. *More effective state management of agriculture in Primorsky Region.* In each rural area the following facilities must be created: social and engineering systems and infrastructures; life support systems and infrastructures: roads, transport, construction, resource supply, communication capacities; social infrastructure: public services, household services, catering, trade, health, education, culture, sports, personnel development, incentives and wages, skills development; development of entrepreneurship: financial opportunities, consulting and insurance; government support, innovative development and commodity markets.

It's necessary to take into account the specificity of market infrastructure for different sectors of economy (large business, medium, small and micro business) (Gorobets, Mayakova and Osipov, 2014).

However, creation of only industrial, transport-logistic or agro-industrial infrastructure is not enough to save the labor potential in rural settlements. Industrial development of agricultural areas is urgently required (Kuzubov and Shashlo, 2017). The distribution of areas by gross agricultural output shows that the main factors of development are: proximity to big cities, creation of demand for agricultural products (in Nadezhdinsky, Mikhailovsky and Partizansky districts), and location in rice cultivation areas with developed melioration and acceptable climatic conditions (in Khankai, Kirovsky, Spassky, Khorolsky, Anuchinsky, Chernigovsky districts).

Also it must be said that Primorsky Region is the territory with extreme conditions of agriculture, floods, and small land resources. 90% of precipitation falls in summer. The intensity of precipitation can be 80-100 mm and more per day, so floods and waterlogging of soils can last 7-10 days. For cereals, excluding rice, the flooding period more than 1-2 days is disastrous. For vegetables and potatoes such disastrous period is 3-4 days (Nosovsky, 2006). Obviously, irrigation and flood control are necessary conditions for the development of agriculture in Primorsky Region.

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