

Formation of Targeted Approach in the Management of Domestic Agro-Industrial Complex at the Regional Level (Based on the Example of Belgorod Region)

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Abstract: The current state of domestic economy makes our national and regional leadership to look at directions of developing national economy in a different way. Development of agricultural production, increase of its productivity and cost-effectiveness is one of the national priority projects that requires most informed decisions. And this in turn, requires the use of efficient management tools, adequate methods and technologies of development of agriculture at the regional level. Approaches presented in this study target the management of regional agro-industrial complex and will enhance its competitiveness, create the conditions for sustainable socio-economic development of the territory.

Key words: Goals management, agro-industrial complex, agro-industrial complex management organization in the region, cost-effectiveness, economy

INTRODUCTION

Given the instability of the world economy, the lack finding a compromise between the West and Russia, the problem of developing effective tools for sustainable socio-economic development of the Russian Federation to ensure the competitiveness of Russian economy is highly important.

Agro-industrial complex in the Russian Federation occupies a special position among other branches of the economy in the emerging socio-economic situation, it became an important sector of the national economy. First, it is designed to ensure accessibility of food at reasonable prices (food security) for all population groups and accessibility of raw materials to other industries. Secondly, agro-industrial complex has historically even more important role, its social role that includes providing rural employment, development of social infrastructure in rural areas, etc.

The situation in the domestic agricultural sector is gradually beginning to stabilize, the growth of production in agriculture and especially in the food processing industry can be seen. Positive impact of import substitution policies should also be recognized. However, agricultural producers are still experiencing an acute shortage of financial resources in agro business

and lack of investments (including in the field of social resettlement village). At the same time, investors that came from other sectors of the economy to integrate agro-industrial companies do not actively invest in the comprehensive development of rural areas. The existing technical and technological backwardness of Russian agriculture from developed countries is disturbing as well. As a result, special attention should be given to tools for resolving these problems. They could be resolved by forming a goal-oriented management system of socio-economic development of the domestic agricultural sector at both the macro and the mezzo-economic levels. The core of this system will be based on the methods and technology program-oriented and project-oriented management to ensure the relationship between the distribution of budget resources and effective achievement of targets and objectives of the federal center and the regions.

Literature review: Research of issues related to the formation of a targeted approach in the management of the regional economy has recently been given a lot of attention. In our view, research study by Drucker (1954) deserves special attention.

Bhagat and Dhar (2011), Jabbar (1977), Polyzos *et al.* (2015) and Santos *et al.* (2012) devoted their research to

consideration of issues related to the efficient process of forming and achieving socio-economic objectives in agriculture.

Results of the analysis of features of formation of a targeted approach in the management of the domestic agricultural sector in the macro and meso-economic levels are reflected in studies of Grudkina, Pytkin, Balandin Selyukov and Usatova.

MATERIALS AND METHODS

Every regional agro-industrial complex chooses its own way of development based on production factors (raw materials, human capital), investments, innovation.

At the same time increase of the competitiveness of agricultural products made in Russia and supplying regional population with good quality products are strategic goals of agro industrial complexes.

Large-scale targeted programs and projects that would allow quickly multiply growth of livestock production and effectiveness of crop production should play leading role in the creation of a competitive agricultural production in the Belgorod Region. While

implementing these targeted programs three clusters have been formed: development of the poultry industry; development of pig breeding; development of dairy farming. These clusters were formed with the support from the executive authorities in the Belgorod Region.

Successful implementation of the targets in the area of agro-industrial complex of the Belgorod Region largely depends on the solution of the problem of permanent mutual coordination with other sectors objectives implemented in the region. Therefore, integration of potentially developed goals is important. This concept reflects such qualities as typological affiliation, activating the power, the reality and clarity, time specified, the balance of interests. Functional integration in the agricultural sector in the region, embodied in actual calculations, coordinates communication between them both horizontally and vertically. So, the division into two types: functional-vertical and functional-horizontal looks quite natural.

In general terms, the agreement between vertical objectives of agro-industrial complex is reached as a result of an agreement between the farmers (owners), the region's institutions and employees of these organizations (Fig. 1). The principal feature of the

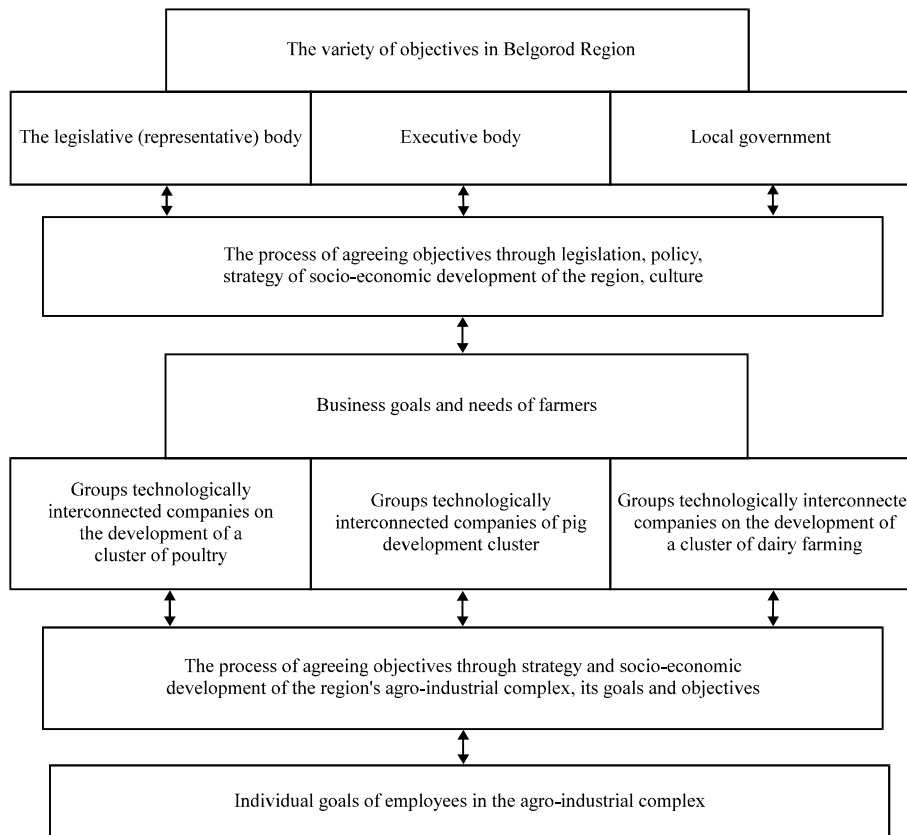


Fig. 1: Matching of the vertical management objectives for the agricultural sector of the Belgorod Region vertically

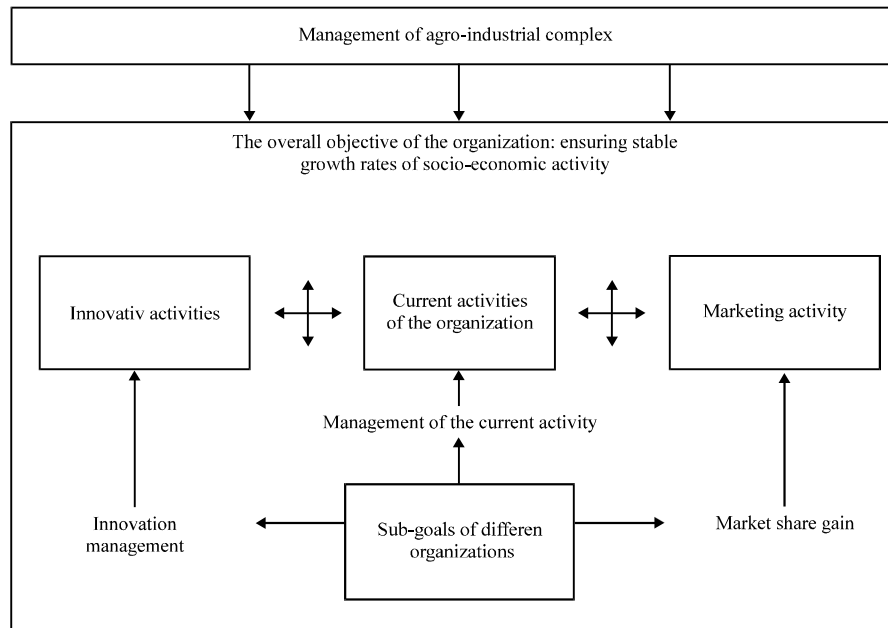


Fig. 2: Matching the horizontal management objectives for the organization of agriculture of the Belgorod Region

proposed functional and vertical integration in the agricultural sector specific organization is that the systemic effect will be achieved through global coordination of all sub-goals which although leads to a deterioration of certain economic indicators but overall provides an effective achievement of the main control objectives.

Functional-horizontal integration designed for the synthesis of other processes of solutions formation and consistency of training and advising procedures supports this process. The term “horizontal” is used here for the following reason: the formation of solutions consists of several stages, each of which must be maintained (if there is such integration) by the same parallel connected training unit, if necessary.

The effect is the result of efficiency and timeliness of such support, it reduces the cost of obtaining the necessary knowledge. In other words, the effect of functional and horizontal integration can be achieved by reducing the costs of solutions formation and improvement of the quality of decisions. In practice, that the objectives of horizontal goals in the organizations of the agro-industrial complex in Belgorod Region should be achieved by an agreement of organizational goals between departments of functional, technological and production chains (Fig. 2). Thus, the main task of the administrative staff of organizations of agro-industrial complex should be the integration of the chain of sub-goals to the overall goal that they have a clear vision of.

RESULTS AND DISCUSSION

The effect of the emergence, resulting from two kinds of integration both vertical and horizontal is a transition of the system to a new quality. Its quantitative assessment can be based on the calculation of the difference between the efficiency of the system, considered as the sum of partial unrelated among each other effects resulting from the implementation of local calculations and efficiency, obtained by invoking a functionally integrated calculations.

Currently, particularly evident are linkages between the expansion of the social activities of organizations of agro-industrial complex in Belgorod Region and the results of their business. On one hand, profitable work of agricultural enterprises ensures a number of social goals in particular, the creation of new jobs in rural areas, solving the problem of rural employment, poverty alleviation, education and public awareness, promotion of the development of private farms of the population, improving the efficiency.

On the other hand, while fulfilling social objectives, farmers learn new profitable activities and gradually gaining food market.

In this regard when developing optimal goals for target programs, not only economic interest but social interests of agro-industrial organizations of Belgorod Region should be taken into account. This is an important condition for achieving economic effectiveness. As a result, it is advisable to develop those economic sectors

and activities that can help simultaneously reach both economic and social goals. Socio-economic benefits which can be obtained as a result of the integration of management objectives in our opinion, will help to improve the management of agro-industrial complex of the Belgorod Region as well as optimize the control process to achieve regional goals.

Thus, if the goals and path to achieve them designed and formulated on the basis of deep research as a result of their implementation high economic and social impact will be achieved. The essence these goals is a stable socio-economic development of not only agriculture in the region whole Belgorod Region.

CONCLUSION

The development of the regional economy is determined by many factors among which are both objective factors (macroeconomic conditions, the region's position in the social division of labor, industry structure, geographical location, natural resources) and subjective factors and mostly important by the methods of regional management.

Based on the positive experience of Central Federal District, it should be noted that regions that used technology oriented on management of the regional economy and its most competitive industries had a relative advantage in the given conditions of sanctions in Russia.

Domestic practice of goal-setting at the regional and national levels in the field of agriculture shows that the main instrument for setting targets of the socio-economic situation of the so-called targeted programs is not

always effective. As a result, it is necessary to improve management tools and development of agriculture, especially at the regional level.

The most important factor for success in the agricultural sector in the region is the establishment of an effective goal-oriented management system that would allow timely and efficient manner to define a system of goals in the region and the expected results targeted program in the agricultural sector. Based on this system the set of tasks necessary achieve results can be formed and measurements of the concrete results based on steps to achieve goals can be determined.

The core goal-oriented management of regional agriculture must be based on the general idea of matching management objectives to increase the effectiveness of agro-industrial complex as the inconsistency of the target aspirations and actions of organizations and its stakeholders is the main source of losses.

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