

Trends and risks of developing local consumer markets in rural areas

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Abstract. The paper considers trends and risks of development of local consumer markets of rural territories, measures of state programs aiming at sustainable developing consumer markets. The concepts of municipalities of rural territories and consumer markets of rural territories are given. The main indicators of the consumer market, such as turnover of retail trade and catering, as well as indicators of the consumer service sector, are analyzed.

1 Introduction

Providing for socio-economic development of rural territories is traditionally among priorities of public policy, one of the effective mechanisms for the implementation of the latter being government and national programs.

The national program is a document of strategic planning, containing a package of planned measures interconnected in terms of tasks, dates, executing officers and resources, and state policy instruments ensuring within the framework of the implementation of key state functions the achievement of priorities and goals of public policy in the field of socio-economic development and national security of the Russian Federation [1]. The national program is the most important means of implementing domestic public policy focused on developing social and economic spheres of life, and it should be aimed at carrying out large scientific and investment projects to solve complex problems within the bounds of federal, regional and local authorities. While working on the annual federal budget the government adopts dozens of programs to be financed.

The main documents of public strategy and programming in the context of the objectives of the present research are the following : “Strategy for the Sustainable Development of Rural Territories of the Russian Federation till 2030” adopted by the Government of the Russian Federation dated February 2, 2015 No. 151-r, the National Programs “Integrated Development of Rural Territories” adopted by the Government of the Russian Federation dated May 31, 2019 No. 696, “Development of Agriculture and Regulation of Markets of Agricultural Products, Raw Materials and Food” adopted by the Government of the Russian Federation dated July 14, 2012 No. 717. [2-4].

Local consumer markets in rural areas are therefore an integral component of rural socio-economic development.

2 Materials and Methods

The analysis of modern processes and trends in the development of rural areas is done in the works of such domestic scientists as Nefedova T. G. [5], Treivish A. I. [6], Gazizov R. M. [7], Darmograi O. V. [8], Dvoryadkina E. B., Belousova E. A. [9], Ilinykh A.V. [10], Kleymenov D. S. [11], Kovtun B. A., Papelo V. N., Yarmanov V. V. [12] and others. Local consumer markets of municipalities are studied from different viewpoints by such scientists as Kovaleva I. V., Kucherenko T. V. [13], Nikiforova O. P., Antokhonova I. V. [14], Chernysheva E. V. [15], Razorvin I. V., Usova N. V., Bardasova N. V. [16] and others.

In order to analyze trends in the development of local consumer markets of municipalities of the Sverdlovsk region, we use the statistic data provided by Rosstat (Current Statistical Survey). Being typical rural territories, the above municipalities act as a testing ground for the study of local consumer markets. The concept of 'rural territories' is a collective one since it may embrace various elements of administrative-territorial or municipal-territorial structure. E.B. Dvoryadkina and E.A. Belousova defined the concept of 'rural-type municipality'. "This municipality, as a kind of territorial structure of local self-government, has a special economic and legal status related to the laws of functioning of rural economy, and, unlike rural territories, it can be unambiguously identified as an object of statistical service in order to optimize interaction in the system of population-local self-government- production complex "[17]. Rural-type municipalities thus include municipal areas and rural settlements.

3 Results and Discussion

To fulfill the national program "Development of Agriculture and Regulation of Agricultural Product, Raw Material and Food Markets for 2013-2020," the Government of the Sverdlovsk region adopted a similar target program "Development of the Agro-industrial Complex and Consumer Market of the Sverdlovsk Region till 2025" [18]

The regulatory framework of the program includes the following legal acts: Federal Law of 29.12.2006. No. 264-FZ "On the Development of Agriculture", the Doctrine of Food Security of the Russian Federation approved by the Russian President (the Decree of 30.01.2010), "The Concept of Long-term Social and Economic Development of the Russian Federation till 2020" dated 17.11.2008 No. 1662-r, "The Methodical Instructions of the Ministry of Economic Development of the Russian Federation on Development and Implementation of State Programs of the Russian Federation" adopted by the Ministry of Economic Development of the Russian Federation dated 22.11.2013 No. 690 [19-22].

The proposed measures, carried out within the framework of the national program "Development of the Agro-industrial and Consumer Market of the Sverdlovsk Region till 2025," are based on the following principles:

- stability. The new program retains effective directions and measures to support agriculture;
- systemacy. The program covers economic, social and environmental aspects of development of the above branch and combines support measures with market regulation and rural development;
- co-financing. The implementation of the program measures involves co-financing of agriculture from the federal and regional budgets;
- government and private partnership. It involves joint efforts of the government and business to achieve the objectives of the program. [23]

The goals and objectives of the public program of the Sverdlovsk region "Development of the Agro-industrial Complex and the Consumer Market of the Sverdlovsk Region till

2025" correspond to the goals and objectives of the main strategic documents: "Strategies for the Development of the Food and Processing Industry of the Russian Federation for the period up to 2020", adopted by the Government of the Russian Federation, dated 17.04.2012 N 559-r, "Strategies for the Sustainable Development of Rural Territories of the Russian Federation for the Period up to 2030" adopted by the Government of the Russian Federation, dated 02.02.2015 N 151-r, "Strategies for the Socio-economic Development of the Sverdlovsk region for 2016 – 2030" adopted by the Government of the Sverdlovsk Region with the law dated December 21, 2015 N 151-OZ "On the Strategy for the Socio-Economic Development of the Sverdlovsk Region for 2016-2030." [24, 25]

One of the goals of subprogram "Development of the Consumer Market of the Sverdlovsk region" is to ensure effective activities of state authorities in the field of the agro-industrial complex and the consumer market. To achieve this goal one should

- improve the quality and safety of food products in the consumer market of the Sverdlovsk region;
- increase consumer awareness and literacy on issues of quality assurance, food safety and protection of consumers;
- diversify, improve quality and raise competitiveness of food produced in the Sverdlovsk region;
- develop multi-format trade;
- ensure integrated development of rural areas.

As part of the municipal structure of the Sverdlovsk region, 94 municipalities were formed within the boundaries of administrative-territorial units by January 1, 2020. They include 68 urban districts and 5 municipal districts, which consist of 5 urban settlements and 16 rural settlements. The paper gives an analysis of the consumer market of rural territories based on the above municipalities.

The methodology includes a SWOT analysis and an analysis of the most important indicators of the consumer market of rural areas in dynamics.

Table 1 presents a SWOT analysis of the consumer market to identify strengths and weaknesses of the development of the consumer market in rural areas, as well as opportunities and threats.

Table 1. SWOT Analysis of the Consumer Market (compiled by the author)

Strengths (S)	Weaknesses (W)
1. Advantageous economic and geographical position of the Sverdlovsk region for the development of the industry.	1. Low solvency of part of the population, especially in areas remote from the regional center.
2. A steady positive trend in the development of the consumer market industry in the Sverdlovsk region.	2. Lack of qualified specialists, high turnover of personnel, weak motivation of staff to be in the profession, low level of wages.
3. High saturation of the market with food of local production and processing, as well as agricultural products.	3. Presence of hard-to-reach remote areas.
4. Regional support programs for catering enterprises providing services to socially vulnerable segments of the population of the Sverdlovsk region (from the regional budget).	4. Lack of state regulation of the catering industry, weak legislative framework regulating activities in the domestic market of the Russian Federation.

Table 1. Continued

5. Sufficient provision of the population with stationary retail space and seats in enterprises of the public network.	5. A weak material and technical base of small and medium-sized catering enterprises, lack of modern resource-saving equipment.
Opportunities (O)	Threats (T)
1. Development of a system of quality control, safety control of raw materials, food products and services.	1. Territorial asymmetry in the development of municipalities, especially remote and rural territories.
2. State support (methodological, organizational, financial ones) of public catering enterprises providing services to socially unprotected segments of the population of the Sverdlovsk region.	2. The dependence of social enterprises in concluding contracts for the supply of products and the provision of services on the fundamental criterion of "price," which significantly affects the quality of goods (services).
3. Further development and improvement of the network of consumer market enterprises.	3. Penetration into the market of counterfeit, low-quality products
4. Development of transport infrastructure.	4. Increasing rural outflows to cities or more socio-economically developed areas.

The SWOT analysis reveals a number of weaknesses and threats in the consumer market of rural territories of the Sverdlovsk region. Rural territories of the Sverdlovsk region are quite complex for the development of the consumer market. However this analysis shows that the development of multi-format infrastructure of the consumer market will eliminate the unevenness of the industry in municipal areas, the special manifestation of which is recorded in remote and inaccessible settlements.

3.1. Analysis of consumer market indicators of municipal districts of Sverdlovsk region

3.1.1. Analysis of Retailing and Catering

Table 2. Retail Turnover (without small businesses), in thousand rubles [26]

Municipalities	2017	2018	2019
Bajkalovskij	224281	312414,2	357248,7
Kamyshlovskij	113697	306928	290109
Nizhneserginskij	1840347,6	2416770,3	2401225,6
Slobodo-Turinsk	404097,7	448305,5	513577,7
Taborinskij	101024,4	112076,3	128394,4
Total	2683447,7	3596494,3	3690555,4

Table 3. The Total Volume of All Food Products Sold within the Boundaries of the Municipal District during the Financial Year, in thousand rubles. [26]]

Municipalities	2017	2018	2019
Bajkalovskij	437759,4	460635,7	500466,9
Kamyshlovskij	571249,8	567406	569232,5
Nizhneserginskij	1588716,5	1643208,4	1805920,6
Slobodo-Turinsk	389868,9	410203,3	469169,5
Taborinskij	46287,4	53854,9	65985,1
Total	3033882	3135308,3	3410774,6

The analysis of such indicators as ‘retail turnover (without small businesses)’ and ‘the total volume of all food products sold within the boundaries of the municipal district during the financial year’ shows positive dynamics, which indicates the sustainable development of the consumer market.

Table 4. Retailing and Catering Facilities [26]

Facilities	Number of facilities per year		
	2017	2018	2019
stores	718	698	677
pavilions	75	77	74
stalls and kiosks	21	19	17
chemist’s	21	21	20
branch pharmacies	20	21	22
canteens	31	32	32
refectories	84	84	85
hypermarkets			1
supermarkets	10	8	8
specialized grocery stores.	96	95	93
specialized non-food stores	134	128	131
stores discounters	84	82	80
restaurants and cafes	23	29	30
minimarkets	345	340	318
department stores			
other shops	59	55	55

The number of retail facilities has slightly decreased, which is caused by the outflow of rural residents to cities and other areas. The number of catering facilities has increased, which proves that the public catering services are in demand.

Table 5. Turnover of Catering Services, in thousand rubles [26]

Municipalities	2017	2018	2019
Bajkalovskij	14687,8	15557,4	18254,6
Kamyshlovskij	12287,7	14348,5	12890,7
Nizhneserginskij	17359	21300,8	29002
Slobodo-Turinsk	12007,3	11944,8	12581,4
Taborinskij	43,6		
Total	56385,4	63151,5	72728,7

The indicator ‘public catering turnover (without small businesses)’ shows positive dynamics, which indicates sustainable development of the consumer market and confirms the conclusion of Table 5.

Table 6. Hard Drinks Sales to the Population, in thousand rubles [26]

Municipalities	2017	2018	2019
Bajkalovskij	51939,4	47485,1	41134,4
Kamyshlovskij	15744,6	28226,2	25229,43
Nizhneserginskij	128377,52	124477,36	115089,03

Table 6. Continued

Slobodo-Turinsk	43985,07	31453,2	31305,98
Taborinskij	43985,07	31453,2	31305,98
Total	284031,66	263095,06	244064,82

The indicator ‘hard drinks sales to the population’ has significantly reduced, which may indicate the effectiveness of the government social policy.

3.1.2 Analysis of Consumer Services

Table 7. Consumer Service Establishments [26]

Consumer Service Establishments	Number of facilities per year		
	2017	2018	2019
Total	162	173	177
shoe repair	6	4	3
repair of fur products	15	11	12
repair of electronic equipment	2	5	6
service centers	32	35	39
furniture manufacturing	13	16	16
dry cleaner’s			0
laundries			0
housing repairs	4	6	7
baths, showers and saunas	6	6	7
hairdresser’s/barber’s	31	32	32
photographer’s	15	10	12
undertaker’s	19	15	14
Other services	19	33	29

Table 8. Number of Chairs in the Hairdresser’s/Barber’s [26]

Municipalities	2017	2018	2019
Bajkalovskij	14	15	12
Kamyshlovskij	9	12	12
Nizhneserginskij	24	24	25
Slobodo-Turinsk	8	8	8
Taborinskij	1	1	1
Total	56	60	58

Such indicators as ‘amount of consumer service facilities’ and ‘amount of chairs in hairdresser’s/ barber’s’ show a slight decrease in the number of facilities.

3.1.3 Analysis of per Capita Indicators

Table 9. Per Capita Indicators

Indicators	2017	2018	2019
Retail turnover per capita(without small businesses)	26,83	36,15	37,3
Total food commodities per capita (without small businesses)	30,34	31,52	34,47

Table 9. Continued

Trading rooms per capita	0,94	0,98	0,97
Service rooms in catering facilities per capita	0,124	0,128	0,132

Per capita indicators in rural areas are lower than the ones in urban areas. This proves a lower living standard of rural residents.

4 Conclusion

The consumer market of rural areas is an integral part of rural economy. Its sustainable development ensures developing rural areas, improving quality of life of rural residents, and contributes to the development of the agro-industrial complex. Retail and catering industries show positive dynamics. This fact indicates a stable development of the consumer market. The Sverdlovsk region shows the following trends in developing consumer services, typical of the Russian Federation on the whole:

- a gradual decrease in demand for a number of traditional consumer services, which are supplanted by the increased technological equipment of the household. The analysis of the consumer market in terms of consumer services in rural areas of the Sverdlovsk region shows that the structure of consumer services is still dominated by consumer services of the traditional type. The consumer markets, aiming at the high-income segment of services based on the desire to improve the quality of life, mobility and rational use of free time, are not expanding in rural areas. This also indicates the existing problems in the field of consumer services, such as: a poorly developed infrastructure of consumer services, a shortage of a fixed network of consumer services in rural areas, a low level of development of mobile forms of service provision; an undeveloped system of inter-municipal relations of consumer service organizations in carrying out joint projects that contribute to the development of the consumer services market; a lack of qualified personnel in the field of consumer services, the lack of prestige of consumer service professions.

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