



Improvement of Agrarian Relations as a Prerogative of the State

Vyacheslav N. Maleichenko^{1*}, Elena I. Artyomova², Maria V. Zelinskaya³

¹Kuban State Agrarian University, Krasnodar, Russia, ²Kuban State Agrarian University, Krasnodar, Russia, ³Kuban State Agrarian University, Krasnodar, Russia. *Email: mail@kubsau.ru

ABSTRACT

The paper proves that agrarian relations do not fit for the system of modern market mechanisms because their commercialization adverse to the capital interests and social and economic relations humanization. There are objective circumstances causing a prerogative of the state concerning the development and improvement of agrarian relations. First of all, the main criterion of authority statehood is achievements in ensuring food sovereignty and total adequate provision with food supplies for healthy lifestyle. Thus, exactly the state, not the market, has to stimulate the most rational forms of production and land use. Agriculture is the sphere where the interests of entrepreneurship have to be focused not on the market, but on the general state interests. The *laissez-faire* in this sphere has to be expressed in conscious, effective work on the state interest.

Keywords: Management of Agriculture, Food Security, Agrarian Policy

JEL Classifications: J5, Q18

1. INTRODUCTION

Having forced the authority to speak about food import substitution, external economic sanctions against the Russian Federation has kept the problem of food security up to date. Along with this, the issue of import substitution, while its importance and urgency, is only a part of the important strategic problem concerning the preservation and strengthening of state sovereignty. In this regard food security is one of the main (fundamental) conditions of the state economic and political independence.

The number and health of the people, the productivity potential of economy and social stability depends on food security. Being the statehood basis, food security is fixed in the Article 2 of the Constitution of the Russian Federation: "The individual and his/her rights and freedoms are the supreme value. The recognition, observance and protection of human and civil rights and freedoms shall be an obligation of the state" (The Constitution of the Russian Federation, 2015). It is known that the basic general constitutional human right is the right for life which shall be provided by the state. And as food supplies of each person is the basis of the right for life so far forth food security is a prerogative of the state. According to this situation, the state is obliged to define the most

effective tools of the solution for this problem considering natural features of the country, specifics of agricultural production and agrarian relations.

The evidence of a prerogative of the state in food supplies of each person is shown not only that food acts as the basis of the right for life. First of all, the state character of food security is caused by the fact that without owning the food fund of the country, the state cannot carry out its functions, including on its own internal and external protection: Officials, army, police, law enforcement agencies, and other state institutes have to be fed. Thus, it is desirable to feed subject to medical norms. However, the majority of these "eaters" cannot give something essential to a peasant as an equivalent for his bread.

The historical experience of Russia, modern agrarian policy of the USA, the European Union and other economically developed countries present a satisfactory evidence of this prerogative. But, despite the well-known facts of great reproduction support of agricultural producers by the state in these countries, they are not given the corresponding assessment from the point of view of social and economic essence of this phenomenon. At the same time, in our opinion, this support is the actual nationalization

of a food complex confirming that the management of agrarian production is a prerogative of the state. Therefore, the farmers of Western Europe and other states balance between the market and the state. Thus, all of them who are not satisfied with the capitalist market more persistently demand from the state financial support and price control to agricultural production (Maleichenko, 2013).

However, formally, the farmers seem to be in the system of free market relations. At least, there is no state constitutional act of the agrarian production nationalization. But the extent of real state participation in the agrarian production functioning makes clear that this sphere cannot survive at the market and capitalist environment without the state. Therefore, the direct and indirect control of the agrarian sector development and the main food markets in these countries is a prerogative of the state (Maleychenko and Maleychenko, 2015).

Thus, it is important to be noted that the states provided with their own food do not trust the market in conditions of the relative overproduction of the main types of agricultural production. All the more, there is a confusing fact that in conditions of the chronic food deficiency (even during the Soviet period), food dependence on imports, which was brought into the world by the market reform, and obvious no competitiveness of Russian agricultural production in the WTO system, - the Russian authority hopes for the market "wisdom" (Artyomova et al., 2012). In any case, despite the landowners' requirements and domestic agricultural production degradation, the state is eliminated from the active control over the development of food security. With amazing persistence the experience acquired by foreign and domestic practice in the system of agrarian relations is denied.

There is a confusing fact that the representatives of domestic liberalism who pin their hopes to achieve food security are sure that the agriculture and the market are inseparable. During more than 20 years life shows that this unity is controversial and is obviously not in the best interests of the peasantry, food security, and, therefore, against state sovereignty. But, nevertheless, there are no essential changes in agrarian policy (Artyomova and Yanni, 2015; Artyomova, 2013). The direction of this policy is the liberal ideology expressed by the myth that the restriction of state intervention to market processes is a fundamental condition of economic freedom, and a harmonious combination of individual and public interests. This statement is not just in general doubtful, but it is disastrous in relation to agrarian production.

2. MAIN PART

A prerogative of the state in the development and improvement of agrarian production and agrarian relations is caused by essence and its corresponding functions of the state. Among a variety of debatable definitions of essence of the state, in our opinion, the theory of the state as "a public contract" meets it optimally. It reflects the fundamental bases of emergence of the state, the history of its development and modern principles of democracy in the most adequate way (Yarushkina and Zelinskaya, 2014; Zelinskaya and Chernyavskaya, 2012). From the point of view of this theory, the state is historically defined, consciously operated system of

organization of the population activity in a certain territory. Thus, the state is a national association. The defining motive of the state creation as well as any association creation is the unity of the state founders' interests. The essence of the state as an association expresses the common interest which, thus, is state-building. As in any operated association, the obligatory attribute of the state is operating bodies burdened with power for the control over the system - the President, the Government and other institutional structures of the state.

In our opinion, the main thing in the characteristic of essence of the state is the understanding of the fact that public authorities and the state are not identical concepts. If the actions of the authority do not correspond to the interests and needs of the individual or their organization, it does not even mean that they are resisted by the state. The authority can be state, realizing the citizens' interests, and anti-state that is to pursue the policy contradicting national interests, conducting to the state destruction.

According to democratic principles, a real carrier of statehood are the people authorizing government officials to "navigate a ship of statehood" to national well-being and free development of the personality. At the same time, a tradition of the state identification with the identity of the governor and authorities is still strong. Nevertheless, despite it, it is impossible to identify control levers with "a ship," though the fortune of the whole ship often depends on hands these levers are ruled by.

In real democratic state the contradictions between the individual, the state and the authority are inevitable, but it is impossible to consider the state as the subject of power antagonistic resisting to the individual. The state resists to the individual the same as "I" and "We" resist. "We" - is an associated part "I" meaning that in "We" there is a unity of the interests, but at the same time their contrast because in "We" the personality is not dissolved - it coexists with "We." The state is "We," i.e., it is our socialized interest forming "the framework of our hostel." It is some kind of the crystal lattice uniting and holding certain individuals in historically certain system of the activity. It does not absorb their "I" leaving and guaranteeing them freedom of self-realization within generally recognized need. In other words, the person can be free if his freedom does not carry a threat to the state and does not restrain freedom of other individuals.

Why does the individual conflict to his socialized in the state "I"? The answer to this question is important because it at the same time is the answer to the question why it is impossible to effectively realize the general interests using the private interests and market mechanisms corresponding to them. The matter here is in interaction of individual and general. As we know, general is only a part of separate. Separate as the dialectics claims, is richer than general because it comprises a variety of essences of general. Therefore, in any association there is a contradiction because a particle of general in its "I" resist to it as the external objective reality limiting its freedom. The individual cannot yet renounce general for the sake of individual freedom. For example, he cannot refuse to do military service or to pay taxes believing that it is for him better to use an income in personal interests, etc. The

individual has to follow the rules in society which are important both for him when their non-compliance stirs his freedom. But he can also violate them when it is favorable to him. Only few people like to sacrifice their own even understanding the public need for the victim.

The matter is that the person does not always realize the future interest which can be realized only as general. For example, the state can use up resources for preparation to a possible war cutting down social expenses or demanding a certain mobilization of efforts in the best interests of the state from citizens. The person can equally reproach the state that today it uses a lot of up for the sake of general and that it has used a little up in the past to live better in the present.

The separate private interest is subjective also because it is richer and more various than general therefore the individual should make a choice between general and private more significant for him at present. A temptation to solve the private interest at the cost and to the prejudice of general state interest is very widespread practice. There are a lot of examples proving that. One of them that are very widespread is the corruption in authorities, the evasion from taxes, “the shadow economy,” the export of capitals to foreign banks, etc. Therefore, the state is also necessary. Recognizing the need for the state, the requirement of “the prevention of state violence over individual values” is a utopian dream. In this case no constitution even in the ideal but not bourgeois state can be realized without violence because it is the restatement of rights and duties assuming the supremacy of constituted general values over the individual values.

A harmonious combination of the individual and public interests cannot be reached without the state intervention, at least, in conditions of the market economy. However, the need for restriction is not subject to doubt if the bureaucratic intervention contradicts the state interests, therefore, contradicts general interests of his founders or their majority. Actually, any organization assumes the restriction of freedom of its members within the uniting interests. Without endowing any part of the individual interests - values - for the sake of general, the individual loses his right to get a benefit of interests' nationalization. Even the family as a primary unit of the state which is voluntary created by mutual consent, is impossible without the mutual responsibility and restriction of the personal liberty that is the main individual value.

The state as well as the bureaucratic intervention is inevitable because contrary to the liberal statement, general interest can be realized only by the state “intervention.” Otherwise, nobody will pay taxes without speaking about an observance of the price formation, the quality standards, etc. It is enough to pay attention on the way how do the rich and the superrich get rid of the progressive scale of taxation. Another matter is that this intervention has to be optimal, objectively (naturally) caused by the state interests.

The state, being an expression of general interests, is alive developing the organism. Thus, the increasing centralized state intervention in various spheres of the society activity is natural.

This centralization is caused by the nationalization of conditions of the activity of certain individuals, i.e., by multiplication of communications and interdependence of the individual in vital processes which cannot any more be regulated by a commodity connection, and cannot be controlled by individuals.

So, for example, the development of monopolies menaces, on one hand, abuse of economic power, contrary to the state interests, and on the other hand, the monopoly itself needs the state regulation (Zelinskaya, 2015). Therefore, monopolistic capital does not abolish the state, but privatizes and takes advantage of it. Thereof there is the increasing role of the state, the multiplication and strengthening of its functions in the society activity organization. In other words, the increasing part of the individual's interests, first of all, economic ones, is socialized and becomes the object and the function of public administration.

Not only economic conditions, but also the environment: Climate, existence of resources, a unity of national and territorial interests, valid tactical and strategic objectives of social development, the level of self-reliance of regions, the importance of vital means, public safety in various manifestations, the international division of labor, the international situation and others influence the nationalization. One of the most important reasons of the state intervention is the need for production rationalization subject to the limitation of resources. It is especially important in interests of future generations which are not guaranteed by the private interest.

It should be noted that the “automatic” market regulation is carried out not a priori but a posteriori, i.e., not before but after the “illness” is shown in already menacing form. In conditions of globalization it poses hazard to activity of the people and their states. Destructive world economic, financial, ecological crises, bankruptcy of the states and other “externalities” of the automatic market control are the example of it (Artyomova and Belova, 2006).

Along with the system nationalization process development concerning satisfaction of material and spiritual needs of the individual, initially there are the spheres of production which on their general importance are the statehood bases. Therefore, expressing general interests and owing to this fact assuming general power they should not resist to the state. As a result of their functioning the development also becomes the state function. First of all, such spheres are: Land ones including agrarian relations; money and monetary circulation; education, health care, science, military science and war industry, public transport and other branches and spheres expressing the general interest.

The basic principle of active state participation in the management of economy is realization of general interests and a priority of the state interest as the general interest. Thus, there shall not be another power menacing to the state power. So, for example, production and currency of money initially become the state monopoly. The matter is that money as the materialization of general economic and political power become a dangerous competitor of the state power and, as modern practice shows, can be the weapon for the state destruction. Therefore, production, currency of money and

their corresponding institutes will be nationalized and become the state monopoly. The loss of this state monopoly weakens the state and conducts to the loss of economic and state sovereignty, both internal and external.

However, the main bases of statehood are not money, but land relations where the general interest is most obviously shown. These relations are many-sided and represent the unified system forming the state base.

Firstly, the ground is an object of the general interest as the area of the person habitation: A territory, a source of natural resources including a food (fodder) area. Even before the state emergence the primitive tribes defined the borders of their habitation providing them “a fodder area.” With the state emergence the expansion of territorial borders and their protection become its major function.

In this regard, as historical practice confirms, the system of land holding has to provide a unity of the state territory, so, state unitarily of land holding as well (Maleichenko, 2000). That is, at a variety of land use and resource use forms, land holding has to be state. State land holding is especially important for the states having the difficult structure in national, confessional and class relations. In this case, land holding centralization provides integrity of the state and peaceful co-existence of the people who are its formers.

The Russian state history which integrity during the centuries was under the construction on the basis of state land holding is the example of it. At the existence of various forms of land use in pre-revolutionary Russia the state represented by power of the Russian tsar was a valid one land owner. The tsar allocated with the ground according to the class position of vassals and deprived them *уа* their ranks and ground if they were members of the anti-state (anti-imperial) activity.

In Kuban another Cossacks still venerate Catherine the Second “granting” them the ground which was won themselves and developed at their great cost (Zelinskaya and Varava, 2015). However, having different opinions concerning the matter, it is necessary to recognize that the consolidation of such multinational state would be impossible without the state centralization of land holding. Its confirmation is that “disorder” which has occurred with the elimination of the USSR and the abolition of state land holding which have brought international and territorial relations to a head. The international conflicts related to land relations which were resulted from the destruction of Yugoslavia as the unified state, etc. testify to the same.

In our opinion, in order to survive the mankind will be compelled to unite the resources on the basis of common interests and social justice. However, there is still the system stimulating competitive repartition of natural resources on the basis of the force in the best interests of certain countries and the people, land relations have to be operated by the state and be protected from claims of other hunters for the ground. Thus, protecting territorial integrity, the state is obliged to protect also the right of the people for natural resources inseparable from the ground.

That fact that agrarian relations belong to the sphere of special (priority) state interests is caused not only by the fact that the agriculture is the basis of food security and a fundamental principle of life, therefore, of economy, but also that there is no such another sphere of social production which would be the sphere of the absolute general vital interest. Therefore, agrarian relations, at least in Russia, were always a prerogative of the state where a character of land use and the position of a farmer were under the direct control of the state up to 1861 (Melnikov et al., 2012).

It provided the centralization of power in monarch’s hands because without the nationalization of agrarian relations the state power in the agrarian country would be cut down dependent on whimsical power of feudal lords-landowners. There should be no polyarchy in the state which elimination was the deal of the activity of outstanding builders of Russian statehood.

The state should not have food dependence; it has to operate food security. The sharpness of this problem increases as the cities become the center of the state power and the industry. In Ancient Rome the people demanded from the government “bread and circuses,” and power provided this requirement with the state distribution of bread among needy citizens thereby strengthening power. Thus it is notable that the Romans put bread on the first place. It would be advisable also our imperious officials to listen to the ancient Romans in order to pay their attention, first of all, to bread, but not to circuses.

As native and foreign practice has showed, the nationalization of agrarian relations is the regularity of the development of capitalism. Thus, the graver the problem of food self-sufficiency, the stronger must be attention of the state to the management of a food complex. In conditions of the severe shortage of food, the common practice is the introduction of food-cards and coupons. At the same time, on the need for the nationalization of agrarian production in Russia and in usual conditions, specific factors have also an impact. The climatic conditions take one of the first places among them.

A huge territory of Russia, from the point of view of agrarian production, represents mainly a zone of the risky agriculture. Therefore, besides the commercial risk, in the Russian agriculture the natural risk that is the reason of production instability is great. And it is unattractive for commercial investments. Besides, in the majority of regions, beginning from Ural and to Sakhalin, especially in the northern regions, there are no own opportunities for balanced food self-sufficiency. But these regions are rich with mineral natural resources which are necessary for the industrial development of the country. The market cannot adjust commodity exchanges between agricultural and industrial regions.

The thesis that claims that the private market interest is not motivated to the state interest and constitutes for the state a menace of the loss of its sovereignty and disintegration, confirm the numerous facts of the market reality. It is known that pre-revolutionary Russia was the exporter of cheap bread toward the European market. And at this time the population, especially country, was catastrophically deprived of bread. It constrained the industry development and, eventually, has led to a revolution.

The same is today. The grain producers in those regions of the Russian Federation where the harvest was successful are a little worried with the fact that there is the bad harvest in other regions, and already look forward to currency profits on the grain export demanding to lift state restrictions on the bread export. It is a natural market reaction if the state cannot make government procurements attractive and organize the interstate consumption of grain in the best interests of the strengthening of food sovereignty. As a result, the formula-feed industry and domestic animal husbandry degrades. Thus, the general state loss from “scissors” of export grain prices and import meat products prices is obvious.

The need for public regulating administration by the agriculture, in addition to the fact that it is a direct object of the general interest and primary condition of the constitutional right for life, is also caused by that important circumstance that the capital, especially large one, does not commercially strive to agrarian production. There are several fundamental reasons for that.

The agriculture is not the attractive sphere for the capital. Therefore, the large capital does not go to the agriculture. It stops between production and the consumer of agricultural production steadily “knocking down” speculative profit on the food monopoly (Zielinskaya, 2014). Intermediaries “cut” the peasant using his dependent financial position, and the banking capital, taking no risk, guaranteed receives the state compensation of the rate per cent for agricultural credits.

The disinterest of the large capital in investments into the agriculture is caused by the fact that the higher the level of the capital concentration on the same area, the proportionally lower the rate of profit margin. So, for example, in the USA the average profit margin of farm enterprises is lower than the average profit margin in the industry by 2-3 times. It is the contradiction between agricultural production and the capital essence that is shown as that the rate of profit margin on the capital in the agriculture decreases in inverse proportion to its capitalization. Therefore, in the USA and other countries with high concentration of the industrial and financial capital the small and average farm enterprise mainly remains due to the state support. Thus, the state financial support surpasses the profit got by the farmers. And the matter is that: On one hand, the seasonality of production and optimization of time of field operations demands the higher level of equipment concentration, therefore, of the capital on a unit of the processed area as well; on the other hand, the agriculture industrialization increasing the level of power equipment and power-to-weight ratio of production reduces the working period - the time of productive capital utilization. As a result, a considerable and progressing part of time both the technical and human capitals are in lie time - production breaks. It causes the advancing increase in capital costs.

Thus, the lower the natural fertility, the proportional lower the efficiency of investments. It is caused by that the lower the natural fertility; the bigger must be the area which is paying back capital expenses. Thus, there is a contradiction: The biggest area demands the more equipment, but the most equipment demands the biggest area of crops which is paying back capital costs. So, for example,

to pay back the equipment and all techno-genic expenses, at the productivity that is 20 centers from a hectare, it is necessary to sow the area twice big than at productivity of 40 centers. For this reason collective farms and state farms in virgin regions, for example, of Northern Kazakhstan had the areas of agricultural grounds which were numerous bigger than in North Caucasus. With the growth of power security and capital-labor ratio of the agriculture in the USSR the capital productivity ration has being steadily decreased (The State Committee of the USSR, 1988).

At the same time, not only the capital is not interested to be put in risky and marginally profitable production, but also a peasant is not motivated with the market on realization of the public interest because in conditions of the market economy he is doomed to exploitation. From our country history we know the farmer’s attitude to food rationing which necessity was caused by state interests. He did not show his great enthusiasm at the collectivization as well which is also caused by state interests.

The matter here is that the village is economically and politically dependent on the city and the industrial capital which basis is non-repayable confiscation of the ground rent. It means that practically the whole additional product of the agriculture is expropriated without equivalent exchange. The state establishes limit prices for products of the agricultural production being guided by salaries and wages of labor power and receipts of the industrial population. The capital interest thus is that the average profit margin on the capital on the economy in general is higher when a worker operates the less for food supplies. Therefore, in the West the capital is interested and transfers to state financing of the agrarian production. Thus, on one hand, it receives a relatively cheap labor force, and on the other hand, it returns itself a part of profit transferred to the state budget as taxes. It is one of the reasons of the disparity of prices which is not providing equivalent exchange.

The fact that the agrarian production is a prerogative of the state policy is also caused by that the market cannot expect and think about the future. Subject to the agriculture it has the twofold menace:

1. The fertility degradation which in the Russian Federation accepts a catastrophic character.
2. The social village infrastructure degradation and the village itself.

It, in our opinion, contradicts strategic interests of the state. Both things accept a menacing character. The menacing fertility degradation is the result of reduction of organic and mineral fertilizers use caused by excessively high prices of mineral fertilizers and energy resources. The capitalist market is not interested in problems of the native agriculture, its future and food security: About 90% of mineral fertilizers which are made in the Russian Federation are exported to other countries. It shows the essence of the “independent” private interest, first of all, profit!

The decreasing standard of farming, the loss of native seed farming and other degradation processes are added to it. Without the state control and investments it is impossible to provide the

fertility reproduction, the agriculture protection against natural cataclysms, against the invasion of insects and wreckers. So, for example, this year many regions were suffered from drought and other negative natural phenomena: The grasshopper plague, various epizootic diseases, etc. The state system of protection of a farmer is necessary because this deal is beyond the market scope.

The village degradation is also the result of the agriculture commercialization. Maximizing profit due to the economy on costs of production is the basic law of the commercial calculation and the capitalist market. Therefore, is it unprofitable for the capital to support the village? It takes it as a direct deduction from profit because everything that the village spends for itself increases the labor power cost (“the human capital”). So, for example, expenses on food supplies in the family budget occupy on average across the Russian Federation about 40%.

Russia is burdened with the village more than the countries of the West where the farm people figure up to 3-7%. In the Russian Federation the farm people tot up to 26%. The Russian village is not just a settlement, but it is a special tenor of life, a special civilization. Is it necessary to destroy it? In our opinion, it cannot be done. Firstly, nobody waits for these people in the city. The industrialization era has ended. There is no labor power deficiency in the production sphere and the requirement will be progressive to be reduced in the process of production robotization. From the state point of view and from the position of menace of the social situation aggravation it is too unreasonable to fill up the layers of the city poor. Today Western Europe is experienced something the same from the invasion of refugees from military conflicts zones.

It is thought that it is better to create the conditions for normal life in the village using natural advantages of rural living. The amount of the expenses on the state support of the village will not be greater because it is possible to provide a countryman with socially useful work developing the production base. But for the purpose it also is necessary on the cooperative basis to develop the whole processing industry of the agrarian and industrial complex (AIC) with the state support, in the countryside. It will reduce losses from raw materials transportation, will increase the budgetary profit, will increase the wastelessness of food supplies production, and will improve social conditions of the activity in the village, will improve exchange between the person and the nature. The materials which in the city are dumped into canalization and pollute the environment, in the village can change into fertilizer or power raw materials. Besides, from the point of view of the general interest, it is favorable to keep and develop the village as it will provide the owner’s use and protection of the ground.

The preservation and development of the village are also important and in strategic relation: One atomic bomb has destroyed in Nagasaki about 70 thousand inhabitants for some seconds. The rural settlements dispersion and small and average cities increases defense capability of the state. It is one of the reasons which has prevented to make Hitler’s “blitzkrieg” against the USSR. At this time, urbanized Europe actually “was given” him without opposition.

There are many other factors which cause the active public control over agrarian production. The capital is not interested in food security as it is much more profitable to it to import food supplies than to invest in its own, more expensive production. Thus, it is quite natural that the capital has no motivation to contain the village and to provide the welfare to its own landowner. This law is confirmed by that general aspiration of capitals to the countries with cheap labor power and low costs of the capital to the prejudice of national economies development. Therefore, to wait and appeal to the capital that it will come to the Russian village is the same as to urge a wolf to refuse meat having replaced it with the grass.

At the same time, today the agriculture and the AIC of the Russian Federation for import substitution more than ever need the large capital. The matter is that in the USA, the EU and other countries a landowner is socialized by interindustry cooperation, he has on average 7 - 8 people to work for him in the AIC. That is, he is the eighth - the ninth. In Russia, in the best times for the AIC (the 80th years of the last century), one landowner has on average 0.5 person to work for him in other spheres of the AIC (The State Committee of the USSR, 1988), but today it is even less. Therefore, the agriculture share in the cost of the AIC production in Russia is 70-80% while in the USA is by 7-8 times less. At such public cooperation a farmer in the USA has still solid state support. Therefore, to overcome this gap, the huge capitals which “the market economy” cannot give to the agriculture are necessary. And with that symbolical support which today gives the state to the agriculture, it is not necessary to wait for a break in import substitution from a Russian peasant.

Thus, there are many objective circumstances causing a prerogative of the state in the development and improvement of agrarian relations. And first of all, within this framework the main criterion of statehood of the authority must be achievements in providing food supplies sovereignty and general security with food supplies in a necessary quantity for healthy lifestyle. Thus, not the market, but the state has to stimulate the most rational modes of production and land use. The agriculture is the sphere where entrepreneurship interests have to be guided not to the market, but to general state interests. The enterprise freedom in this sphere has to be expressed in conscious, effective work to the state interest.

The liberal consumers of bread must understand that the enterprise freedom from the state is possible where it does not affect general interests. Freely, without the state intervention, it is possible to make mobile phones, cars, and a variety of other optional and also often harmful goods and services. The state has to be responsible for effective and high-quality functioning of the food complex. It is its first prerogative. Especially that the hungry person do not need smartphones, Internet, the “hungry” state as well.

Therefore, not nanotechnologies in the field of information equipment, but nanotechnologies in the development of agriculture and the AIC have to be a state priority. Of course, it is also possible to have own smartphone, computer and other devices which are not worse than offshore, but the “satisfied” person has to be the priority state interest, and only then all the rest. It is not necessary to ignore the universal general, eternal law according to which

“... people must have an opportunity to live to be able to make the history. But, first of all, the food and drink, the dwelling and clothes, and something other are necessary for life. So, the first historical act is production of means necessary for real life” (Marx and Engels, 1986).

3. CONCLUSION

Marking the end, we consider that the state, but not the market, has to strengthen its own base that is the agriculture and the AIC. If in the USA, Canada, Europe where the differential land rent is much higher, than in Russia where food supplies are much made than it is necessary for internal consumption, the state protects a peasant from the market destruction, then in Russia where there was ever no surplus of own food supplies, the state responsibility for food security is traditionally much higher. Therefore, in the Russian state the improvement of agrarian relations has to be a prerogative of the state as a necessary condition for ensuring food security and state sovereignty. In general, not a peasant as a producer, but the state as a consumer is objectively more motivated to the improvement of agrarian relations.

Thus, generalizing the stated above, it is possible to conclude that agrarian relations do not fit into the system of modern market mechanisms because their commercialization contradicts the best interests of the capital and social and economic relations humanization.

Firstly, the agriculture is not an object of the capitalist investment interest as its functioning and development contradicts laws of the capitalist development. The capital meets here a contradiction to the basic law - to the law of the earned value. It is shown that the sphere of application and expansions of production of the earned value in the agriculture is limited to climatic factors: Limitation of the area suitable for the agriculture; the fertility limitation, the natural limitation of “commercial” needs for food consumption. The efficiency of agricultural production capitalist intensification is limited to the fertility and has no adequate return. Therefore, with the growth of power-weight ratio, equipment-weight ratio and fund-weight ratio the efficiency indicators - capital productivity, profitability decrease capital costs absolutely grow. Besides, the industrialization of production leads to the absolute reduction of a sphere of agricultural labor power application and the progressing decreasing rate of profit margin that is profitability. At the same time, hidden unemployment grows, respectively, the welfare of a peasant decreases and social contradictions become aggravated.

Most of all that circumstance contradicts the best interests of the industrial capital and the city that costs to the increasing material well-being of a peasant and the social infrastructure development of the village increase the costs of the public capital. It happens because these costs increase the labor power cost reducing thereby average profit and the capital profitability. In this regard it should be noted that the policy of the Government of the Russian Federation is exclusively proved from the point of view of the capital. Therefore, it is a deep delusion to speak about its incompetence as it consecutive and persistently advances the capital interests.

Over the quarter of the century of the market reform the capital was not burdened with the NAIC development. It is necessary to perceive this result of capitalization of the agriculture as the system regularity of “the market economy.” Therefore, the development of native agricultural production and the social infrastructure of the village has to be a prerogative of the state. The agriculture is the basis of state sovereignty and the state interests, and a peasant is a person of the state fully assuming state liabilities. Therefore, from the point of view of interests of the state in general and the social justice in particular, the state is obliged to provide a countryman with necessary social infrastructure: Schools, medical institutions improved by roads and other vital services. It is unfair when for the service of privately owned vehicles in large cities and capitals demands multiply more than the ensuring social needs of a peasant and his children.

In this regard, therefore the capital’s own expensive food supplies is absolutely unprofitable for the capital, therefore food import substitution cannot be the system requirement of “the market economy” development. It is unprofitable to the bourgeoisie, and therefore cannot be a strategic objective of the bourgeois government. The measures for food import substitution taken by the Government of the Russian Federation testify that it is a political demarche having a tactical character, but not strategic installation on the ensuring food security, state sovereignty and the development of native agricultural production and the AIC. In our opinion, the complex state program of the agriculture strategic development is the basis of state sovereignty as a priority prerogative of the state is necessary.

REFERENCES

- Agrobusiness and the Use of Resources of the AIC. Available from: <http://www.center-yf.ru/data/economy/Agrobiznes-ispolzovanie-resursov-APK.php>.
- Artyomova, E.I. (2013), System and reproduction approach to the research of innovative processes in the Russian economy. *Psychology Economy Law*, 2, pp 38-43.
- Artyomova, E.I., Belova, L.A. (2006), Priority directions of state regulation of the AIC. Krasnodar (Russia): Works of the Kuban State Agricultural University. p1.
- Artyomova, E.I., Yanni, I.V. (2015), Improvement of the management of the AIC development of the region. *Polythematic Network Electronic Scientific Magazine of the Kuban State Agrarian University*. p109.
- Artyomova, E.I., Bursa, I.A., Kapustkin, A.V. (2012), Ensuring investment appeal of the agrarian sector of the Russian economy. *Business in the Law Economical and Legal Magazine*, 1, pp 298-301.
- Maleychenko, E., Maleychenko, V. (2015). Contradictory Unity of State and Civil Society. *Scientific-Methodical Electronic Journal "Concept"*, 15, 3286-3290.
- Maleichenko, V.N. (2000), Crisis of the Russian village - The market economy regularity. Works of the Kuban State University. Release, 6(45), pp 304.
- Maleichenko, V.N. (2013), Institutional and Economic Problems of the Fertility Reproduction. No. 41. Works of the Kuban State Agricultural University.
- Marx, K., Engels, F. (1986), *Electronic Works* 3 volumes. Vol. 1. Moscow: Politizdat. p635.
- Melnikov, A.B., Artyomova, E.I., Bursa, I.A., Millers, B.A. (2012), Food

- security - the basis of providing economic security of Russia. No. 3. Humanitarian, Social and Economic and Social Sciences.
- National Economy of the USSR in 1987: State Committee of the USSR; 1988. Moscow: Finance and Statistics.
- The Constitution of the Russian Federation. (2015), The Anthem of the Russian Federation. The Coat of Arms of the Russian Federation. Moscow: RIPOL Classic; Omega-L.
- Yarushkina, E.A., Zelinskaya, M.V. (2014), Reproduction of relations of the property in conditions of post-industrial transformations. Monograph. Krasnodar: KubSU.
- Zelinskaya, M.V. (2015), State Support of Business Entrepreneurship of the Krasnodar Krai. Polythematic Network Electronic Scientific Magazine of the Kuban State Agrarian University. No. 107.
- Zelinskaya, M.V., Chernyavskaya, S.A. (2012), Resources of the development activation of the regional economic system. Business in the Law Economical and Legal Magazine. No. 1.
- Zelinskaya, M.V., Varava, A.V. (2015), Improvement of the management organization of the agriculture in municipality Krasnoarmeisky District. Polythematic Network Electronic Scientific Magazine of the Kuban State Agrarian University. No. 108.
- Zielinskaya, M.V. (2014), Customs and Tariff Regulation as an Instrument of Support for the Agricultural Complex of the Krasnodar Region. Polythematic Network Electronic Scientific Magazine of the Kuban State Agricultural University. No. 104.