

- Renewable are forecasted to be less costly in the long run.

Disadvantages:

- It is not easy to set up a plant as the initial costs are quite steep.
- Solar energy can be used during the day time and not during night or rainy season.
- Geothermal energy which can be used to generate electricity has side effects too. It can bring toxic chemicals beneath the earth surface onto the top and can create environmental changes.
 - Hydroelectric provide pure form of energy but building dams across the river which is quite expensive can affect natural flow and affect wildlife.
 - To use wind energy, you have to rely on strong winds therefore you have to choose suitable site to operate them. Also, they can affect bird population as they are quite high.

One of the dominant features of the global Renewable Energy landscape in 2011 was falling technology costs, what means growth of their economic effectiveness and competitiveness. If the tendency continues the amount of investment in renewables will definitely increase and will give a boost to intensive development of this energy sector.

Such trends will probably result in lowering the harmful impact of power production on the environment. However we discovered that renewables are not so harmless, as they are considered to be. At the same time we can't deny the fact that use of renewables is the less evil compared with traditional energy sources.

And the main good news is that renewable resource potentials exceed today's world energy consumption, despite the rapid growth of the latter.

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ANALYSIS OF THE INFLUENCE OF THE IMPORT SUBSTITUTION ON THE COMPETITIVENESS OF THE AGRICULTURAL PRODUCTION IN BELGOROD REGION

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Nowadays, the development of the agriculture in Russia is characterized by the growth of food import deliveries and scarcity of internal sources of food production. Consumption of food per capita also tends to have a negative dynamics, which finally promotes an aggravation of a problem of food security in Russia. During 1990-2007 we observed the tendency to the reduction of animal production. The level of meat and milk production dropped more than by 40%, eggs – by 20%. As for crop production, there is decline in corn production by 33% and a significant growth in potatoes production by 25% and vegetables production by 52% [1].

The main reason of drop in meat and dairy production during the period of reforms is a decrease of the cattle at the farms of all categories. There are a lot of factors which could affect this. The main of them are: condition of food supply, financial and economic problems of the agriculture. The situation with crop production during 1990-2007 is characterized by the reduction of cultivated areas of the main crops more than by 35%. It is vital to note, there has been a growth of production indicators and consumption of the main types of food products per capita. However, the fact that foodstuff and raw materials for their production take one of the biggest shares in the structure of the Russian import to compensate a lack of raw materials on the domestic market, arises a question about proportionality of the growth of outputs and import of the food. The main problem is that the dynamic of food import is much steadier unlike the dynamics of agriculture growth and development, fluctuating during the years. Import substitution has to be conducted by means of stimula-

tion, development and protection of own agricultural production, as the main source of population satisfaction in ultimate and healthy food [2]. In order to evaluate the scales of import substitution one needs a clear understanding of the following: what maximum output can be obtained in Russia taking into consideration its agricultural potential and possible changes into macroeconomic and political spheres.

Import substitution of the agricultural production is based on the six major factors: costs of equipment and the machinery in use, energy resources, materials and raw materials, labor and financial resources, the level of management sophistication and the amount of skilled labor. Only with the competent and balanced combination of these factors, the creation of effective and competitive agricultural productions is possible. Anyway, the preference should be given not to the full import substitution at expense of the borrowed raw materials and development of the "simplified" technologies, but to the full-cycle production, preferably using local raw materials. A certain balance is always needed, however it is necessary to start import substitution now.

The analysis of current situation with agricultural production in Russia shows its dependence on import (especially on meat). Despite of imputations of the development of the agriculture, it isn't available to provide necessary quantity of consumption yet. That's why at this stage import of food is inevitable. Important indicator of food security is the size of the carry-over stocks of the main types of food. Minimum value of this indicator representing the relation of size of stocks at the end of the year to size of internal annual consumption is considered to be 17%. Import substitution of regional agricultural production was calculated and was given an estimate of its effect (tab.1).

Effectiveness of import substitution of the main agricultural products

Indicators	2008	2009	2010	2011
Consumption of the main agricultural products in the region (<i>C</i>)	76772,673	75171,23	87843.01	87042,02
Import of the main agricultural products in the region (<i>Im</i>)	4320,7622	2060,351	3761,063	7051.898
Import of the main agricultural products in the region from other regions (<i>R</i>)	2029,6191	4983,686	4857,1	4468.4
Index of consumer prices, calculated on the base of average consumer prices on the main agricultural products (<i>Cpi</i>)	1,267	0,917	1,065	0,991
Investments in agriculture (<i>Inv</i>)	30758	18478.5	17299,9	2130
Financial budget investments of the region in agriculture (<i>S</i>)	7894	10194	11617	14500
Effectiveness of import substitution of the main agricultural products (<i>Eims</i>) excluding (<i>Cpi</i>)	1,8	2,4	2,7	2,1

Source Of Data: [4]

Having analyzed the efficiency of import substitution index in the region, we came to the conclusion that it was raising during 2008-2010. During the years it had been growing constantly. However, it is necessary to note its growth in 2009 in comparison with 2008. In accordance with import substitution of the main agricultural products in Belgorod region, it makes sense to draw the following conclusions.

Import substitution is rather new concept not only for Belgorod region, but also for Russia. It is inherent, first of all, to the market economy. Step by step developing process of import substitution implies new workplaces, technologies, and demand for products of agricultural producers. In its basis form a competition and improvement of agricultural production in our country. With reference to conducted analysis of effectiveness of import substitution and its influence on competitiveness of Belgorod region (2008-2010), it is vital to note about gradual freedom from import and improvement of agricultural sector.

Recommendations for production development and protection of agricultural and food markets in Russia include:

- a) five different measures with an attraction of external resource;
- b) main protective measures of internal character;
- c) observance of the principle of real import substitution, instead of extension of its nomenclature.

The problem is that with the realization of strategy and measures of import substitution development provides a balance of purposes and interests. At the same time it needs: to create conditions for a fair competition on the domestic market, provide profitably of Russian agricultural business, guarantee uninterrupted supply of Russian food of good quality and at accepted prices, and organize technical and technological updating of the branch in order to keep pace [1].

The problems can be solved only with an accomplishment of the following conditions:

1. State regulation of foreign trade of food and raw materials has to be accompanied with interconnected measures in a macroeconomic and agricultural policy.
2. Strengthening of protective function of import duties, their collection should be coordinated with a state support of domestic producer.
3. Distribution of budget revenue should be fulfilled by collection of import duties, in form of governmental grants for subsectors of the raw material industry of agriculture.
4. Ensuring easy access of agricultural producers to counters of shops and distribution networks, reduction of intermediaries between the producer and the seller.
5. Stimulation and expansion of consumer and investment demand.
6. Creating conditions for development of the internal competition among medium and small business, increase of motivation and effectiveness of management, by privatization of inefficiently working government enterprises.

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