

TERRITORIAL BRANDING AS AN INSTRUMENT FOR COMPETITIVENESS OF RURAL DEVELOPMENT

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ABSTRACT

The conceptual foundations, principles, and mechanisms of territorial branding concerning the prospects of rural development in the Third World countries are the subject of the study. The systematization and study of the problems and experiences of territorial branding as a technology of development and overcoming of poverty in the agrarian society of Ukraine is the purpose of the paper. The socioeconomic condition of the modern agrarian society of Ukraine is analyzed with explaining the nature and extent of poverty in rural areas. The basis of the research was the thesis on the expediency of social stratification, including explanation of the causes of poverty by the criterion of economic behavior of individual groups of agents. The data obtained are available in adjusting further agrarian reforms, especially regarding its social orientation, where it should be involved: sociological stratification of groups of agents of each community to identify and stimulate an economically active society, analysis of the causes of the spread and nature of poverty in this rural area, determination of domestic sources of economic growth for local economy, and the implementation of these factors in the process of modernizing of economic relations.

The main method of research was the study of the unique experience of individual rural communities. The methodology of the study foresaw the study of the prospects of rural development of the post-industrial type through the

determining role of the factor of territorial branding. Monitoring the potential of territorial branding for rural areas of Ukraine using SWOT analysis has shown the uniqueness of risks, limitations, and prospects. It has been established that the conditions of neutralization of weaknesses and risks are in the combination of economic (primarily investment) and cultural and political initiatives, where a significant role belongs to the effects of community self-organization. At the same time, the prospects are due to the presence of unique institutional assets, natural, climatic and economic conditions, and possible perception of the idea of the rural population as such, which does not contradict the basic cultural values. The emphasis is placed on the fact that the realization of rural development in Ukraine as a national policy should take into account that Ukrainian rural communities remain "difficult," mostly depressed economies, where the level of economic activity is traditionally low and unemployment is high. At the same time, studying the experience of the effectiveness of territorial branding allowed to generalize and classify the factors of brand-forming content for the rural areas of Ukraine, which became (1) a unique institutional history; (2) landscape and recreational potential; (3) special economic behavior of local inhabitants; (4) investment attractiveness of the territory; (5) unique economic specialization of the territory; (6) tourism activity; and (7) the role of local government. Significant socioeconomic effect of these examples is fixed. The area of application of these results is, first of all, the activity of local authorities of rural communities, nongovernmental organizations, and universities, as well as regulatory policy in terms of decentralization.

Keywords: Agrarian society; Poverty; territorial branding; development models; rural development; swot analysis

INTRODUCTION

Poverty is a social and economic phenomenon at the same time that permeates the whole history of civilization. From ancient times, philosophers, political scientists, sociologists, and economists have been actively studying the problems of property inequality and impoverishment in order to overcome them. In the era of early capitalism, the interpretation of poverty has shifted to the concept of logical material inequality in a society where entrepreneurship and labor are the keys to enrichment and impoverishment. At present, in the economically developed countries of the world, the paradigm of social orientation of a market economy prevails, where among other tasks poverty is foreseen. However, the problem has not lost its relevance even in the post-industrial era, acquiring new scales, forms of manifestations, and effects.

The problem of poverty as a background of capitalist transformation has also been felt by Ukraine. This phenomenon was considered atypical for the former USSR, although it certainly existed among the rural population. For the 1990s, when poverty was widespread in the context of market transformations in the

country and effective mechanisms for its overcoming were lacking in society, new market principles for organizing economic relations were perceived primarily through mass impoverishment. Obviously, this has become a major factor in the unpopularity and inefficiency of market reforms.

The modern paradigm of rural development should be considered in the context of the contradictory consequences of market reforms in Ukraine. Hence, the search for new sources of rural development becomes a determinative role in correcting further reforms. Branding of rural areas should be considered as one of these sources which is based on the unique features of local areas and economies. The peculiarity of such technologies of development is the main role of internal factors of self-organization and development.

World experience confirms the trend of increasing the role of national, regional, and territorial brands. Thus, the branding of rural areas is a new management technology, which has a very small practical spread due to the lack of necessary knowledge about the essence of the process and the possibilities of its modeling. It should be noted that the scientific basis of territorial branding in the context of rural development policy in the Third World countries remains poorly developed. Hence, the problem requires a scientific and practical solution with taking into account that in these countries there is virtually no funding for individual rural development programs, and the phenomena of self-organization of communities will remain the only alternatives. That is why the scientific description of the importance, causes, and ways of overcoming poverty in the agricultural sector of the economy is an important research area.

The Model of Poverty and Its Overcoming in the Agrarian Society of Depressed Economies (Analysis of Recent Research and Publications)

The need for government programs to overcome poverty was evident in the first half of the nineteenth century in the works of T. Malthus (Kotler & Keller, 2005); as is known, the effectiveness of such programs was evaluated by author as very pessimistic due to demographic disproportions. Other fundamental works on the problem of poverty include the work of Mr. But (Anholt, 2007), including the methodology for studying poverty (for instance, so-called “interactive poverty maps,” sociological methods of interviewing, etc.); this as we think does not actually involve in the post-Soviet space in relevant research projects yet. The analysis of literature in Ukraine suggests that scientists have received considerable attention to the problem of poverty, when the point of view is usually focused on the fact that this phenomenon became one of the most acute at this stage of agrarian reform.

Poverty as a negative social phenomenon is characterized by multidimensionality and requires comprehensive analysis. In turn, poverty in the agricultural society requires its own model and a separate research methodology.

Thus, the specificity of the object of study means two approaches to stratification of agrarian society: (1) by level of income (for example, US dollars per day) and (2) by lifestyle (for example, economic behavior model).

The interpretation of the first approach is shown in the example of the [Table 1](#).

Hence, the middle class of the modern agrarian society of Ukraine, 80%, is the category of economic agents, whose income ranges from \$1.0 to \$5.0 US per day. The “rich” group means income more than \$5.0 (preferably \$5.0–10.0). The group of agents with higher than specified incomes may be considered uncharacteristic of the sample, given that it is almost always nonrural residents whose income is generated outside the rural area. In turn, a group of “poor” agents with income less than \$1.0 per day can be identified. Graphically it is indicated in [Fig. 1](#).

If we start from the fact that the criterion of stratification of the agrarian society is a way of life—a model of economic behavior—it should really represent the parameters of a representative rural community at the present time. In the Vinnytsia region, for example, the population of such a community is about 800 people (about 300 houses), 100 of which come from outside and live mostly

Table 1. Model of Stratification of Representative Rural Community by Income (Expenditure), per Household, 2018.

	Income/Expenditure Level, USD US per day				
	Less 1,0	1–2	2–4	4–10	Significantly Higher Revenue
Quantitative proportions of the population in the group, %	more 5,0	close to 25,0	till 45,0	till 20,0*	less 5,0

Notes: *including from \$4–5 US up to 20.0%; \$5.0–10.0 US up to 10.0%; most of them are not direct residents of the village.

Source: results of author’s research on the example of rural communities of Vinnytsia region.

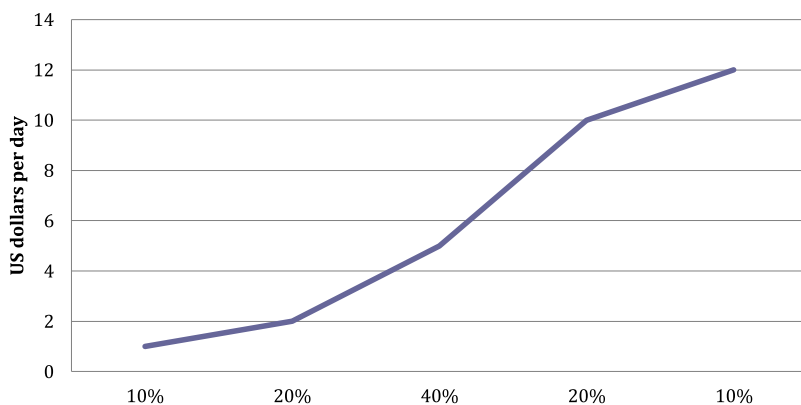


Fig. 1. Interpretation of Stratification of Modern Domestic Agrarian Society by Income Criterion. *Source:* Results of author’s research on the example of rural communities of Vinnytsia region.

periodically. According to the author's research, the distribution of groups of economic agents of such a community is the following:

- (1) The middle class is the economically active part of the population of the rural community, which is mainly based on activities within the personal peasant economy and the local economy of the rural area.
- (2) A group of "poor" agents is formed from a socially and economically degraded part of the local society.
- (3) A group of "rich" agents consists of a category of agents whose activities are characterized by much higher diversification, scale, intensity, efficiency, that is, entrepreneurship.

In turn, the category of "poverty" needs a clearer interpretation. According to our observations, such can be divided into three categories in their essence:

- (1) "marginal" poverty;
- (2) "background poverty"; and
- (3) "economic" poverty.

Hence, "marginal" poverty is caused by social degradation of a part of society. According to our observations, the share of this category reaches 3%–5% of the population, who are not inclined to work systematically at all. It is difficult enough to maintain this category because it is not prone to any communication. Therefore, the solution of the problem is able using special social programs and it is not an economic issue.

The "background" poverty is caused by the overall low standard of living in the country, low wages, pensions, social benefits, etc. The low standard of living of the modern Ukrainian middle class can be explained with this kind of poverty. The solution to this problem at this level has a macroeconomic meaning related with the development of the economy of the country as a whole. The effect of a clear lag in the standard of living in the agrarian society in comparison with the national average as a fixed trend should be noted. Therefore, the problems of poverty in the agrarian society should be solved without reference to the macroeconomic trends in the whole country. Moreover, due to individual economic circumstances, the scenario where poverty in this part of society can be overcome earlier and more effectively (at less cost) than in the country as a whole is noteworthy.

The "economic" poverty is caused primarily by the lack of quality of jobs (namely full-fledged, legal, full-time employment with a sufficiently high level of remuneration) in the local economy. This segment of poverty is a direct field/object of special economic programs.

The content of the concepts of poverty and low standard of living should be distinguished. Poverty, we believe, is a phenomenon based on the correlation of social and economic factors, and an adequate description of the balance between such is important enough to understand the essence of the problem. As already

mentioned, it is paradoxical for the Ukrainian agrarian society at present to be a situation where the low standard of living encompasses most groups of economic agents—retirement and nonretirement age, different economic activity, employees and unemployed, those engaged in full, shadow, or incomplete activity, youth and older people, etc. The corresponding majority of children of agrarian society is in one way or another in the low standard of living, which automatically limits their further prospects in education, employment, worldview, loyalty to the existing government, society, and cultural values. Poverty therefore has a high political cost.

We would like to warn you about the defining role of “background” poverty in solving the problem. In our opinion, the paternalistic model of poverty reduction in this case is the least effective option. Instead, the policy of stimulating entrepreneurship in rural areas is strategically promising. The experience of Ukraine testifies to the trend of behavioral effects of economically active groups of agents, which has a positive impact on local communities. Yes, jobs are created—mostly unofficially, a sufficiently high level of wealth is achieved in these families, socially oriented activities are carried out, etc. Thus, the search for development technologies (poverty eradication) to which territorial branding has been attributed is relevant.

The Concept of Territorial Branding in the Context of Socio-Economic Development of Rural Areas (Analysis of Recent Research and Publications)

The formation of the concept of territorial branding in the framework of the general theory of branding has a certain history and preconditions. So, the first works on branding of the territories belong to the 90's. XXct.: in 1993, the first edition of F. Kotler's book was published (Kotler & Keller, 2005), where the potential and principles of marketing of territories were indicated. Also in S. Anholt's works in the 90's (Anholt, 2007, pp. 244—246), the basic categorical apparatus and methodical basis of territorial branding were substantiated. In studies by S. Ward (Ward, 1998), it was concluded that the practice of marketing the territories (cities) was used in the late nineteenth century. Territorial branding was actively distributed in the 80's of the twentieth century as a trend in Europe due to the need to maintain the viability of the cities' economies and save jobs. According to the authors mentioned, there are more than 36 types of city brands.

In general, the most famous foreign research in the field of the theory of territorial branding became the above-mentioned work by F. Kotler, K. Asplund, D. Heider, and I. Rein (Kotler & Keller, 2005), since they first found the marketing approach to the territory as a commodity, as well as the question of modern branding specifics in the conditions of globalization was considered. It should be especially emphasized to the value of S. Anholt's works, who is the creator of the term “place branding” (branding of places). Since 1998, the popularization of this term has begun in the papers in quarterly journal “*Place Branding and Public Diplomacy*” (“Branding of Geographical Areas and Public Diplomacy”), as well as in the books “*Brand of America*,” “*Competitive Identity - New in the Issues of the Brand Management of the Nation, City, Region*,”

“Territories: Identity, Image, Reputation,” and “Branding: A Road to the World Market” (Anholt, 2007, pp. 244–246). A systematic interpretation of the territorial branding on the example of theory of city’s brand was carried out by K. Dinny in the book “Branding Territories. Best World Practices” (Dinnie, 2004).

A number of other works of such brand consultants as Wally Olins (Corporate Identity, 1989; Trading Identities, 1999; On Brands, 2003) and Simon Anholt (Brand America, 2004) to political scientists Mark Leonard (Britain TM, Renewing our Identity, 1997) and Professor Peter Van Ham (The Rise of the Brand State, 2001; Branding European Power, 2005) were based on the position that branding can provide a conceptual basis for analyzing contemporary economic processes.

Particular attention deserves the studies of specific examples of regional branding. Recently there have been such thematic works on this problem like David Jansson’s paper (Jansson, 2012), Julie Aveline’s paper (Aveline, 2006), and others. Thus, in the research of David Jansson (Jansson, 2012) in the development of the Scandinavian Archipelago, it was emphasized that territorial branding is essentially social branding, an attempt to construct social identities and an opportunity for regional formation. The authors Lies Messely, Joost Dessein, and Ludwig Lauwers (Messely, Dessein, & Lauwers, 2010) have emphasized that in the globalized world regions their identities are subject to great pressure, so regional brands should be considered as a response to such risks. Examples of rural development in Ireland, the Netherlands, and Belgium have proved (Messely et al., 2010) that, primarily, the internal marketing of such branding is a determining factor in success. The authors (Boyne & Hall, 2004; Cai, 2002; Vuorinen & Vos, 2013), based on the experience of the development of the domestic brand of the estuary of the Mino River in Portugal, rural areas of Finland, and the United Kingdom, emphasized that branding of the area requires changes in the social organization of the territory on a cooperative basis and the transition to new management regimes. An important result of the research (Cai, 2002; Vuorinen & Vos, 2013) is the description of the conflict of interests of various groups of branding agents, as well as the role of contractual relationships in ensuring long-term cooperation.

In studies (Aveline, 2006) from the UK experience, emphasis was placed on the prospects of food tourism in rural areas as the basis for territorial branding. The high dependence of the success of local development on rural branding was documented in studies (de S. E. Vela & Barniol-Carcasona, 2015) on the example of Catalonia, which outlines the role of the transformation effect of local economic activity toward a particular consumption.

The experience of national programs in Japan, described in Anthony Rausch’s paper (Rausch, 2009), can be regarded as a major success of the policy of branding of local products and services, where the role of creativity in branding played a role. A similar view is presented in the Julie Aveline’s work (Aveline, 2006), where it is emphasized that branding of territories is essentially a “market of ideas,” a model of new citizenship.

An analysis of this experience and conceptual provisions of territorial branding allows us to conclude that for the Third World countries with a high

proportion of rural population, this practice and theory remain virtually unknown. At the same time, it can be argued that there are other sources, motives, and models of territorial branding in the rural development policy of this group of countries, Ukraine in particular.

The purpose of the paper is to systematize the experience and problems of territorial branding in relation to the rural areas of Ukraine as development technologies.

Key Findings of the Study (Capacity Monitoring)

To describe the potential of territorial branding for rural areas of Ukraine, it is advisable to monitor territorial branding from the positions of brand-forming factors of development. As the results of the SWOT analysis have shown, domestic branding of rural areas is characterized by its own risks, constraints, and potential.

Thus, being of social atmosphere, against the market and reforms in Ukrainian village first of all can be recognized as weaknesses in terms of a critical attitude to the process of capitalization in the countryside, as well as to the regulatory policy of social protection during the period of market changes. This causes the risks of branding of rural areas, which are caused by the once again unfavorable competitive environment in the countryside, unfunctional regulatory policies, and opportunism of the society. In our opinion, this is a real barrier to change; to this it should be added that this factor is more noneconomic, so it is difficult to counteract it only with economic instruments. The conditions for neutralizing weaknesses and risks are the combination of economic (primarily investment), cultural and political initiatives, with a significant role of rural communities, local businesses, and external public organizations.

At the same time, the prospects are quite significant given the strengths: first of all it is the existence of unique institutional assets, climatic and economic conditions, and possible positive perception of this idea by rural population as that does not contradict to basic cultural values.

Hence, there are objectively conditioned opportunities of branding development of rural society in the mental demographic and financial-economic aspects. This means the development of the most diversified business in the village within the projects of territorial branding projects as sources of employment growth and economic conditions of the communities. Conditions of realization of opportunities at the same time can be the implementation of the whole range of appropriate regulatory measures, support of public organizations, and self-organization of rural society through the creation of “critical” mass of agents who want and achieve change in neutralizing indirect opportunistic tendencies.

It should be understood that branding of rural areas can only be realized at the level of local communities. Therefore, a national level policy should be considered only as an additional factor for the implementation of functions that go beyond the powers of local communities. Thus, at the national level, such regulations should foresee, possibly, a change in tax policy, in particular the strengthening of the role of stimulative and supportive influence.

To understand the essence of the problem, it is necessary to present the generalized socioeconomic “portrait” of a representative rural community in the dynamics of the last 10 years (in our case, on the example of the typical agricultural administrative region of Ukraine—Vinnytsia region) *Table 2*. In our opinion, the indicators in *Table 2* together give a full picture of the community’s problems: the proportion of the population of retirement age indicates about the demographic situation, the number of unemployed is a direct reflection of the situation on the local labor market, and the number of farmers and registered enterprises characterizes entrepreneurial activity. The state of depression of local economies was determined by the presence (or absence) of established positive changes for a long (more than 5 years) period. Also in *Table 2*, the individual indicators of the “ideal” socioeconomic status of the representative rural community of Ukraine are modeled.

Taking into account the data of the table, it can be said about a certain positive trend as a result of market reforms. On the other hand, Ukrainian rural communities remain “difficult,” mostly depressed economies, where the level of economic activity is traditionally low, unemployment is high, and hidden unemployment is even higher. At the same time, in comparison with the agrarian regions of Western Europe, the Ukrainian analog is a comparatively large enclave (560 people on average in the region, at least 240 people and maximum—up to 3,000 people) with high economic potential.

Table 2. Socioeconomic Status of Village Communities of Vinnytsia Region in 2009–2019.

Indicators	2009 year*	2019 year**	Perfect State (Potentially Possible under Favorable Conditions)
The value added dynamics index as a result of business activity in the community	1,00	1,19	Maximum
The share of rural communities in a depressed state, %	72.0	64.0	Minimum
Share of rural population of nonretirement age, %	61.0	63.0	Till 70.0
Unemployment rate, %	25.0	15.0	4.0–5.0
Number of farmers per 1,000 inhabitants	0.6	0.7	2.5
Number of private enterprises per 1,000 inhabitants	0.5	0.9	Till 30
Income growth index for local budgets	1,00	1,18	Maximum
Number of full-fledged jobs created as a result of agrohholdings activity (large agrarian business) (%) to the total number of able-bodied population	5.0	6.8	15.0
Number of full-fledged jobs created as a result of small business activity (%) to the total number of able-bodied population	17.0	21.0	Till 80.0

Main Results of the Research (Monitoring of Experience)

Despite the lack of practice of systematic branding of rural areas in Ukraine till recent years, nonetheless, certain manifestations of these processes can be argued. It is important herewith to analyze some really existing trends and their economic justification. For this purpose, selective analysis of individual rural areas was carried out (Table 3). It should be noted that the list of rural settlements in some cases could be continued, but the general classification of cases can be considered complete.

The peculiarity of these data is, on the one hand, in selecting the differences between these territories and, on the other hand, an attempt to identify the factors that determined this specialization of rural areas and its social interpretation. Such factors can be considered as historically and economically verified regularities of microregional development and, at the same time, as objective prerequisites for the realization of branding potential. After all, the artificial creation of territorial brands by a number of authors—for example, S. Anhold [237] and others, was recognized as a whole economically unpromising process, while it is emphasized on the necessity to use objective prerequisites when constructing territorial branding, with which the authors of the paper certainly agree.

Analysis of these data showed that in each of the above examples, the features were created due to a separate effect-generating factor or synergy of a number of such factors.

So, the important thing for the villages of Podillia is the factor of cultural and historical heritage, which determined the separate economic situation in these territories. In its turn, among the rural areas of the region are those with unique landscape and recreational features: an example of the village Stepashky in Haisynsky district and Lavrivka and Medvidka villages in Vinnytsia district.

There are other cases. This was analyzed by the example of Volodymyrivka village in Brailiv settlement (village) council in Zhmerynka district, the level of development of small business in which, accordingly, the quality of life differed considerably. In this case, the existence of territories of high investment and entrepreneurial activity (for example, Stryzhavka and Nekrasovo village in Vinnitsia district) were recognized. We believe that related to the two cases may be the fact of a unique economic specialization in Vedmezhe Vushko village, on the basis of which this rural area achieved significantly higher socioeconomic characteristics.

Also, as a special case, the fact of the features of individual rural areas was noted due to the well-known tourist activity (urban village Brailov in Zhmerynka district and Busha village in Yampil district) due to the presence of a unique cultural and historical heritage. The factor corresponding to the territorial branding had a concrete manifestation in terms of creation of the elements of the tourism business.

The individual factor that potentially carries features of creating the territorial branding is the effectiveness of local government. This is presented by the example of Snitkiv village in Murovani-Kurylivtsi district. Thus, primarily due to the initiative of local authorities from 2012 on this rural territory, an investment

Table 3. Examples of Unique Features of the Villages of Vinnytsia Region and the Corresponding Effect-forming Factors of Branding Content.

The Name of the Village	Feature of This Territory	Effective Factor
Busha, Yampil district Brailiv, Zhmerynka district	Tourist activity and a set of separate elements of the tourism competitiveness in this territory	Tourist attraction through a special cultural-historical heritage
Stryzhavka, Vinnytsia district Pavlivka, Kalynivka district Nekrasove, Vinnytsia district	The high level of investment activity, accompanied with a relatively high level of entrepreneurship development, the number of enterprises and organizations, and relatively high wages	Investment attractiveness of the territory (location in the suburban area, on the highway, a significant number of objects of investment interest, favorable labor and other resources, positive characteristics of local business, etc.)
Vedmezhe Vushko, Vinnytsia district	High level of economic activity of local small business, accompanied by relatively high level of income, prices for real estate and rent, wages, and general level of quality of life. Formation of a well-established and effective specialization of local small business in the field of gardening	Availability of knowledge about unique gardening technologies Availability of special cultural values and qualities of the local population and absence of social groups with destructive behavior
Volodymyrivka Zhmerynka district	High level of economic activity of local small business, accompanied by relatively high level of income and quality of life	The presence of special cultural values and qualities of the local population (in the former, Old Believers), respectively: the absence of groups with destructive behavior
Stepashky, Haisyn district Lavrivka/Medvidka Vinnytsia district	Tourist activity and a set of separate elements of the competitiveness of tourism in the territory, which is related with recreation	Tourist attraction due to the unique landscape and recreational features
Brailiv, Liudavka, Noskivtsi, Oleksandrivka, Severynivka, Stanislavchyk, Cherniatyn	Higher (in comparison with surrounding territories) level of entrepreneurship (primarily due to the development of small business) and quality of life, better demographic indicators, etc.	Tourist attraction through a special cultural and historical heritage
Snitkiv, Murovani-Kurylivtsi district	Relatively high employment rates and, consequently, better demographic and quality of life	Special actions of local authorities against other favorable preconditions (human and natural resources, effective investment activity, economic activity of the population, etc.)

project for the development of berry and gardening was initiated. This has led to a sharp improvement of the current indicators such as employment at the level of medium-sized businesses and at the level of private rural farms (currently even a shortage of labor is felt), improvements in demographic indicators (an increase in

the proportion of young people who actually ceased to leave the village in search of work), a sharp rise in dwelling prices, etc. Although on the territory of the community there is a reserve in the form of a unique field of wild yellow irises on an area of 10 hectares, strategic changes were not based on this unique difference, but in the direction of clearly defined business activity, which was purposefully initiated by local authorities. In this case, this example represents a pronounced cascading effect, which is appropriate to all examples of branding territorial development of rural settlements; it should be noted in this example the possibility of a clear time-based interpretation of the processes (Fig. 2).

Thus, on the basis of the foregoing, one can generalize and classify the factors of brand-forming content for the rural territories of Ukraine, namely (1) a unique institutional history; (2) landscape and recreational potential; (3) special economic behavior of local inhabitants; (4) investment attractiveness of the territory; (5) unique economic specialization of the territory; (6) tourism activity; and (7) the role of local government.

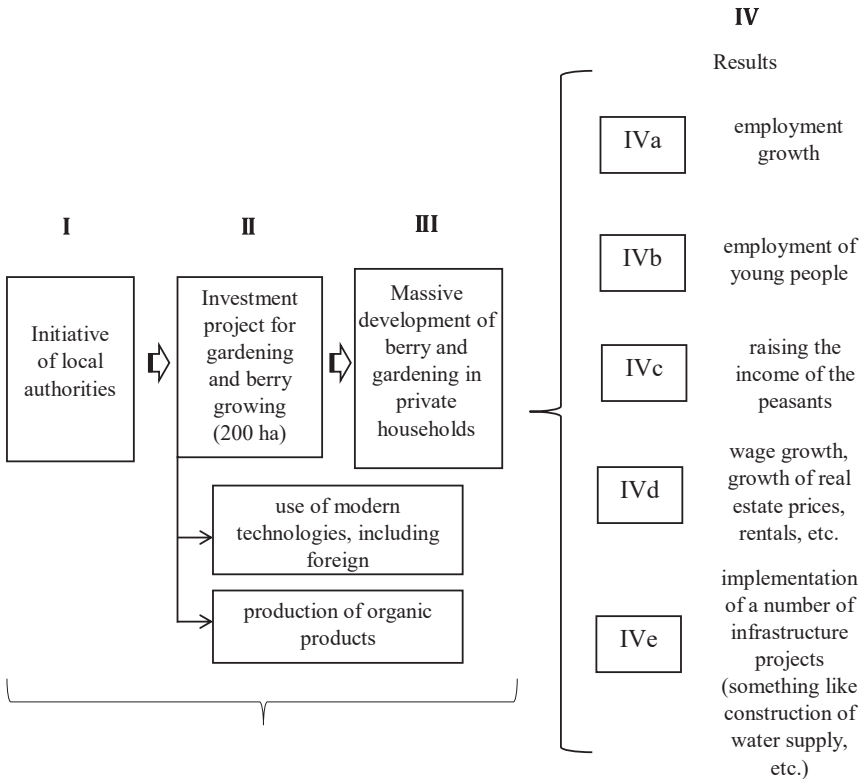


Fig. 2. Effective Content of the Implementation of Unique Competitiveness Factors for the Rural Territory (for Example, Snitkiv Village in Murovani-Kurylivtsi District of Vinnytsia Region, 2012–2019).

It should be noted that in practice the particularities of certain rural areas are caused in most cases by the synergistic influence of several factors, among which it is possible to identify a certain one (one or more). So, it is expedient to build territorial branding on the basis of existing advantages, which have confirmed their effectiveness. At the same time, in a number of cases, the cause-effect mechanism of the action of individual factors can be identified: for example, the factor “unique institutional history” under certain preconditions led to an increase in the role of the factor “tourist activity,” “landscape and recreational potential led to an increase the tourist activity,” etc.

What extent of experience of territorial branding has to economic situation in an individual community? Descriptive analysis of variations in branding in rural areas in relation to the above-mentioned examples was supplemented by comparison of certain socioeconomic indicators compared to the average in the Vinnytsia region, as well as in relation to geographically neighboring communities (Table 4). This table is based on the description of the seven factors of brand-building content mentioned above, when some rural communities with elements of brand-formation (so-called “standards”) were compared with neighboring communities (so-called “analogues”). Using the difference in the indicators, the effect of branding can be estimated. The estimation of the state was carried out according to indicators such as “land prices” (in US dollars), “the state budget of the village council” (according to the subsidy criterion, that is, the budget was subsidized or unsubsidized in 2019), the dynamics of the socioeconomic state (under the heading of “depressive state” and “state of development”), “real estate supply” (the share of nonutilized/unpopulated housing in an abandoned/emergency condition or put up for sale), “the number of farmers/entrepreneurs,” “the share of population nonretirement age (up to 60 years),” and “population density.”

For the post-Soviet economies, the criterion of land prices and real estate has not been distributed yet. Meanwhile, it is a direct indicator of development. We emphasize that the land market in Ukraine still does not exist formally, but land prices actually operate. This variation as believed is very significant (Fig. 3, Tables 4–5).

To determine the number of groups in this totality, the Sterges’s formula [241] was used with the corresponding procedure for determining the interval value, which resulted in the allocation of five groups of territories.

$$n = 1 + 3,322 \lg N \quad (1)$$

where n is the number of groups and N the population totality.

Thus, at present, the significant impact of territorial branding on the criterion of land prices has taken place for a very limited group of communities. In general, the differences in the socioeconomic indicators of different rural areas have confirmed the hypothesis of direct positive economic interpretation of the branding effect of the territories or some of its elements.

Table 4. Socioeconomic Indicators of the Studied Rural Areas (in 2019).

	Indicators for Assessing the State of the Local Community						
	Land Prices, USD USA for 0.01 Hectares	The State Budget of the Village Council	The Dynamics of the Position	Property Supply (%)	Number of Farmers per 1,000 Inhabitants/ Officially Registered Entrepreneurs per 1,000 Inhabitants	Share of Nonretirement Population (up to 60 Years Old) (%)	Population Density, Persons/ Sq. Km
Populated Areas							
<i>The factor of unique institutional history</i>							
<i>Standard:</i>	180–230	Undotary	State of development	5–10.0	2.1/2.7	70.0	67.3
Cherniatyn village							
<i>Analogs:</i> villages: Khatky, Mateikovo, Holubivka	20–50	Dotary	Depressive	до 40.0	0.3/0.6	57.0	25.9
<i>The factor of landscape and recreational potential</i>							
<i>Standard:</i>	420–550	Dotary	State of development	Less than 5.0	0.9/1.5	79.0	51.3
Stepashky village							
<i>Analogs:</i> villages: Bubnivka, Kharpatchka, Basachylyvka	20–50	Dotary	Depressive	20–30.0	0.6/0.8	63.0	22.4
<i>The factor of special economic behavior of local residents</i>							
<i>Standard:</i>	20–50	Undotary	State of development	Less than 5.0	1.4/1.5	75.0	39.9
Volodymyrivka village							
<i>Analogs:</i> villages: Demydivka, Potoky, Leliaky	20–50	Dotary	Depressive	Till 40.0	0.4/0.9	72.0	34.0

The factor of investment attractiveness of the territory

<i>Standard:</i>	900–1,100 and more	Undotary	State of development	Less than 5.0	5.4/8.6	77.0	69.4
Stryzhavka urban village	20–50	Dotary	Depressive	20–30.0	0.4/0.7	59.0	18.4–33.2
<i>Analogs:</i> villages: Maziakiv, Mykilska Slobidka, Tiuniunnyky							

The factor of the unique economic specialization of the territory

<i>Standard:</i>	600–700	Undotary	State of development	Less than 5.0	3.2/4.0	81.0	60.5
Vedmezhe Vushko village	20–50	Dotary	Depressive	20–30.0	0.7/0.9	67.0	33.5
<i>Analogs:</i> villages: Horbanivka, Rovets, Maidan							

Factor of tourist activity

<i>Standard:</i>	420–550	Dotary	State of development	5–10.0	2.0/5.0	75.0	40.1
Busha village	20–50	Dotary	Depressive	20–30.0	0.7/0.9	65.0	25.9
<i>Analogs:</i> villages: Derzhanka, Dzyhivka, Vetrivka							

The factor of actions of local authorities

<i>Standard:</i>	180–230	Dotary	State of development	20–30.0	1.9/2.7	74.0	25.9
Snitkiv village	20–50	Dotary	Depressive	Till 40.0	0.3/0.5	65.0	17.3
<i>Analogs:</i> villages: Riasne, Polove, Dolyniany							

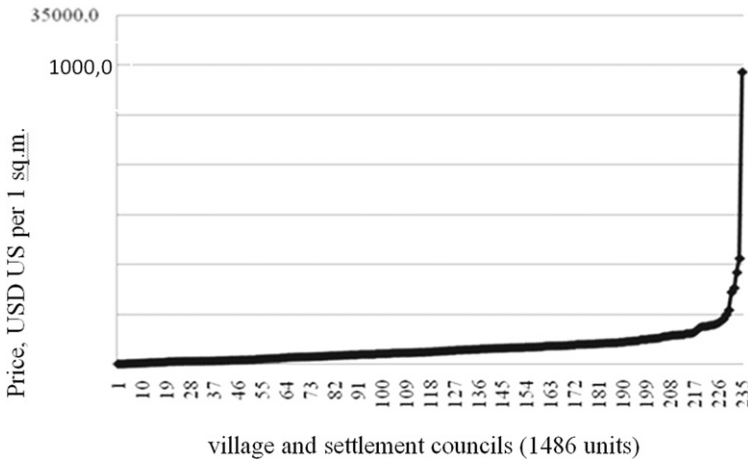


Fig. 3. Ranking of a Number of Rural Areas of Vinnytsia Region by the Indicator of Land Prices within the Corresponding Settlements (USD 0.01 Ha, in 2019).

Table 5. Characteristics of Rural Areas of the Vinnytsia Region in Terms of the Statistically Grounded Price of Land, USD. (US \$0.01 hectare, in 2019).

№	Group Borders	Number of Rural Areas	Share (%)
1	20–50	676	45.5
2	180–230	481	32.4
3	420–550	183	12.3
4	610–720	111	7.5
5	900–1000 and more	35	2.3
	Number	1,486	100

CONCLUSIONS

Market reforms in the agrarian sector of the Ukrainian economy of the 1990s had identified the situation of the widespread of rural poverty. The regularity of this scenario requires a separate study. The necessity to solve this problem is obvious like existence of the direct regression between rural development and poverty eradication. This can be linked to the effectiveness of further reforms.

The results of the accomplished researches are (1) determination of the negative role of rural poverty, as one of the main factors of preserving the depressed state of the vast majority of local agrarian economies is substantiated on the example of rural communities of Vinnytsia region and (2) an original approach to identifying causes of rural poverty; its statistical evaluation and analytical interpretation is proposed.

Interest in territorial branding as a kind of alternative, nontraditional marketing technology is usually dictated by the possibilities of a new type of rural development as an anticrisis program with sociopolitical priorities. According to Ukrainian realities, rural development based on territorial branding can become the main source of post-industrial growth.

The theory of territorial branding is universal. Instead, the practices of its realization in countries of the Third World objectively have high variation. Currently, seven types of branding rural development are described in the paper. From this experience it can be argued that the success of branding rural development is determined by the following elements: (1) the completeness of representations about the functions of branding as a factor in the definition of new economic relations in a particular cultural and business environment, taking into account the specifics of communities; (2) the motives and behavior of agents in the process of implementation of branding projects, identified and fixed by contracts; (3) completeness and availability of market information about projects; (4) models of decision-making by agents when implementing branding projects; and (5) institutional norms that define the content of the project.

Proposals: The potential of territorial branding can be realized primarily through the study and dissemination of effective branding experience. For Ukraine, adaptation of European experience is important. This should be the task of universities and public organizations.

For Ukraine, prospects for further research are seen in the development of national programs of branding rural development.

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