

**The Common Agricultural Policy
of the European Union –
the present and the future**

**Non-EU Member States
point of view**



**INSTITUTE OF AGRICULTURAL
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The Common Agricultural Policy of the European Union – the present and the future

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8 Solutions to the problems of rural territories development as a sign of their positive brand

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Abstract

The logic of the research is based on the identification of Ukraine as an agrarian country. Proceeding from this provision, the article substantiates the priority of rural development as the basis of the strategic course for sustainable development of Ukraine. The leading role in rural development is played by the agricultural sector, which forms a significant part of the country's GDP and is the main supplier of products for export. However, despite the dynamics of the development of agricultural production in the development of rural territories, there are a number of acute problems that need to be resolved. The main among them is the problem of the discrepancy between a sufficiently high level of development of agriculture and the depopulation of the rural settlement network, as well as degradation of the social infrastructure of the village, accompanied by a decline in the level and quality of life of the rural population. To solve the existing problems of rural territories development, the authors suggest the use of territorial branding as a marketing tool and brand management functions.

Keywords: agrarian development, brand, branding, problems of rural territories development, rural territories, rural development

JEL Classification: O13, M31, Z13

8.1. Introduction

Globalization sets a certain algorithm for economic development, expanding its spatial and functional niches, and also strengthening integrative ties between the urban and rural segments of the space. In this sense, economic development overcomes sector and industry framework.

Spatial approach to economic development in the conditions of modern of the globalization stage, destroys the stereotypes of its dichotomies in the first half of the 19th century, the «agriculture-industry» and «village-city».

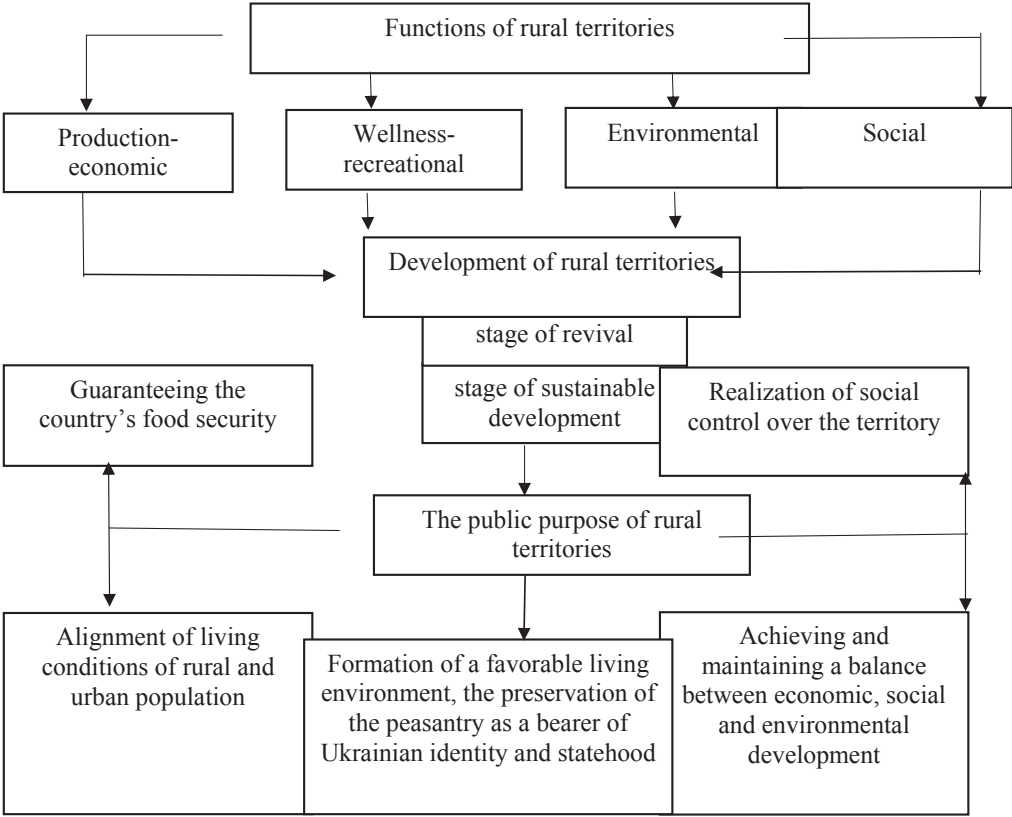
On the other hand, the dependence of dynamism and efficiency of economic development from the ecological and social components of the development of society.

If we analyze the global orientation of economic development of Ukraine, its strategy should be reoriented to give priority to rural development, which,

with one party, goes beyond the framework of sectoral development, being, by definition, and is the most promising direction of the euro-integration course and competitiveness of our country on global market – on the other.

The implementation of the strategic course on the priority of the rudimentary development actualizes the scientific direction, with the study of rural territories that occupy 80% of the state territory and significantly lag behind the urban territorial subsystem of society in terms of their social and economic development.

Figure 1. Functions of rural territories in the context of their social purpose



Rural territories are identified by us as an agroecosystem, economic space, social environment and mental image, as natural and socio-spatial entities consisting of territories of basic, regional, regional and social levels, are classified into typically rural (agrarian) territories, transitional, «mixed» territories (rural urbanized territories and areals, «agrarian» cities) and territories with the special regime of functioning (recreational, mountain, border).

In addition, rural territories differ among themselves in one or another characteristic of typology, have geographic, regional, historical, socio-cultural and other features (Pavlov, 2015).

Despite the specificity of the functioning of various types, levels and types of rural territories, due to their resource potential and location, the development strategy for these natural and socio-spatial entities is subordinated ensuring their expanded reproduction, carried out in the interests of rural society and food security of the country (Figure 1).

As it follows from Figure 1, rural territories are not simply a space endowed with physical characteristics, but a complex one nature, structure and functions of systemic education, within the boundaries of which the complex social and economic processes that have important social significance take place in different directions. Based on the specifics of space, these processes can be defined using the general term as rural development. An integral part of rural development, which determines the nature of the basic functions of rural territories, is agrarian development, which is based on a huge natural and resource potential, favourable natural and climatic conditions and the geographical location of Ukraine.

In terms of the level of provision of agricultural land (0,914 hectares per capita) and arable land (0,716 hectares per person), Ukraine occupies the first place in Europe (Tkachuk).

On rural territories, more than half of households use land with an area of up to 1 hectare, 27% – from 1 to 5 hectares, 12% of households – 5–10 hectares. For the cultivation of agricultural products, only 16% of the land is used by households for household needs, 11% for growing agricultural products, both for own needs and for sale, 73% of the land area is leased. In this case, the rent for 1 hectare of agricultural land varies from 33 to 280 USD, which is 3-20% of their normative assessment (Socio-demographic...).

The agrarian sector forms more than 11% of GDP, taking into account the processing industry – 27% of GDP. For these indicators, Ukraine is included in the TOP-10 agrarian countries of Europe (Table 1).

Considering the potential of agrarian development, the main task in the field of agricultural activity is to increase the export volumes of food products. Recent years is one of the leaders in the world grain markets; delivering 9% of this product. In addition to grain, Ukrainian commodity producers are on leading roles in the export of sunflower, sunflower oil, industrial crops. As a result, every fourth dollar goes to Ukraine from the export of agricultural products. In general, the state receives more than USD 11 billion annually from the sale of agricultural products on foreign markets (Tkachuk).

Table 1. Rating of Ukraine among European countries with the largest share of agriculture in the country's GDP

Place in the rating	Country	Share of agriculture in the country's GDP
The first	Albania	21,83
The second	Moldova	13,8
The third	Ukraine	10,43
The fourth	Macedonia	10,2
The fifth	Montenegro	10,1
The sixth	Serbia	9,66
The seventh	Belarus	9,2
The eighth	Bosnia and Herzegovina	8,45
The ninth	Bulgaria	6,7
The tenth	Romania	6,4

Source: [Ukraine...].

At the same time, despite the increase in export supply of agricultural products, the situation in rural territories is characterized by the depopulation of the settlement network, the degradation of the social infrastructure of the village and the deterioration of the conditions and living standards of the rural population.

8.2. Problems of rural territories development

Contrary to the dynamics of agrarian development, the functioning of rural territories has accumulated a lot of problems, primarily social, which are systemic and long-term.

The most acute problems of rural development in Ukraine include the following:

- the high degree of dependence of rural development on agrarian development;
- the disproportionality of the dual structure of agricultural production;
- spatial and sectoral uneven socio-economic development of rural territories;
- low rural employment and poverty of rural population;

- financial and economic insolvency of rural communities;
- the demographic situation in rural territories deteriorating from year to year;
- the increasing degradation of the rural settlement network;
- deterioration of socio-cultural and communal living conditions of the rural population.

Most of these problems are due to the trends in the demographic development of rural territories that have developed over a fairly long period of time (Table 2).

For rural territories of Ukraine, a regressive type of the age structure of the population is typical, according to which the proportion of grandparents (persons aged 50 and older) is slightly higher than the proportion of children (under 14 years of age). At the same time, during the last 15 years with the practically unchanged share of the parents (people aged 15–49) in the rural population, there is a significant reduction in the proportion of children, which in 2016 was more than half that of the parents. Thus, on the background of deepening of the general trends of population aging and the corresponding increase in the mortality rate, the share of the potentially childbearing continent is declining, which in the future will ensure the natural reproduction of the population. It is noteworthy that for most of the regions in which the rural population is higher than the average for Ukraine (30,77%), the intensity of the process of depopulation of rural areas is less typical than the national average. An exception to this rule is Chernigov (–28,64%) and Sumy (–23,46%) regions (The potential..., 2017).

Successful resolution of demographic problems is possible due to the creation of additional jobs in the countryside and thus ensuring the employment of the rural population. An analysis of the dynamics of employment of the rural population shows that only about 60% of the able-bodied population is employed in the sectors of the agrarian sector of the economy (Table 3).

Table 2. Demographic indicators of the development of rural territories of Ukraine in 1991–2017

Denomination	1991	2000	2010	2017
Number of administrative districts, units	481	490	490	490
Rural population, million/percent	18,6/32,46	16,1/32,55	14,4/31,41	13,1/30,77
Number of rural settlements, units	28845	28739	28471	28377
Regions, in which the rural population has the largest proportion:				
– Zakarpatya	–	–	–	63,02
– Chernivtsi	–	–	–	56,93
– Ivano-Frankivsk	–	–	–	56,15
– Ternopil	–	–	–	55,28
– Rivne	–	–	–	52,50
Regions with the largest number of settlements:				
– Lviv	–	–	–	1850
– Poltava	–	–	–	1805

Source: State Statistical Service of Ukraine and data calculated by the authors.

Table 3. The dynamics of the employed population in rural territories of Ukraine 2013–2016

(at the age 15-70 years, thousand people)

Denomination	2013	2014	2015	2016
Total number of employed population,	6033,5	5292,4	5134,2	5098,4
of his working age	5339,8	4924,4	4872,5	4854,6
Population employed in agriculture, forestry and fisheries	3389,0	3091,4	2870,6	2876,5
The proportion of the population employed in agriculture, forestry and fisheries to the total number of employed	56,1	58,4	55,9	56,2

Source: State Statistical Service of Ukraine and data calculated by the authors.

The presence of a large part of the rural population of the unemployed in agriculture, forestry and fisheries is explained by several reasons. On the one hand, a considerable part of rural residents owning land plots provide their own income by leasing them to agricultural enterprises and farmers. A certain number of people living in rural territories are engaged in trade, in the socio-cultural sphere, in tourism. However, the low level of employment of the rural population in the agrarian sector is related to the territorial orientation of the distribution of agricultural land. So, the provision of the Odesa region with lands is 5,65 times higher than the Zakarpattya region. The latter region is 10,7 times less secure than the Dnepropetrovsk region. In addition to the Zakarpattya region, the Ivano-Frankivsk and Chernivtsi regions located in the western part of the country are also least provided with agricultural lands.

The central and southern regions of Ukraine occupy a leading position in this indicator. And this means that by the location of the regions, the presence or absence of sufficient land resources in them determines the dominant type of economic activity. This indicator is important in structuring and in determining the structure of agricultural production (Table 4).

Table 4. Share of types of agricultural holdings in the agricultural production by regions in 2017

	Crop production		Animal production	
	agricultural enterprises	households	agricultural enterprises	households
Ukraine	60,3	39,7	46,1	53,9
Vinnytsya	64,2	35,8	60,8	39,2
Volyn	39,3	60,7	44,2	55,8
Dnipropetrovsk	56,9	43,1	71,5	28,5
Donetsk	56,2	43,8	59,1	40,9
Zhytomyr	55,0	45,0	16,5	83,5
Zakarpattia	11,5	88,5	2,5	97,5
Zaporizhya	61,0	39,0	35,4	64,6
Ivano-Frankivsk	37,8	62,2	27,5	72,5
Kyiv	59,5	40,5	73,7	26,3
Kirovohrad	65,2	34,8	21,8	78,2
Luhansk	70,1	29,9	21,3	78,7
Lviv	42,3	57,7	32,7	67,3
Mykolayiv	66,7	33,3	15,0	85,0
Odesa	68,5	31,5	16,5	83,5
Poltava	64,0	36,0	59,1	40,9
Rivne	38,1	61,9	25,2	74,8
Sumy	74,5	25,5	36,9	63,1
Ternopil	62,1	37,9	31,9	68,1
Kharkiv	57,6	42,4	41,3	58,7
Kherson	56,4	43,6	35,9	64,1
Khmelnytskyi	67,7	32,3	44,5	55,5
Cherkasy	72,1	27,9	79,9	20,1
Chernivtsi	25,8	74,2	18,2	81,8
Chernihiv	76,1	23,9	45,6	54,4

Source: State Statistical Service of Ukraine and data calculated by the authors.

As shown in Table 4, the predominance of the share of households in the production of livestock products compared to the participation of agricultural enterprises in this process is explained by the labor intensity of the livestock sector. For this reason, the added value created here does not exceed 7%, which is 3–4,5 times lower than for grain and industrial crops. A small proportion of western regions in the production of crop production is due to a shortage of agricultural land. In the central and southern regions, the main producers of crop production (grains and industrial crops) are large agrohholdings, used from 200 to 500 thousand hectares of agricultural land. In these regions, the largest number of agricultural enterprises are concentrated, the total number of which has decreased since 2005 by 4% (Pavlov, 2015). At the same time, for these regions are characterized by a large proportion of farms in the production of livestock products.

Another problem of the economic development of rural areas is the disproportion in the production of agricultural products between regions per 100 hectares of agricultural land and per person. The highest indicators are Cherkasy, Poltava, Kyiv, Vinnytsya regions, and the lowest – Donetsk, Luhansk, Kyiv, Zakarpattya regions.

Ukraine, perhaps, is the only country in Europe where life expectancy in rural areas is more than two less than in urban areas (Table 5).

Table 5. Average life expectancy in Ukraine

Urban population			Rural settlements		
both sexes	men	women	both sexes	men	women
72,03	67,08	76,00	69,88	64,70	72,29

Source: (Tkachuk).

According to the data in Table 5, the gap in the life expectancy of women is greater than that of men, which can be explained by their greater employment with hard domestic labor, farming.

The common cause of the low life expectancy of the rural population is the poverty of most of it. Every third person in the rural territories is classified as a poor person, in small towns this indicator is slightly lower, and in large cities the number of poor people is more than half that in villages (Human ..., 2014).

The following statistics testify to the depopulation of the rural settlement network: more than third of the villages (without taking into account obedient, but not taken off the register), there is no single economic entity, with 1869 rural settlements (6,5% of their total number), having a population of more than 300 people (Socio-economic ..., 2014).

The degradation of the social infrastructure of the village is manifested in the reduction of health facilities, culture, education, in the absence of paved roads connecting large settlements with small villages, in insufficient provision of housing equipment, so in 2017 only 0,6% of rural households were provided with central heating, 10,6% – gas columns, 15,7% – hot water supply, 27,4% – balloon gas, 50,5% – sewerage, 51,2% – water supply system (Socio-demographic ...).

The list and description of these problems of development of rural territories of Ukraine is not limited to their number. However, acquaintance with them requires the adoption of adequate measures to resolve them, which in turn requires the mobilization of the strengthening of business entities, rural territorial communities, public authorities, and public organizations.

Given the limited budgetary opportunities, the absence of enterprises in every village since 2015, a course has been taken to decentralize power and administration by creating joint territorial communities, the administrative centers of which are predominantly villages. This has its own explanation: a significant number of rural territorial communities are small in their population and incapable of financial, economic, political, managerial and social respect. Therefore, the unification of territorial communities is aimed at increasing their self-sufficiency, increasing their assets and increasing the level of social and economic development for the benefit of local residents. According to the Methodical for the formation of affordable territorial communities, a community is considered to be a well-off community, which, as a result of voluntary association, is able independently or through the relevant local government bodies to ensure the proper level of services, in particular in education, culture, health, social protection, housing and communal services, taking into account human resources, financial provision and infrastructure development (About...). To this end, the state budget for 2017 provided for 1,5 billion hryvnia (0,5 billion hryvnia more than in 2016), directed to the development of the infrastructure of general relativity (Ninety-four...). This contributed to the activation of the process of voluntary unification of territorial communities, the number of which at the beginning of 2018 increased to 665 (Table 6). As shown in Table 6, this process is manifested in different ways in different regions: among the leaders, as well as outsiders, there are regions representing both the West and the East, as well as the center. Nevertheless, we note that some efforts to create GRT are not enough to increase the assets of rural communities. First of all, a permanent robot is needed to create new jobs and prepare the conditions necessary for activating entrepreneurship in the countryside in all spheres of life.

Table 6. Number of united territorial communities of Ukraine

Denomination	Number of united territorial communities
Number of united territorial communities around the country	665
Regions with the largest number of united territorial communities:	
– Dnipropetrovsk	56
– Zhytomyr	45
– Volyn	40
–Ternopil	40
– Poltava	39
–Khmelnyskiy	39
Regions with the smallest number of united territorial communities:	
–Zakarpattia	6
–Luhansk	8
–Donetsk	9
–Kyiv	9
–Kharkiv	12
–Kirovohrad	13

Source: State Statistical Service of Ukraine and data calculated by the authors.

8.3. Branding as a marketing tool for solving the problems of rural territories development

Among the ways to solve the problems of rural development, a special role belongs to marketing tools. Like any territorial entity, rural areas have their own marketing environment – a combination of conditions, factors and actors that influence their development. The internal environment of rural territories is represented by such components as resources, social and economic status parameters and management system. The external environment is divided into micro- and macro-environments. The first environment includes: consumers of resources and services of territories, competing territories, enterprises

(organizations, institutions), government bodies; to the second – the factors of irregular and indirect action. In the marketing context, rural territories are a specific natural and social product located in space.

For marketing, the economic essence of the image of rural territories, emerging in their positioning as a natural and social-spatial environment, favourable for living, visiting tourists, guests, doing business and investing capital, becomes paramount. At the same time, rural territories as a spatial object are simultaneously positioned as an objective material reality, constantly changing in space and time, and as a set of ideas, representations, images about this reality.

This positioning of rural territories is consonant with A. Lefevre's idea of «space production», as a process of reflecting the socioeconomic conditions that preceded its creation, the distribution of capital, the welfare of the society and their investment in the subsequent production of space (Lefevre, 2015).

Realization of this task is a marketing tool such as branding. Branding of rural territories, as a process of creating and promoting the brand, acts as a marketing tool and a management function. The brand of rural territories is not just a product of branding, but global communicators, which are designed to create an attractive image of these natural and socio-spatial entities. However, branding should not be based on substituting the logic of development of a brand object (rural territories) with the logic of marketing technology used to create positioning, launching and promoting a territorial product on the market.

Proceeding from this, it is extremely important to use in branding the categorical apparatus, concepts, methodology, language and rhetoric of not only marketing, brand management, but also social and behavioral and other scientific disciplines that constitute the corresponding marketing paradigm (Table 7).

The organizational component is aimed at streamlining the practical steps to promote the brand. The functional component («10P» – marketing complex) aims at positioning all consumer properties of rural territories as a specific product on the market, reflecting their essential characteristics in the form of visual and verbal images. The information component, including the parameters of the external and internal environment, provides an insight into the background of the brand of rural territories on the basis of analysis of marketing and socio-economic indicators. The purpose of the technological component of the marketing paradigm is to develop a structural and logical scheme for the brand to enter the market.

Table 7. Marketing paradigm of branding of rural territories

The content of the paradigm for its components			
Organizational	Functional («10P»)	Informational («7C»)	Technological
<p>1. Determine the target consumer audience.</p> <p>2. Formulation of the objectives of promoting rural territories as a specific product.</p> <p>3. Choosing a form of message and means of distributing information.</p> <p>4. Selection of means of influence of advertising, public relations.</p> <p>5. Compiling and distributing cost estimates for brand promotion.</p> <p>6. Formation of feedback channels.</p> <p>7. Coordination of the communication process.</p>	<p>1. Product (products produced in rural territories).</p> <p>2. Place (location of rural territories).</p> <p>3. Price (price level of living resources, goods and services).</p> <p>4. Production (basic industries, spheres and functions of rural territories).</p> <p>5. Promotion (reputation and image of rural territories).</p> <p>6. People (the level of the human index of rural territories).</p> <p>7. Personnel (availability and quality of labor resources of rural territories).</p> <p>8. Patterns (norms and standards of behavior of rural population).</p> <p>9. Placement of funds (investment attractiveness of rural territories).</p> <p>10. Pollution (rural environment).</p>	<p>1. Consumers (characteristics of rural consumers).</p> <p>2. Culture (cultural environment of rural territories).</p> <p>3. Capacity (industrial and economic dimension of rural territories).</p> <p>4. Commerce (level and condition of business development in rural territories).</p> <p>5. Control (the effectiveness of the functioning of power structures in rural territories).</p> <p>6. Competitors (level of competition development).</p> <p>7. Character (image characteristics of rural territories).</p>	<p>1. Definition of the object of strategic influence.</p> <p>2. Research of the external environment (market).</p> <p>3. Planning a communications policy for communication with market agents.</p> <p>4. Adaptation to environmental conditions.</p> <p>5. Development of tools for legal protection of the brand.</p> <p>6. Analysis of consumers' reaction to the brand.</p> <p>7. Analysis of the results of brand consumption.</p>

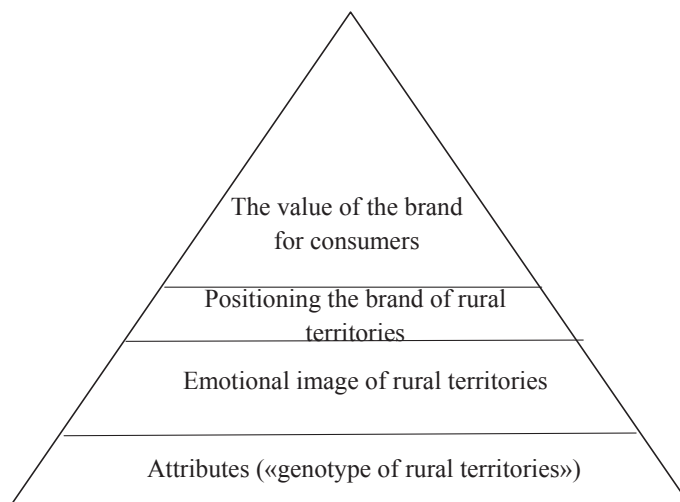
Source: own elaboration.

8.4. Brand of rural territories development in Ukraine

Brand – the name of the branding object, its mental concept image, according to which this object differs from other similar objects. The mission of the brand of rural territories is to identify their attractive properties, which form the basis of interest to them from internal and external consumers.

Identity is the basic element of the brand (Figure 2). On the figure 2 the first riven piramid of representations «genotype» – competitive advantages of rural territories, which include the following: favorable natural and geographical position; presence of fertile black soil; developed agro-food complex; direct access to the coastal strip of the Black and Azov Seas, to transport communications. The second level of the pyramid presents the emotional component of the architecture of the brand of rural territories, the functional purpose of which is to create an attractive image of the branding object in the public mind. In this process, the active role is played by the mentality, in which the real space is reflected in the form of its corresponding figurative picture, which is the result of both a direct empirical reflection of reality by the sense organs and a conscious reflective reflection of reality in the process of thinking (Popova, 2007).

Figure 2. Pyramid of the brand identity of rural territories



Source: own elaboration.

In this sense, rural space appears as a system of images, which represents the object of identification in the representation of certain subjects of identification, which reflects the type of their thinking and level of consciousness (Table 8).

Table 8. Mental map of the image of the rural territories of Ukraine

Identification entity	Type of image	Characteristic of the type of image
Rural population	Partially vernakulyarny	Vernacular territories; the place of life in fact, not the choice
Business entities	Consumers	Place of investment of capital and profit
Urban population	Neutral	Nostalgic places of a small homeland; the territory of cottages; country estates
Public authorities	Interested	Territories within which farm raw material is grown and food is produced
Public organizations	Positive	Recreation and relaxation territories

Source: own elaboration.

The characteristics of the images of rural territories, inherent in the identification subjects listed in table 8, form a certain mental map of the rural space. The mental map, as a subjective reflection of reality, not only reproduces certain information about the state of rural territories, but accumulates and preserves it. The mental map of images of rural territories indicates their unattractive image. Therefore, in the process of branding of rural territories, the task is to reform at this image from mostly negative to positive with the use of various institutions, including marketing policies.

The representation of this direction of brand-building gives the third level of the pyramid – the positioning of the brand of rural territories (Figure 2). Here it is important to find out how the branding positioning paradigm of rural territories corresponds to the production and functional dimensions of their positioning.

Rural territories of Ukraine are actively positioned on the tourist brand in its recreational and recreational and tourist dimensions, which is attributed to the attribution of a certain proportion of these territories to the seaside coastal strip. But within the 50-kilometer availability of this band, there is a small proportion of rural territories, and therefore most of these territories belonging to administrative districts that have access to the seacoast are not attractive in recreational terms.

Not far from universal and successful in value measurement, as it is advertised, is the brand of rural territories as a territory of wine tourism and its variety – gastronomic tourism, associated with the movement of countries for the purpose of familiarization with national dishes, exotic products and exclusive drinks, the places of which are located in France, Italy, Spain, Austria, Japan, China, India, countries of the Arab world. Therefore, the attractiveness of the tourist brand with its wine-gastronomic direction in relation to the rural territories of Ukraine is relative.

At the same time, little involved is the niche of positioning the tourist brand of the rural territories in such territories as agrotourism, historical and cultural, entertaining, and sporting. The dissemination of these activities in rural territories has certain grounds, and their development would contribute to filling the budgets of rural communities.

However, in our opinion, the agro-food brand should be the basic brand of rural territories, which is responsible not only for the implementation of sustainable development of Ukraine, but also for the public expectations of the rural population associated with raising the level and quality of life.

Targeting the agro-food brand as a base corresponds to the fourth level of the identity pyramid – brand values for the consumer (Fig. 2). This value as a marketing characteristic of the brand forms a brand-concept, the purpose of which is to deliver a message in a verbal and visual form to the consumer of his idea. The concept of the brand is embodied in its name, slogan, logo, thus acquiring the signs of individuality, advertising using PR-tools in the consumer environment.

However, given the rather large number of local territories, it is not possible to confine itself to developing a single brand for them. In addition, local territorial units differ among themselves, in the subject of branding, with distinctive features and advantages, which are the basis of brands. These factors are grouped according to three criteria: structural or stable (location, climate, history) changing (size, quantity, welfare of the population, appearance of territories); symbolic (heraldry, cultural code, symbolic events and personalities, behavioral and communication characteristics) (Popova, 2007).

Brand «SHABO»

One of enterprises, which is known not only in Ukraine, but also beyond its borders is OOO «Industrial and Trade Company Shabo», whose production facilities are located in the village of Shabo Belgorod-Dnestrovsky district of the Odesa region.

The village of Shabo is not only one of the largest villages of Ukraine in terms of population (7,1 thousand people), but also a settlement, unique in its history, traditions and labor achievements.

The centuries-old traditions of local winemaking were preserved and developed with the establishment in 2003 of LLC «Industrial and Trade Company Shabo» (Shabo Company) – a vertically integrated production holding with a full production cycle, producing all kinds of alcoholic products based on grapes, namely: sparkling wines, vermouths, cognacs, brandy. The assortment of these products is widely represented not only in Ukraine, but also in 18 countries of Europe, America and Asia.

In 2009 of the first in Ukraine «Wine Culture Center of Shabo» (Center). In the context of the branding strategy, the Center can be seen as the first step towards expanding the already existing «SHABO» brand. This is evidenced by the transformation of the village of Shabo into one of the centers of wine tourism in Ukraine.

The center was created to promote the products of the company «Shabo», increase the culture of consumption of famous varieties of wine and popularize a healthy lifestyle.

The social and economic effectiveness of the listed activities convinces us of the need to concentrate further branding efforts on creating personal brands related to the stay in this territories of such historical figures as the founder of the village of Shabo Louis Vincent Tardan and the great Russian poet Alexander Pushkin. This historical and cultural direction of tourism in the future can be enriched by including in the tourist facilities of the Belgorod-Dnestrovsky fortress located at a distance of 8 km from the village of Shabo, as well as the use of recreational resources of the Black Sea coastal strip (10 km distance). Given the creation of modern infrastructure within the village of Shabo, including the tourist infrastructure, it can be gradually turned into a tourist center of Bessarabia, given the distance from Odesa, which is only 75 km.

Brand «Frumushika New»

The brand «Frumushika New» positions the cluster formed in the Tarutinsky district of the Odesa region.

The formation of a cluster and the creation of a brand are the result of a respectful attitude to their small homeland and the frugal use of natural resources by local entrepreneurs – the Palariev family, whose ancestors lived permanently in these fertile Bessarabian lands. From 1946 until the early 1990s, these lands were used as a military training ground, and now here is the largest sheep breeding complex in Europe that grows up to 7,000 heads. Over time, as a result of cooperation with nearby agro-food enterprises, a territorial

intersectoral cluster was formed, the core of which was «Borodino-A» LPS, the Center for Ethnographic, Rural Green Tourism and Rural Recreation «Frumushika New» and Odessa National Academy of Food Technologies. A complex of farms of the villages Staroselie and Veselyaya Dolina was formed around this center.

On the basis of the cluster organization sheep breeding has been further developed, the production of authentic honey and beekeeping products is being realized, the delivery of branded authentic foodstuffs to consumers on request, a network of eco-shops of authentic food products, creative workshops (breweries, wineries, bakeries), master classes on production technology related products. The next step is the creation of a research and development center for healthy and authentic food, a marketing and consulting center.

Further development of the cluster, thanks to the promotion of the «Frumushika New» brand, will promote the growth of economic opportunities of local communities and the promotion of a lifestyle based on the principles of permaculture.

8.5. Summary and conclusions

To solve the problems of development of rural territories of Ukraine in the process of research, an interdisciplinary cognitive paradigm was used, based on the attraction of the scientific apparatus of related scientific disciplines – economics, sociology, geography, marketing, management and psychology.

In the light of the interdisciplinary approach, rural territories are identified as natural and socio-spatial entities, that have a complex internal structure and fulfill socially significant functions. The main contradiction of rural development as a social process occurring within the boundaries of rural territories is the discrepancy between the level and quality of life of the rural population in the strategic role of the agrarian sector as a guarantor of the country's food and national security. This contradiction is supplemented and deepened by disproportions between the agrarian and non-agrarian components of the rural economy, the uneven socio-ecological and economic development of rural areas of regional and district levels.

Along with the traditional ways of solving the existing problems of rural development, the article deals with territorial branding as a marketing tool and a brand management function. The task of branding is to create and promote the brand of rural territories as a specific territorial product among domestic and foreign consumers.

When revealing the process of creating a brand of rural territories, their positioning in the domestic and foreign markets, it was concluded that it is

necessary to emphasize the formation of the agro-food brand of these natural and social-spatial entities. Considering the presence of a huge variety of rural territories of the basic level, a proposal is made on the need to form various brands taking into account the unique properties, resources and characteristics of each of the territories.

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