

THE MECHANISM OF THE BRANDING DEVELOPMENT OF AGRARIAN REGIONS IN THE CONDITIONS OF THE EUROPEAN INTEGRATION

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Abstract

The article is devoted to the formation of methodological provisions for the mechanism of the branding development of agrarian regions in the conditions of the European integration. The research is based on systemic and synergistic approaches. General scientific and special methods were used to achieve the outlined research goal, namely: method of structural and logical analysis, method of dynamic series and index, methods of induction and deduction, methods of system analysis and generalization, structuring method, method of system analysis, the method of abstraction and formalization, graphic method. By the branding of an agrarian region, the authors understand the long-term process of creating a brand of an agrarian region, based on a systematic approach, which involves forming and conveying to target groups the existing advantages of the region in the field of agro-industrial production through the formation of an attractive image. The goals of branding of agricultural regions are outlined. External and internal factors of influence on the development of the brand of agrarian regions have been studied. The mechanism for the branding development of agrarian regions is proposed.

Keywords: *mechanism, branding, agrarian region, regional economy, agriculture, European integration.*

JEL Codes: *R10, R58.*

Introduction

At the current stage of the national economy development, which is characterized by a state of crisis and instability as a result of military actions and processes of market relations' transformation, scientific approaches and tools capable of ensuring the competitiveness of a separate region in the conditions of European integration processes, creating additional competitive advantages in order to strengthen the market position are gaining significant relevance due to natural and climatic, natural resource and social specificities. The use of modern marketing tools enables regions and territories to succeed in competition and adapt to changes in the external environment. Under these conditions, the use of territory branding as an effective tool

capable of forming a positive image of the region and subsequently attracting resources for its further development is relevant. The issue of finding effective mechanisms for managing the agrarian region is in the focus of attention of many leading researchers, which proves the relevance and timeliness of the research.

The purpose of the article is the formation of methodological provisions for the mechanism of the branding development of agrarian regions in the conditions of the European integration.

Literature review

Undoubtedly, the agricultural sector plays an important role in the regions development. Scientists from different countries and regions are investigating the opportunities, current problems and challenges facing the agricultural sector (Fig. 1).

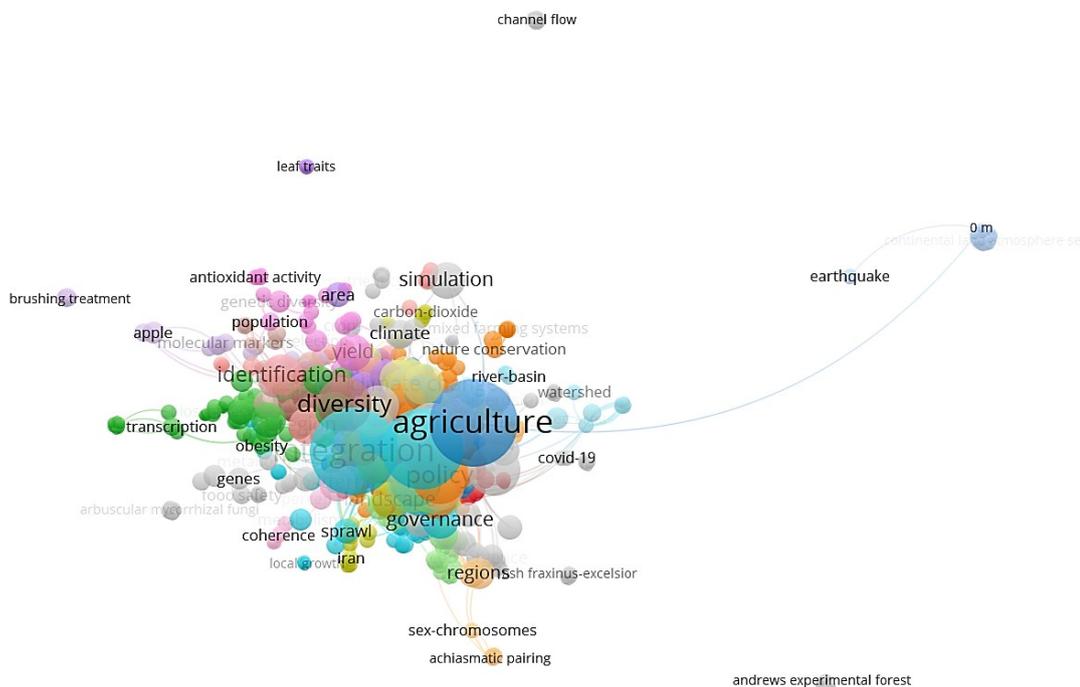


Figure 1. Publication activity of scientists whose article titles contain the words “agriculture”, “region” and “European integration”

**Source: compiled by the authors based on the analysis of the Web of Science database and using the tools of the VOSviewer program.*

The authors Pradeleix L. et al. (2023) proposed to combine the life cycle assessment and diagnostics of the agricultural system, which made it possible to create an inventory of the life cycle of the agricultural region in the conditions of diversity of agricultural management systems. The purpose of scientific work Tao Wanghai et al. (2023) was to investigate the features of the development of modern agriculture aimed at balancing ecological constraints and efficient use of resources. As a result of the study, with the aim of constantly improving ecological functions with the help of modern scientific, technological and ecological technologies, the authors used a green circular chain of production, supply and sale in the system of ecological agriculture.

Within the framework of research Cervelli E. et al. (2023), Aidat T. et al. (2023), various ecological approaches in the agricultural sector

were considered, which included spatial modeling for the construction of various scenarios for the assessment of ecosystem services and possible impacts on the environment, as well as the peculiarities of the implementation of the greenhouse production system as a direction that significantly influenced the development agricultural sector of the region. According to the authors Sutradhar A. et al. (2023), the assessment of regional differences and the recognition of underdeveloped areas are extremely important in achieving balanced regional development in agriculture.

Supporting the findings Tulchynska S. et al. (2022), Nikiforov P. et al. (2022), it is expedient to confirm the need for the introduction of innovative developments in the agricultural sector, as well as the importance of the state policy for the development of public-private partnerships. The authors Zou Y. et al.

(2023), Derhaliuk M. et al. (2021) tried to assess the current state and potential of competitive development of green agriculture in underdeveloped border areas. The article examines the spatio-temporal features of the development of green agriculture in the context of sustainable development, as well as factors that negatively affect the development of green agriculture in the region. Studies Anusha B. N. et al. (2023), Pop Sergiu-Bogdan et al. (2023) are of practical importance, within which the situation with agricultural lands is analyzed and the impact of their management on the sustainable development of agriculture in the region is investigated, as well as the suitability of land for growing crops is analyzed, which is a necessary step in determining sustainable land use strategies to increase the land potential of the regions.

Scientific works Dossanova A. et al. (2021), Ong'ayo Annie H. et al. (2022) are based on the study of problems that restrain the development of agriculture, as well as the prospects for the participation of rural households in agricultural projects and programs of the region. The authors Chbika Sami et al. (2020), Mirosław Struś et al. (2020) are convinced that the changes taking place in agriculture associated with the reduction of small family farms not only disrupt direct relations between producers and consumers of food, but also endanger food security.

Without diminishing the importance of existing scientific works in this direction, we would like to note that the issue of forming a mechanism for the development of branding of agrarian regions in the conditions of European integration requires further research.

Methodical approach

The article is based on systemic and synergistic approaches. General scientific and special methods were used to achieve the outlined research goal, namely:

method of structural and logical analysis
- to build the structure of the article;

monographic method - to highlight the views of scientists and the results of their scientific research;

the method of dynamic series and the index method – to analyze the dynamics of the main indicators of agriculture by Ukraine's regions, as well as the analysis of changes in the corresponding indicators in relation to the previous year;

methods of induction and deduction – to determine the role of agricultural production and agricultural regions in ensuring food security of the country;

methods of system analysis and generalization – to determine the essential features of branding of agrarian regions;

structuring method – to build and analyze the components of the mechanism of the branding development of agrarian regions in the conditions of the European integration;

the method of system analysis, the method of abstraction and formalization – to determine external and internal factors influencing the branding development of agrarian regions;

graphic method – to graphically present the dynamics of the main indicators of the development of agriculture by Ukraine's regions, to visualize global research in this area, as well as to present the mechanism of the branding development of agrarian regions in the conditions of the European integration.

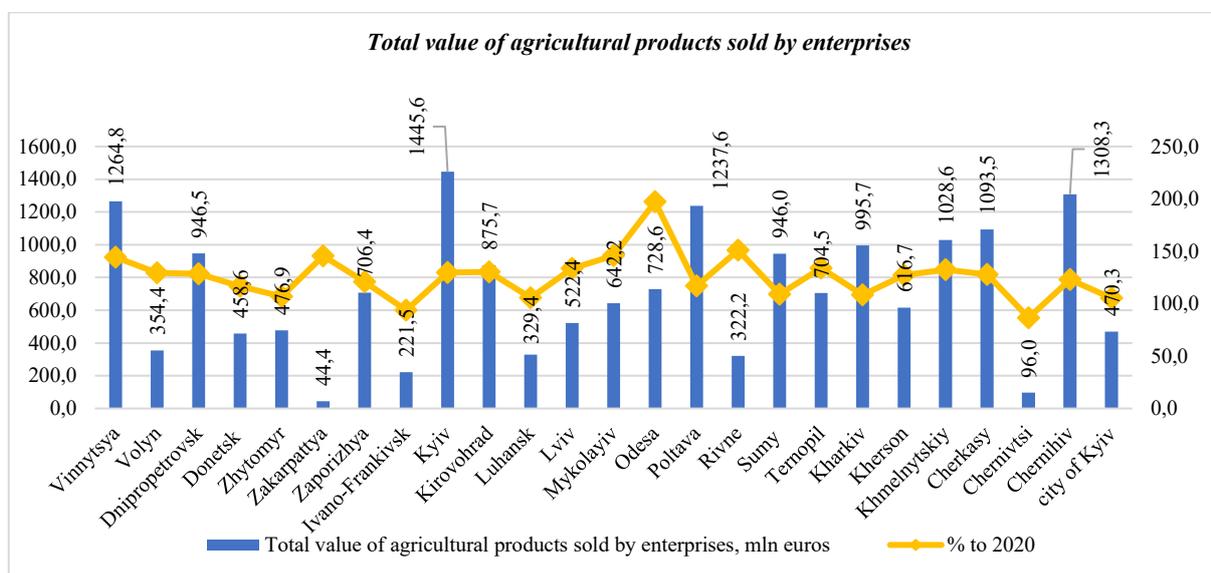
Results

As the research of domestic scientists proves, the level of socio-economic status of most regions of Ukraine indicates the difficulty of forming a new philosophy of regional management, which is built on modern methods, approaches and tools. The priority task of marketing territories is to increase the attractiveness of the region as a complex of resources, socio-economic conditions of business, business entities and society based on the study of regional features and the formation of a positive market image. This involves focusing on the development of one or more specialized business areas with the

corresponding reorientation of financial, material, human and other flows. As a result of the existing natural resource conditions, a significant number of regions of Ukraine have an agro-industrial direction of development, which creates prerequisites for the branding of agrarian regions with the aim of their integration into global agro-industrial production. In Ukraine, the leaders in terms of value of agriculture products sold by enterprises are Vinnytsya (1264.8 mln euros), Kyiv (1445.6 mln euros), Poltava (1237.6 mln euros), Khmelnytskyi (1028.6 mln euros), Cherkasy (1093.5 mln euros) and Chernihiv (1308.3 mln euros) regions (Fig. 2).

The importance of agro-industrial production and agrarian regions in the national economy development is determined by their role in ensuring the country's food security, the development of export activities, which makes the balanced development of agrarian regions a priority of state management at both the macro and meso levels. This proves the importance of

using new management approaches to justify the development of agricultural territories and their potential. The importance of branding of agrarian regions is determined by the change in the infrastructure of agro-industrial production, the growth of competition both in the global and macroeconomic terms, the presence of innovation and investment processes in the industry and the prospects of integration processes with the EU. Therefore, a qualitatively new level of development of agribusiness enterprises in leading countries requires modern approaches to its development in domestic conditions. The complexity of the economic and political situation in the country is the basis for progressively growing competition between regions for investment flows, potential labor force, budgetary resources, and favorable geographical location and the availability of natural resources are not always a guarantee of regional development and competitiveness of a separate industry.



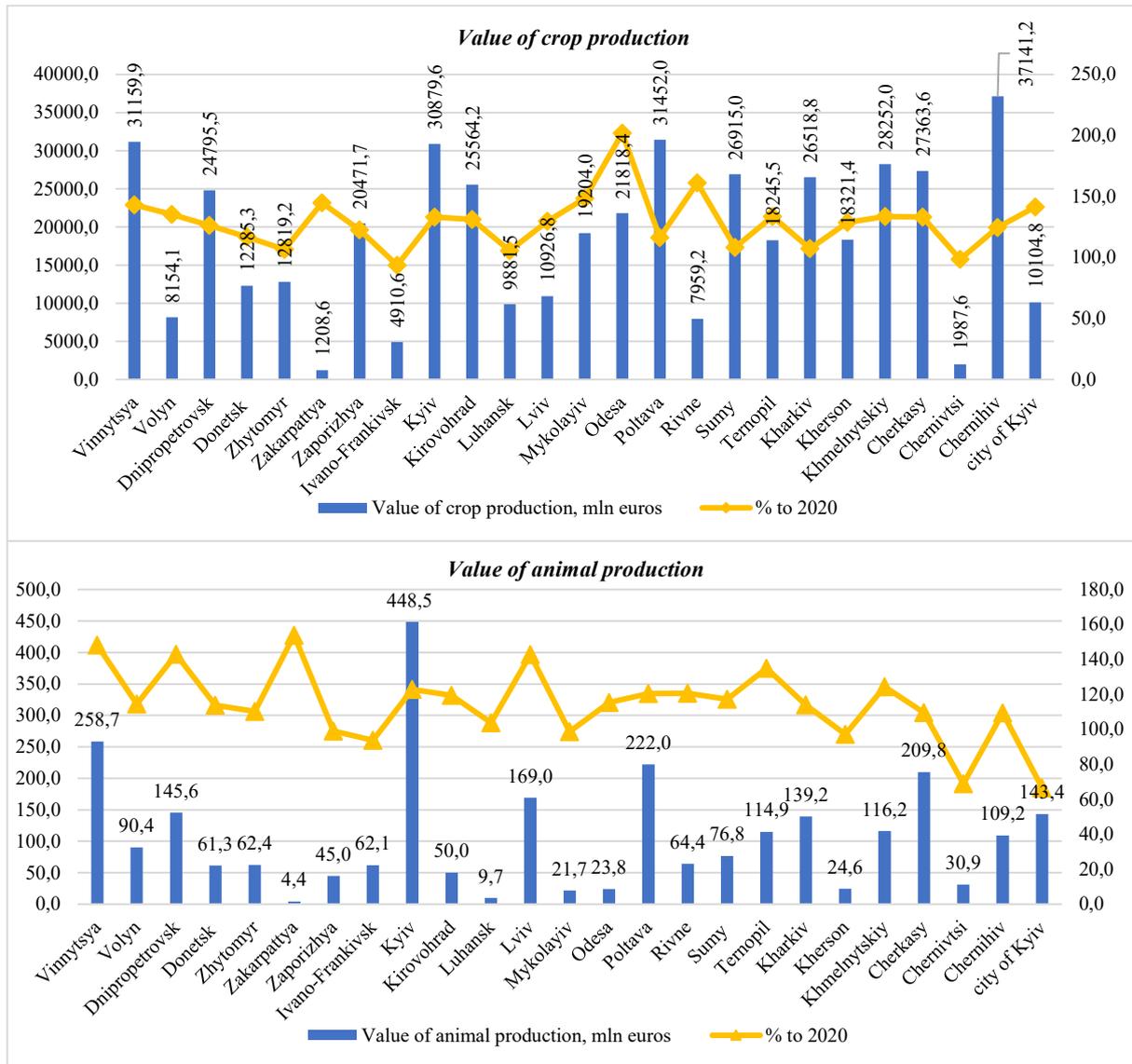


Figure 2. Value of agricultural products sold by enterprises by Ukraine's regions, 2021

*Source: systematized by the authors according to the data of the State Statistics Service of Ukraine.

Under the branding of an agrarian region, we propose to understand the long-term process of creating a brand of an agrarian region, based on a systemic approach, which involves the formation and communication of the existing advantages of the region in the field of agro-industrial production to target groups by means of the formation of an attractive image. The use of a system approach involves the selection of branding goals:

- mobilization of external and improvement of internal agricultural markets;

- management of deficit of investment, information, natural and labor resources;
- growing popularity of the region both at the macroeconomic level and on the world market;
- targeted creation of a positive attitude of interested groups to the agrarian identity of the region.

The brand of an agrarian region should lobby for the region's unique agrarian advantages in order to effectively position them, which is the functional component of regional image development.

The development of the brand of the agrarian region takes place on the basis of cyclicity, i.e. first there is the introduction of the brand, its development and growth, the maturity of the brand and its decline. The process of formation and development of the brand is influenced by a combination of external and internal factors, however, effective regional branding mechanisms are able to reduce sensitivity to their negative impact during crisis phenomena in the economy.

Let's highlight the following external and internal factors of influence of the branding development of agrarian regions. External factors on which the effectiveness of branding of agricultural regions depends, taking into account the conditions of the European integration, include the following:

- market globalization, turbulence of international trade relations, European integration processes;
- increased competition on world markets, technological development of the industry;

- the state's foreign policy and the state of development of foreign economic relations with EU countries;

- development of the information field;
- integration processes in the industry, specialization and concentration of production.

Internal factors include:

- loyalty of regional authorities and high level of competence of representatives of state authorities and local self-government;

- social state of society;

- the internal policy of agricultural development, availability of motivational mechanisms for the development of agro-industrial production and export activity;

- the possibility of involving scientific and educational institutions in the branding process of the agrarian region.

The development of the brand of the agrarian region should be carried out on the basis of an appropriate mechanism capable of ensuring the interaction of interested parties (Fig. 3).

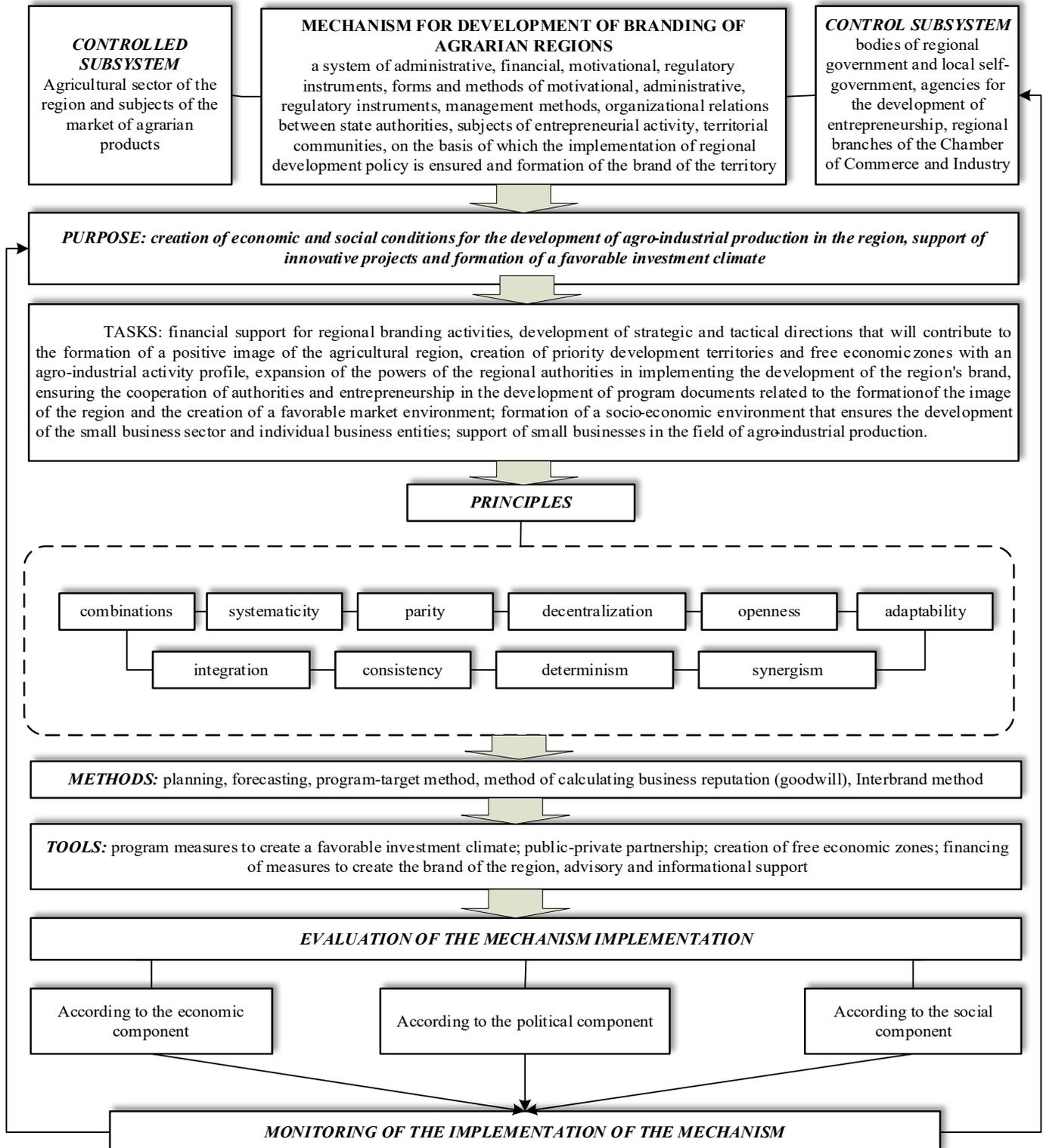


Figure 3. The mechanism of development of branding of agrarian regions in the conditions of European integration

*Source: developed by the authors.

The mechanism of the branding development of the agrarian region should be based on principles that meet both the domestic socio-economic conditions of management and the requirements of European partners, and take into account the changes taking place in the world economy and international trade relations. The formation of the system of principles should take place based on taking into account the regional specifics of agro-industrial production, agricultural holding structures operating in the region, the state of development of small agricultural enterprises and private households.

The use of a systemic approach in the formation of the mechanism of the branding development of the agrarian region creates prerequisites for the study of its structure as a complex system of interacting elements. At the same time, the development of the region's brand is considered not only as a direction of regional economic policy, but as a set of production, economic, and informational connections that allow to solve the strategic tasks of both regional development and support of agro-industrial producers on domestic and foreign markets. This is possible on the basis of parallel integration to find rational marketing solutions in the direction of the development of the territory brand, establishing cooperation between regional producers and obtaining a synergistic effect as a result of the mechanism. Taking into account the synergy makes it possible to investigate the dynamics of the branding development mechanism based on appropriate monitoring measures. The synergistic approach makes it possible to predict the influence of economic, political and market levers not only on the elements of the mechanism, but also directly on the environment of their functioning, that is, the state of socio-economic development of a separate region. The obtained synergistic effect of the interaction of the mechanism's elements of the branding development of agrarian regions is the result of the interaction of its components, due to which there is a change in the qualitative composition of agricultural production and the formation of a positive image of both the region and the agribusiness enterprises.

The implementation of the mechanism for the branding development of agrarian regions involves the fulfillment of the set goal and

priority tasks, which must be adapted to possible economic and political external changes. At the same time, attention should be paid to avoiding duplication of branding development tools at different levels of management. On the other hand, when defining goals and objectives, the balance of interests of the regional government and business entities in the field of agriculture should be taken into account.

Therefore, the effective implementation of the mechanism of the branding development of agricultural regions in the context of the European integration should be ensured by performing the following tasks:

- financial support of regional branding activities;
- development of strategic and tactical directions that will contribute to the formation of a positive image of the agrarian region;
- creation of priority development territories and free economic zones with an agro-industrial activity profile;
- expanding the powers of the regional authorities in implementing the development of the region's brand;
- ensuring the cooperation of the government and business during the development of program documents related to the formation of the image of the region and the creation of a favorable market environment;
- formation of a socio-economic environment that ensures the development of the small business sector and individual business entities;
- small business support in the field of agro-industrial production.

When choosing directions for implementation of the proposed branding development mechanism, an assessment of the territory is carried out according to social, economic and political directions. The assessment of the social component involves the characterization of the geographic location of the region, the landscape, the state of the environment, the mentality of the population, and the state of infrastructure development of rural areas. When evaluating the economic direction, the object is the competitive advantages of the agro-industrial enterprises of the region, the degree of development of production resources and their potential, as well

as the unique possibilities of conducting economic activities in the region. The assessment of the political component characterizes the regional policy in the sphere of support for agro-industrial production. Based on the evaluation, it becomes possible to actualize a specific agricultural region in the information space, which is the basis of brand formation. Thus, the agricultural region can be considered as an intangible asset, the strength of the brand depends on the ability to highlight the unique properties of the territory, which can satisfy the interests of investors.

Conclusions

The concept of forming the branding of agricultural regions consists in realizing the importance of the following factors: the influence of globalization processes, which dictate the conditions of assortment and price policy of agro-industrial enterprises; redistribution of financial and economic resources of agro-industrial producers as a result of the transformation of the market of agricultural products and the development of business integration processes; increasing the role of communication interaction in shaping the image of the region.

The mechanism of the branding development of agrarian regions of Ukraine will contribute to the implementation of the strategic

principles of the formation of a competitive producer in the context of the European integration, the achievement of the goals of regional management through the coordination of relations between different target audiences, taking into account all elements of the unique identity of the region. The actualization of the formation of the appropriate mechanism is the basis for solving the social problems of the territory, as it will contribute to the development of small businesses, the support of farming, and, as a result, the creation of new jobs, which is an urgent need in the conditions of forced internal migration of the population. The implementation of the mechanism will contribute to the formation of a positive brand image of the territory, which activates the effective use of territorial potential, the attraction of new economic agents and the development of investment activities, the strengthening of integration ties with EU countries, the development of regional advantages. Creation and development of the brand image of an agrarian region is an urgent task of modern state economic policy, which must be solved at the regional level.

The prospect of further research is the implementation of economic and mathematical modeling regarding the impact of the agricultural sector on the development of regional economic systems.

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