

INTANGIBLE RESOURCES FOR RURAL DEVELOPMENT: ASSESSMENT APPROACH

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Abstract. Recently, significant economic, social and cultural changes take place in rural areas. Most countries faced the challenges of rural development, when the focus on agricultural and agro-industrial production and support for farming ceased to produce tangible socio-economic results. The potential for sustainable development of rural areas is based on a whole range of material and intangible resources that can act as drivers of economic growth and achieve the quality of socio-ecological environment by attracting investment, stimulating innovative processes and engaging highly qualified human capital. The interdisciplinary approach can help to open up instrumental opportunities for developing methods for assessing and analysing intangible resources for rural development. The aim of the research is to identify the advantages and limitations of using an intangible-oriented approach to the justification and implementation of rural development policies, and to identify various types of intangible resources for rural development. The authors solve the problem of assessing the efficiency of use and the subsequent build-up of intangible resources for the development of rural territories based on building of an appropriate toolkit. The authors propose an interdisciplinary instrumental approach to assessing intangible resources for rural development, which is the basis for the subsequent development of taxonomic signs of empirical models of rural development policy depending on the availability and characteristics of intangible resources, as well as introducing model strategies for incorporating intangible resources into rural development policies.

Key words: rural territories, intangible resources, sustainable development, assessment of intangible resources.

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Introduction

Recently, significant economic, social and cultural changes take place in rural areas. Most countries faced the challenges of rural development, when the focus on agricultural and agro-industrial production and support for farming ceased to produce tangible socio-economic results. In post-rural studies, rural areas are viewed in lesser degree as passive recipients of external influences, but to a greater extent as new "growth points" of social, economic and environmental innovations. The potential for sustainable development of rural areas is based on a whole range of material and intangible resources that can act as drivers of economic growth and achieve the quality of socio-ecological environment by attracting investment, stimulating innovative processes and engaging highly qualified human capital. At the same time, on the one hand, the objective deficit and instability of the results of using internal and external material resources for rural development determines the need to identify and include new drivers in rural development policies. On the other hand, more and more empirical data are accumulating in modern economic science about the role of intangible development resources as drivers of sustainable socio-economic dynamics. We believe that the interdisciplinary approach of this study opens up instrumental opportunities for developing methods for assessing and analysing intangible resources for rural development. The aim of the research is to identify the advantages and limitations of using an intangible-oriented approach to the justification and implementation of rural development policies, and to identify various types of intangible resources for rural development. It will help to solve the problem of assessing the efficiency of use

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and subsequent building up of intangible resources for rural development based on the development of appropriate tools.

To achieve this specified aim, the following tasks were identified:

- on the basis of theoretical sources to identify the main types of rural areas and the main factors of the rural development;
- to systematize the diversity of intangible resources;
- to outline the main advantages and limitations of the non-material approach to the justification and implementation of rural development policies;
- to propose an approach to assessing intangible resources for rural development, which is the basis for the subsequent development of taxonomic signs of empirical models of rural development policy depending on the availability and characteristics of intangible resources.

The research methodology included the analysis of the scientific and other publications, reports, studies and other literature sources on various aspects of resources influencing the development of rural areas, case analysis, system and comparative analysis.

The novelty of the research is the interdisciplinary instrumental approach to assessing intangible resources for rural development, which is the basis for the subsequent development of taxonomic signs of empirical models of rural development policy depending on the availability and characteristics of intangible resources.

Current state of research

Modern approaches to the spatial aspects of development are presented in the works of J. Kotkin (2000), P. Krugman (1997), Y. -F. Tuan (1977), A. Filippov (2000), L. V. Smirnyagin (2007). These research works draw attention to the increasing role of intangible resources in the development of territories. Factors such as proximity to raw materials and markets no longer dominate. New types of businesses are more likely to invest into high standard of living; they have become "sophisticated consumers of space" (Kotkin J., 2000).

Interdisciplinary rural studies aimed at identifying the role of various kinds of resources (internal, external, material, intangible) in rural transformations are differentiated into a number of areas:

A) Rural development policy concepts.

So, F. Barca, P. Mc Cann, A. Rodriguez-Pose (2012) reveal differences between two approaches in the framework of regional economic development policy: place-based versus place-neutral approaches. The starting point of the place-based policy is the idea that the knowledge necessary to use the potential of the area is not always available and is produced with the participation of external and local agents of rural changes. A comparative analysis of various models of rural development is presented in the studies of M. Gkartzios, M. Scott and P. Lowe (2019), P. Lowe and J. Phillipson (2006), K. Salemin, D. Strijker and G. Bosworth (2017), B. Bock, K. Kovacs and M. Shucksmith (2015), G. Bosworth et al. (2015). Endogenous approaches gained popularity after the 1980s, when the exogenous approach did not lead to sustainable economic development. British researcher C. Ray developed a neo-endogenous approach and formulated its basic principles (Neoendogenous Development..., 2020); P. Lowe and J. Phillipson (2006), M. Gkartzios and P. Lowe (2019) write about the formation of a new model of networked development of rural territories based on the interaction of internal and external stakeholders. B. B. Bock, K. Kovacs and M. Shucksmith (2015) conceptualized the neo-exogenous approach and described the new elements of rural innovation initiatives against previous approaches.

Innovation as a driver of growth, sustainability and competitiveness of rural areas are expressed in the works of L. Madureira and A. Torre (2019). They designed a comprehensive indicators system, the RIIS (Rural Innovation Indicator System), for commercial and non-profit organizations working in rural areas with a low population density. Portuguese researchers T. M. Gamito, L. Madureira and J. M. Lima Santos (2019) classify traditional and new rural innovation development resources; identify assets whose potential has not been fully embraced by rural development policies; describe innovation models based on various resources. The authors demonstrate how the use of traditional and new resources contributes to the identification of new productive specializations in rural areas, and how the dynamics of innovation in rural areas correlate with the structure of current rural assets.

B) Social capital as a source of rural change.

M. Rivera et al. (2019) identify the importance of social capital in rural development processes by analysing the results of case studies carried out in the framework of the European RETHINK Project. Highlighting trust, cooperation, culture, a sense of community and tradition as components of social capital, researchers consider its transposition into an economic resource in various rural contexts, the impact on self-organization processes. Paper written by J. D. Van der Ploeg, J. Ye and S. Schneider (2015) highlights the potential of social capital in integrated rural development strategies, conceptualizing social capital as one of the key building blocks of the "rural web" for solving the problems of the local economy in order to increase rural competitiveness. J. Lee, A. Arnason, A. Nightingale and M. Shucksmith (2005) study the role of identity, social capital in mobilizing positive socio-economic changes in rural areas, the development of networking among various local politics stakeholders.

C) Territorial identity as a resource for rural development policy.

The theme of identity is gradually entering the mainstream of economic discourse. Thus, G. M. Kazakova (2017) describes regional identity as a driver of the economic development of a region and a city. R. Capello and C. Lenzi (2013) characterize territorial identity as a special economic asset that promotes the convergence of private and collective attitudes, the formation of a sense of loyalty to the local community.

D) Rural social entrepreneurship as a resource for local development.

The researchers note the role of social entrepreneurship in the development of social capital and the formation of a sustainable rural local community. Networking enables rural social entrepreneurs to overcome location-related problems and thereby contribute to rural development, especially in terms of skills acquisition and knowledge transfer, as well as offering innovative solutions to meet community needs. R. Eversole, J. Barraket and B. Luke (2014) define the ingenuity of rural social business as a resource of the (neo) endogenous rural transformation policy.

E) Rural local communities as a subject, object, resource of rural development policy.

Many researchers view community-based development practices as the predominant paradigm of rural transformation. Some paper findings consider social, economic and environmental aspects of rural transformations (Fabricius C., 2013; M. Shucksmith, 2010; J. De San Eugenio-Vela and M. Barniol-Carcasona, 2015), the role of culture in community development (M. Gkartzios and M. Scott, 2014).

Approaches to assessing rural development resources are diverse. Most of them are based on a quantitative assessment of the available statistical data taken as the basis for the selection of indicators, which is quite clear from the point of view of their meaningful content. However, both the continuing problem of the quality of statistics and the impossibility to reflect many qualitative aspects

of intangible resources using exclusively quantitative indicators do not allow taking into account the complexity and ambiguity of the context of the formation and development of intangible resources of rural territories. Thus, the development of integrated approaches and methods for assessing the intangible resources of rural development remains a kind of "gap" in the research discourse.

Research methods

The research methodology included the analysis of the scientific and other publications, reports, studies and other literature sources on various aspects of resources influencing the development of rural areas, case analysis, system and comparative analysis.

The methodological basis of this study is an interdisciplinary approach, including a comparative analysis of the scientific discourse on intangible development resources, as well as analysis of studies on various aspects of rural development, case studies and statistical data. The community development concept is a key theoretical construct integrating rural areas and intangible development resources.

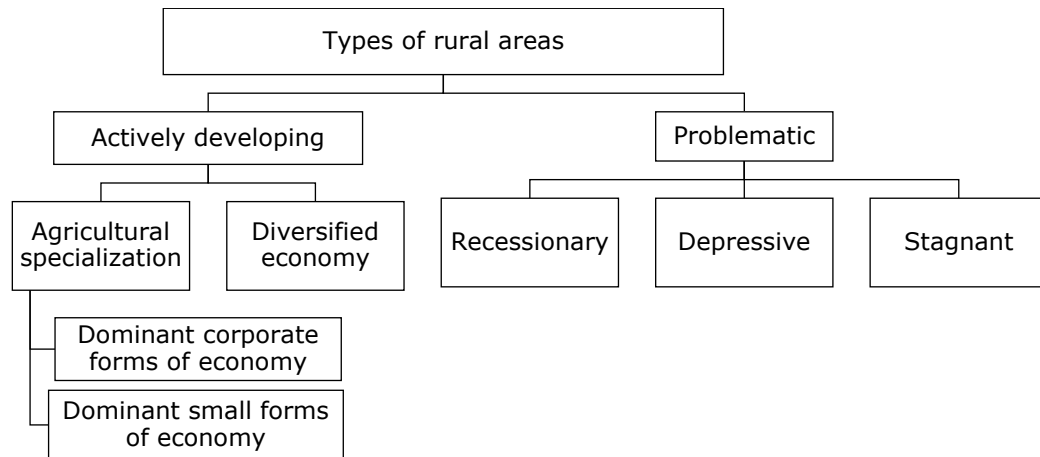
Research results and discussion

Researchers trying to assess the availability and quality of the resource potential of the development of rural territories inevitably encounter the ambiguity of the definition of the concept "rural territory". In Russian legislation, for example, there is no unambiguous definition of rural territory, nor are there criteria for its identification. In international practice, several approaches have developed. Thus, Eurostat classifies territories on the basis of indicators of population size and density, dividing them into densely populated (mainly urban), intermediate density and sparsely populated (mainly rural). Urban areas include a population density of 300 people/km² and a population of at least 5 thousand inhabitants. Whatever is not urban is considered rural. The Organization for Economic Co-operation and Development (OECD) identifies rural areas based on population density and the proportion of the population living in rural areas: predominantly rural areas (more than 50 % of the population); largely rural areas (15 to 50 %). Communities with a population density of less than 150 people / km² relate to rural areas. OECD identifies 3 types of rural areas: economically integrated rural areas; transitional rural areas; remote rural areas. The lack of a universally recognized concept of "rural territory" and "intangible resources", as well as criteria for their classification, determines the need for some explanations.

In this study, we understand rural areas as the low-density places of residence, located in a specific natural and geographical landscape, having certain sources of food and agricultural raw materials, natural resources and a certain "non-urban" lifestyle. Significant differences between rural areas, determined in particular by their resource potential, create the need for their typology. The classification is based on economic characteristics that allowed us to distinguish the following types of rural areas (Fig. 1).

Authors propose to understand the concept "intangible resources of rural development" as a complex of multilevel and multifunctional components that have different genesis, do not have physical or financial embodiment and are able to level natural, technological and financial restrictions, as well as mobility limitations of production factors in order to produce new types of goods and services. Such an approach makes it possible to systematize the whole diversity of intangible resources within the framework of five groups: symbolic, network, management, information and communication and innovation (Table 1).

Many researchers note that, despite their intangible nature, intangible resources have value and usefulness, and the efficiency of their use is largely correlated with the achievement of material indicators. The few current approaches to assessing intangible development resources focus on regional and sectoral systems that integrate various actors and levels, as well as the emergent characteristics of intangible resources necessary for sustainable area development.



Source: created by authors

Fig. 1. Types of rural areas

The specificity of rural territories, their integration into cultural, historical, administrative and environmental contexts, determines the need to find a methodological approach to the assessment (which territories and how developed are they?) and analysis (why these, how to develop their potential?) of intangible resources. Such an approach should, on the one hand, take into account the complexity of the system dynamics of rural development processes, and, on the other hand, to be relevant for specific managerial decisions.

Table 1

Types of intangible resources for rural development

Resource Type	Content
Symbolic	Local identity Territory image Public values enshrined in development strategies
Network	Level of interpersonal trust Institutional confidence level The density of interpersonal and institutional ties
Management	Leadership (formal and informal) Professional competencies of decision makers Local Government Institutions Institutions of self-organization of citizens
Information and communication	Local print and electronic media Community digital resources Interactive interfaces for interaction between community members and development policy agents
Innovation	Technological, marketing, "green" and organizational innovations; mechanisms for their production and diffusion in the context of rural development policy

Source: created by authors

The analysis of existing approaches and methods developed on their basis allows us to highlight the advantages as well as possible limitations in comparison with the traditional assessment of material resources in relation to rural development policy.

Table 2

Advantages and limitations of the non-material approach to the justification and implementation of rural development policies

Advantages	Limitations
An objective increase in the value of intangible assets over time	The difficulty of formalizing indicative characteristics
Compliance with the general trends for the knowledge economy, social economy, identity economy	The potential subjectivity of the assessment and the controversy of the validity of the results
Maximum consideration of the characteristics of a specific territory, the creation of unique context-sensitive techniques	The inability to create universal tools. The meaningful content of indicators involves an independent empirical study based on qualitative methods.

Source: created by authors

Taking into account the opportunities and risks involved in developing analytical tools for assessing the potential of intangible resources of rural development will make it possible to classify empirical models of rural development policy based on intangible resources. It will also allow developing model strategies for incorporating intangible resources into the development policy of rural territories in the conditions of heterogeneity of the socio-economic and socio-cultural space of regions and assessing the possible multiplier effects.

The set of parameters characterizing each type of resource can be fixed in a function where each type of resource is characterized by a set of parameters and has the same relevance:

$$Y(t) = f(Syma., Netb., Orgc., Inf.d., Inne,) \quad (1)$$

The combination of these components of intangible resources forms various types of relationships. Such relationships underlie practices that produce and reproduce cultural landscapes and ultimately determine the level of socio-economic development. Thus, by "using the intangible resources of the region" we mean the process of their transformation into tangible results, expressed in the growth of competitiveness, investment attractiveness of the territory and an increase in socio-economic indicators. We believe that an effective combination of these components of the intangible resources of rural development in combination with other elements of the resource potential will provide the synergistic effect necessary to give impetus to rural development.

The system for assessing intangible resources for rural development has a number of requirements. Validity of the assessment is key. Moreover, the accuracy of the assessment should be sufficient but not excessive, and the methodology itself should be sufficiently stable and not depend on the experts. In addition, the methodology should be flexible, have the ability for "an upgrade".

The development of such a system has the following stages:

- selection of input data;
- formation of an appropriate system of criteria;
- operationalization of each criterion by highlighting specific parameters (questions);
- development of an assessment scale;
- development of analytical tools (expert questionnaire);
- determination of the procedure and expert assessment.

Thus, the calculated index value for each specific territory is formed on the basis of an integrated assessment of the level of development of intangible resources. The proposed methodological approach includes, along with the methods of collecting quantitative data traditional for economic research, some specific sociological and statistical-mathematical research methods "dealing with"

with large amounts of empirical data. Expert assessments include two projections: the current state of the intangible resources of rural territories ("what is") and the target, reference state ("what should be") and are ranked in three intervals of a 100-point scale. The reliability of the consistency of expert estimates is verified by the method of canonical correlation and positional analysis.

Conclusions, proposals, recommendations

- 1) A variety of theoretical and empirical approaches to the study of rural development processes opens up broad prospects for their integration and emphasizes the importance of studying intangible resources that form the potential for sustainable development and shape the success of rural development policies. The definition and operationalization of the intangible resources of rural development is extremely important. As well as the development of high-quality monitoring methods and a comprehensive assessment of the effectiveness of rural development policies. The current approaches to the assessment of intangible assets focus mainly on the organizational level and are poorly applicable to the territorial context.
- 2) The trend to include the assessment of intangible resources in the process of justification and implementation of rural development policies has both advantages and limitations. At the same time, taking into account possible limitations when developing analytical tools for assessing the potential of intangible resources of rural development makes it possible to improve the quality of rural management.
- 3) The authors propose an instrumental approach to assessing intangible resources for rural development based on three interval measurements of five types (symbolic, network, managerial, information and communication, innovation) of intangible resources in two projections (standard and current). The proposed approach broadens the scope of research on rural development resources by including, along with traditional economic methods of the collection of quantitative data, specific sociological and statistical-mathematical research methods "dealing with" with large amounts of empirical data. Currently, the toolkit is undergoing testing and verification of indicators to evaluate the results and existing opportunities.

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