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IMPACT OF THE COVID PANDEMIC ON THE AGRARIAN POLICY IN THE AUTONOMOUS REPUBLIC OF ADJARA

The article focuses on the impact of the Covid pandemic on the Agrarian policy in the Autonomous Republic of Adjara. Adjara or Achara, officially known as the Autonomous Republic of Adjara, is a historical, economical, and political-administrative region of Georgia. Located in the country's southwestern corner, it lies on the coast of the Black Sea near the foot of the Lesser Caucasus Mountains and north of Turkey. Agriculture and agrarian policy development is a priority area of the Autonomous Republic of Adjara and is one of the main sources of income for the rural population. Moreover, the main function is to promote food security in the region and to improve the socio-economic situation of the rural population, which depends on the increase of competitiveness of local production, the introduction of modern agro-technologies, improvement of soil productivity, and expansion of knowledge of employees in the agricultural sector. The paper discusses the state of the agricultural market in recent years and the expected and desired impact of the current situation on the development of this sector. Special attention in the article is paid to the analysis of the new trends in the development of the economic policy of Adjara and to the analysis of the categories static risk factor and dynamic risk factor. The period 2020-2021 is characterized by the pandemic spread of Covid-19 around the world. The Covid-19 caused a number of serious economic and political crises which led to the postponement or cancellation of many economical and political events and work began to take place remotely. It is argued that one of the most important contributing factors for the development of the agricultural sector in the Covid circumstances is the Deep and Comprehensive Free Trade Agreement with the EU, which provides for the gradual elimination of barriers to market access. It is hindered economic progress and agrarian policy development in the Autonomous Republic of Adjara generally in Georgia.

Keywords: Covid-19 Pandemic, Economic crisis, EU and Georgian relationship, Agrarian policy, European market, Free trade, Agriculture programs, Economic development.

After the collapse of the Soviet Union, agriculture in independent Georgia was declared a priority as an important sector for the country's economic empowerment and self-sustainability. This is evidenced by increased state funding and rapid structural and legislative reforms. In addition, the European Union has been assisting to Georgia for the development of the agricultural sector in the general through the European Neighborhood Program (ENPARD) since 2013. In 2014, the Association Agreement between the EU and Georgia was „deep and Comprehensive Free Trade Area” (DCFTA) entered into force, then Georgian produced products have become available on the European market, which is an important fact for the economic progress and development of the country. The agrarian sector has been recession since independence of Georgia. The tendency to demolish the old indiscriminately and ignore the new is also leading to a reduction in production efficiency in the agricultural sector, non-capitalization of the sector and impoverishment of the population. It is possible to stimulate the development of agricultural processing and other industrial sectors with the right agrarian policy which it plays a big role for the developing and transition economies.

The main objective of the EU Program ENPARD was to support the development and implementation of the sectoral policy based on the international experience in Georgia. In 2015, first, the Government of Georgia was developed the Strategy for Agricultural Development for 2015-2020 with the funding of EU under ENPARD. The main priorities for the development of the sector were set in the first and second phases

of ENPARD. The third phase envisages the diversification of rural economic activities, the growth of tourism, the sustainable development of natural resources and the improvement of the quality of rural life. As part of the third phase, the government was approved a 2021-2027 rural development strategy, which is based on the experience gained and eliminates the obvious shortcomings. And the fourth phase will continue until 2020-2024, which will contribute to the economic and social integration of vulnerable regions and families. Within the framework of the EU special program, such a special filed was developed in Adjara as the cultivation of blueberries, which replaced tea plantations, and today blueberries are a significant economic benefit for the Adjara region. We have researched and studied what steps have been taken in this direction in the Adjara region and why has become this direction of agriculture in Adjara more advanced compared to the other regions of Georgia.

Adjara is a diverse region in terms of geomorphology, this terrain are combined with lowland, halls, deep valleys, mountains and more. 13.6 % of the area is occupied by lowlands, 9.3 % by hills and 77.1 % by foothills and mountains. Located up to 200 meter above sea level 12.9 % of the total area, from 201 meter to 500 meter – 12.2 %, from 501 meter to 1000 meter -17.3 %, from 1001 meter to 2000 meter 43.4 % and above 2000 meter – 12.2 %. The diverse geographical condition of Adjara is determined the multidisciplinary structure of agriculture, therewith the almost half of the population lives in rural areas, where are developed low-productivity, self-sufficient and semi-self-sufficient farms. Agriculture in the Adjara region has been in crisis for years, which was caused by improper attitude towards the field. As a result, agriculture production has become unprofitable, the interest of the population in the agricultural sector has sharply decreased, the country's domestic market was saturated with imported agricultural products. In fact, new technologies have been not introduced over the years, whit it is ensured the production of competitive products. The result of all this was reflected in the socio-economic situation of the rural population. It has increased the process of migration of the able-bodied population from the village. Moreover, labor resources were directed to the neighboring countries, where most of them were worked in inadequate remuneration conditions and the expended labor did not serve the process of creating wealth in the country. Since 2012, the Ministry of Agriculture of the Autonomous Republic of Adjara has aimed at a comprehensive approach to rapid development, which included strengthening the program direction in the field, the introduction of new agricultural technologies and the development of profitable production.

Intensive cultivation of blueberry orchards in the Adjara region was started 2013 and today the scale of production of this crop is growing steadily. Due to the unique of the blueberries, its demand in the world market is also growing. According to National statistics office of Georgia, a total of 668 tons of blueberries were exported from Georgia in 2020, while the amount of blueberries imported into the country in the same year amounted to 19.5 tons. Leading Georgian blueberry export markets in 2020 were: Russia (632 tons), Poland (12 tons), Armenia (10 tons), United Arab Emirates (6.5 tons), Ukraine (5.5 tons), Qatar (1.5 tons). As of 2020, blueberries are cultivated on total of 106 hectares in the Autonomous Republic of Adjara and in 2020 were produced 147 tons of blueberries in the region. In 2018-2021, a total of 47000 blueberry seedlings were issued to farmers by the Ministry. The projects fund 3 blueberry producing enterprises, which facilitates on-site production of products.

In the region has emerged new culture of export potential (included in the EU), which last year it's imported 2.5 million GEL from exports to farms in the Budget of Adjara. In addition to Blueberries, the production of other highly profitable crops is successfully implemented through the programs of the Ministry of Adjara such as raspberries, blackberries, vines, chandler nuts and other fruit crops.

The classics of economic thinking is paid great attention to agrarian development and its defining policy. They was considered to be capital accumulation a key factor in the development of agriculture. In their view, introduction of technical and technological innovation and improvement of labor processes will be achieved by increasing productivity in agriculture. The representatives of classical theory (Adam Smith) was viewed economical development as a process which is demanded redistribution of factors of production from the traditional agricultural sector to low – tech sectors with low labor productivity. During this period, agriculture is played a passive role and was considered as a source food and the field of employment for the population. In addition, there was an exaptation that the importance of agriculture as a development and traditional sector would be substantially diminished depend on how the county would transform from a traditional economy to a modern economy. Therefore, this field of agriculture is important those countries, including Georgia, which its dominated small farms with small export opportunities and high unemployment. Even in countries where economic growth is based on capital – intensive industries, farms have more opportunities for development and diversification. It is very important to pay attention

to new trends in the development of agrarian policy in Adjara too. The ministry of agriculture of Adjara has started to develop agricultural diversifying and new rural function approach, last year Ministry of Adjara has financed the construction of small, medium and large greenhouses with an area of 80,000 sq.m with more than 100 farmers for the development of greenhouses, which is an important issue in terms of import substitution and food security in the near future. It will be possible to replace imported vegetables by local products produced in the greenhouse, which the yield of open ground horticulture is increased 2-5 times and then later 10-12 times.

However, the problems caused by the Covid pandemic and the severe socio-economic crisis in Georgia have caused great damage to the agricultural sector. Covid Pandemic has hampered lending by banks, selling local vegetables and produce, accessing agricultural services and devaluing local currencies, due to the existing restrictions became more difficult the import-export of products, prices increased and etc. but Agriculture and agrarian policy development is a priority area of the Autonomous Republic of Adjara and is one of the main source of income for the rural population. Moreover, the main function is to promote food security in the region and to improve the socio-economic situation of the rural population, which are depend on the increase of competitiveness of local production, introduction of modern agro-technologies, improving of soil productivity and expansion of knowledge of employees in agricultural sector. The period 2020-2021 is characterized by pandemic spread of Covid 19 around the world. The Covid 19 caused a number of serious economic and political crisis which this led to the postponement or cancellation of many economical and political events and work began to take place remotely. Today, from the statistic is showing covid pandemic dashboard total cases 257, 643, 035 and total deaths 5 153, 222 in the world. In Georgia covid 19 situation is confirmed virus cases – 814 097 within the past 24 hours – 1 851 and fatal outcome – 11 553, within the past 14 hours – 55, 2 097159 vaccinated in all and daily vaccination rate ate 1 644. Recovered – 755 229 within the past 24 hours – 5 530. Test positivity rates: 8. 41 % daily, 9. 25 % over the past 14 days and 8. 97 % over the past 7 days.

An important part of the anti-crisis plan announced by the Government of Georgia to prevent the spread of coronavirus has been devoted to the care of agriculture and accordingly, funding was added to existing state programs and benefits, which also boosted the economic situation of agriculture.

In support of Georgia's economic crisis caused by the pandemic, the EU and the United Nations Development Program (UNDP) with the Ministry of Agriculture are launching a grant program worth GEL 9 million, where it will be implemented in eight municipalities –Akhalkalaki, Borjomi, Dedoplistkaro, Tetriskaro, Lagodekhi, Keda, Khulo and Kazbegi, which will promote the development of non-farm business, sustainable management of natural resources, mitigation of climate change and increase the economic opportunities of the rural population.

The activities of the Government of Adjara were included the provision of quality agrarian extension to rural farmers, the production of certified seedlings for farmers, the sustainable development of the agrarian sector and the provision of various agrarian services to farmers. From 2024 certification of planting materials for nurseries becomes mandatory (according to the resolution of the government of Georgia N478 of September 28, 20201). Produced seedling must meet the standard of European CAC (Conformitas Agraria Communitatis). The nursery farm of the Agro service Center in Shuakhevi Municipality has been awarded a CAC standard seedling production Certificate. This means that the farm was able to go through the certification process 3 years before 2024 and was awarded a certificate, which the nursery is authorized to produce certified high standard fruit seedlings. Adjara is the only region in this direction in Georgia.

The proper functioning of Georgian agrarian sector is important for a large part of population and for the country's economy development. It became known from the research paper that the main challenges in the agricultural sector of Georgia are following:

1. Low productivity
2. Lack of information and Knowledge
3. Production of small quantities of Biologically pure product
4. Efficient use of agrarian potential

From the challenges of this sector, an important place took low productivity and low output level. An important of production is investments which the favorable situation is not reall in Georgia, however, it should be noted that compared to 2017, the volume of investments in the agricultural sector in 2018 increased by 3 million and amounted to 15 million GEL. Georgia has great opportunity for the development of the agricultural sector, especially today, when the door to the European market is so wide open for Georgia. World organizations worked with countries on innovation infrastructure and resource provision

in the agriculture sector. Therefore, it is to thoroughly study the existing system, analyze the situation and take the necessary for the development of the field.

That is why we have formulated recommendations which are desirable to consider:

1. Eliminate the modern challenges of the agricultural sector and better develop the value and technologies in the sector,
2. Improving livelihoods and creating more jobs for woman and youth,
3. Food safety, production of a sufficiently safe and appropriate nutritional value product everywhere and for everyone,
4. Reducing climate change and its impact on the agricultural sector,

We hope, that this recommendations will foresee in agricultural policy in order to improve economical situation and agrarian sector in Georgia.

Also, we believe that one of the priorities of the Ministry's agrarian policy is to support sectoral associations in the future, which particular importance will be given to the development of organic farms in the region and raising the level of education in the field of organic production, organic production for the small land agrarian sector of Adjara can become an opportunity with a great future. We believe that one of the most important contributing factors for the development of agricultural sector is the Deep and Comprehensive Free Trade Agreement (DCFTA) with the EU, which provides for the gradual elimination of barriers to market access. However, the prospect of entering the EU market requires the bio-production of products that meet market standard. At present it is possible only by producing natural, organic and ecologically clean high standard products. Promoting the development of bio – production should be done by compensating the farmer for environmental and sustainable development activities and by setting a higher subsidized price for the raw material. Subsidized prices should imposed on products that it has export potential. The pricing decision should be made for the research of the market and the request of the associations. Reimbursement of Price should be made only upon delivery of raw materials to the enterprise and the selling price should be formed in accordance with market policy. Farmers association should be established by voluntary union of farmers and cooperatives on the basis of membership fees, but these contribution should not be the main source of funding for associations. These contributions will be used to cover the salary expenses of several key employees of the association. Farmers who joined in the association, they do not have any mutual obligation without concluding and additional contract. However, the association can became a platform for the expression of common interests of farmers and cooperation in areas such as: formation of large export parties of products, obtaining quality certification, inviting experts in the field and inviting foreign and local trainers on innovative technologies and etc. the main goals of the association should be: increasing the number of members, finding potential key markets, making recommendations to members about changes in market needs, preparing projects for research and innovations in the field and attract grants, solving common problems of farmers who are members of association and preparing projects and seek funding, finding international partners and investors, consolidating large export batches of products and ensuring a stable supply in the market. The Encouragement of this association is expressed by the state with low tax benefits. It will be a significant help for farmers which it will ultimately contribute the revival of agriculture and the economic development of Georgia.

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