

ACCESSIBILITY OF STATE INVESTMENT RESOURCES FOR SMALL FARMERS AND RURAL-AGRICULTURAL COOPERATIVES

POLICY PAPER SUMMARY



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Eastern Partnership Civil Society Forum Georgian National Platform is an association of local and international non-commercial legal entities registered in Georgia, aiming to promote and implement the goals set by the Joint Declarations of the Prague, Warsaw and Vilnius Eastern Partnership Summits and the EU-Georgia Association Agreement of European Neighborhood Policy and other joint events.

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Summary

Revival of agriculture has been prioritized by Georgia's Government. Despite strong emigration from Georgian villages, more than half of the Country's population still lives in rural areas (GeoStat, 2014 Survey), while of all employed, 52% falls within the agricultural sector. In total, 98% of the agricultural sector are small farms, who have the status of self-employed.

Therefore, without supporting small farmers, agricultural development will not be a successful and fruitful endeavor. Furthermore, ignoring the interests of this critical mass in planning a rural economy, will deepen social inequality and will not have positive effects on the desire of the country's sustainable development. Thus, it is important that the investment resources allocated for agricultural development is distributed in a just manner and the critical mass employed by the sector has proportional access to the investments, with the goal of developing their own farms.

The general aim of this policy document is to evaluate existing state investment in terms of growing agricultural production and analyze the role of small farmers in the process of agricultural production. After signing the Association Agreement with the EU, especially after the DCFTA, Georgia was given the possibility to export goods and services to EU members and establish trade relations with them, including the export of agricultural products. Clearly, this has an immense potential, however, it is important that fulfilling duties imposed by the Agreement does not take place without considering the interests of small farmers.

In addition to the export potential, another important opportunity presents itself within the Association Agreement: to utilize the potential of small farmers in the production of goods consumed locally. Penetrating local markets with locally produced goods will increase their income significantly and will partly contribute to rural poverty reduction. Therefore, the state investment should not be seen as something isolated, but in conjunction with increased market accessibility support, so that the state investment bear real impact and achieves its general aim – to integrate small farmers in the national food production system.

Planning national policy in the fields of rural economy and international trade must take into the account not only the interests of individuals, but it must be positively reflected on the development of the critical mass living in rural areas. Therefore, considering the needs of small farms in the production of food is necessary. As a result, it is particularly important that small farmers have increased access to investment resources which can be used to implement good safety standards. In this regard, it is particularly strategic to support rural-agricultural cooperatives, since international experience teaches us that this is the most effective way to (1) increase profits for small farmers (2) increase local production (3) increase rural employment (4) reduce emigration from rural areas (5) and lastly, reduce social inequality, in which segment Georgia ranks 71st out of 154 countries.

The aim of this policy document is to evaluate the quality of the state investment interventions from the perspective of small farmers, to expose how the interests of small farmers are ignored and to show the risks each such case carries, such as deepening social inequality and worsening of food security indicators.

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