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GEORGIAN AGRO-SPHERE DEVELOPMENT PRIORITIES AND WAYS OF CARRYING OUT SOME IMPROVEMENTS

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INTRODUCTION

The implementation of an appropriate agrarian policy depends on decisions at national level, the implementation of an economic policy as a whole, macroeconomic frameworks, and factors that contribute to the effective functioning of the entire agrarian sector or its sub-sectors. Government actions, the development of a long-term programme and its phased implementation play a decisive role in the development of a proper agrarian policy and the implementation of a proper strategy.

The scope of an agrarian policy is not limited to the sector; it extends to foreign economic relations, the processing industry and other sectors and areas. An agrarian policy should focus on many different problems: establishing optimal, effective measures for farms or providing loans, equipment, technologies and other means of production to farms or expanding key markets, reducing rural poverty, and so on.

In modern times, when the whole world is thinking about the development of economic processes, one of the most important directions in Georgia, to my mind, should be the agricultural sector with its share of about 10% in GDP. However, it should also be noted that the development of the agricultural sector, in turn, would have positive effects on other sectors.

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Due to the serious problems in the field of agriculture, its complex evaluation-analysis and systemic approach methodology should be used to take important effective steps. There is no doubt that the agro-industry is one of the most important sectors and we must have a proper agro-policy, but it will not be the main engine of the country's economic development. The simultaneous development of different sectors of the state economy enriches them, including the agricultural sector and not only the agricultural sector but also any other sector. The main focus should be on the farms expanding production, using more and more new technologies to quickly become as modern farms as possible.

It is not worth presenting the problem separately in terms of knowledge in the agricultural sector, as we have a similar problem in all sectors in the country, and if, in general, the field of education is improved and improved, the agro-sphere will also benefit.

The agricultural sector will definitely need modernization and intensive development (which should help tackle rural poverty and develop the regional economy), as well as financial, legislative, organizational and institutional support, on which the state should focus and implement them.

In Georgia, the agro-sphere was one of the priority sectors for all governments, and all governments included the Ministry of Agriculture, which spent quite a lot of money on the development of the sector. In total, the state spent more than a billion Georgian lari (GEL) to develop the agricultural sector in 2013–2019. In addition to the above-mentioned billion lari, more than GEL 300 million was spent separately for the rehabilitation and creation of the amelioration system.

Besides, in economic practice it is known that if the government subsidizes any sector /field, there is a high probability that this sector will get used to getting subsidies and will not develop. Basically, this is probably the case with agriculture in our country. So, in my opinion, instead of subsidies for the agricultural sector, it would be better to accumulate given financial resources in any state institution that will directly focus on modernization and development of the agro-sphere using the latest methodologies.

1. CONCEPTUAL MODEL OF GEORGIAN AGRO-POLICY

Transformation of the economy of a country connecting Europe and Asia is impossible without the development of agriculture. Ignoring the priority to this field is a wrong policy.

As Georgia has the greatest agrarian potential, it has not been used properly yet. The country has a real opportunity to significantly increase its agricultural production. However, the realization of this potential and the achievement of the set goals are hindered by many difficulties. The country has virtually completed the main stage of transition to agrarian market economy.

The agrarian structure was completely changed, in particular the industrial-organizational and ownership forms of agricultural enterprises, the privatization process was completed, and a new system of local relations was established. Changes were made in the layout and specialization of agricultural production, the food market was formed, the process of integration into the field, agricultural cooperation, the creation of a new credit system began, and entrepreneurship and agribusiness began to develop in the agricultural sector. The desired conditions have been created for the equal functioning of various types of agricultural enterprises of ownership, conditions of competition have been created, etc. Georgia, with its natural climatic conditions, allows us to produce ecologically clean products. The demand for such products in the world market is growing¹.

Today's global trade relations make it possible to replace local production with cheap imported products. The traditional approach to agriculture as an important area of economic development and transformation, as well as the open trade approach, according to which it is advisable to develop comparatively advantageous sectors, give rise to different approaches to the development of the agricultural sector. This is one of the conceptual issues of today's Georgia.

The development of agribusiness in the country will play an important role in stimulating the development of rural areas. In general, conducting this process requires consideration of two main conditions:

- a) Agriculture should be closely integrated with the local economy and society.
- b) Agriculture, with strong integration ties, should be able to have a significant impact on the development of the local economy.

One way of meeting these conditions is to develop policies to promote agricultural development. Not all opportunities are used for the full

¹ R. Abesadze, *Problems of state regulation of rural economy in Georgia*, Iv. Javakhishvili Tbilisi State University, II International Scientific-Practical Conference, Proceedings: Bioeconomics and Sustainable Development of Agriculture, Tbilisi 2013.

development of agribusiness in Georgia. As evidenced by its share in GDP, on average it has not exceeded 10% in the last decade.

Proper development of agrarian policy and the implementation of appropriate sectoral or sub-sectoral strategies are vital to Georgia. Not only the development of agriculture and food security in the country depends on these actions, but also the cessation of migration of the rural population, both to cities and abroad, overcoming poverty altogether, and economic development.

It is important to define the agrarian model in the scientific understanding of the agrarian policy of the country and in the development of an appropriate long-term programme. The development of Georgia's agrarian policy should be based on the discussion of scientific ideas, opinions and critical evaluations, sharing, understanding, reconciling reasoned positions and selecting the optimal option for the country.

Agrarian policy should lead to the strengthening of the market factor in rural areas, better self-sufficiency of poor families, their involvement in local or foreign markets. It includes the distribution of land (agricultural lands), financial capital, provision of irrigation or drainage systems, organization of labour, proper protection of the environment, modern agrarian education and introduction of new agricultural technologies.

The most important group of agrarian policy instruments are: government expenditures; sector support infrastructure; irrigation; grain and other crop storage; transportation and marketing support; formation of favourable credit environment for the sector; organization of preferential loans; organization of agricultural research; introduction of new technologies; programme funding and more. Government research also includes marketing research, direct provision of preferential loans to producers, or full or partial subsidization of interest rates on loans; funding the implementation of research, introduction of scientific and technical progress, financing grain production and procurement through appropriate programmes, support and implementation for land or other programmes related to land production problems.

At the current stage the Ministry of Agriculture of Georgia should be committed to creating appropriate conditions for import-substitution for the agricultural and food-producing sectors within the country, as well as to promoting the export-oriented development of these sectors in every possible way. At the same time, the Ministry should provide a wide range of assistance and consulting services to households, farmers and enterprises, conduct marketing research into internal and external markets, and provide them with appropriate qualified advice.

One of the important tasks of an agrarian policy is to promote the formation and development of adequate institutions or structures to meet the growing demand for agricultural development, from marketing to household services, to adequate financing of farms or processing enterprises (credit).

The successful implementation of the agrarian strategy significantly depends on the establishment and functioning of appropriate tools (structures). These structures also act as policy makers².

The high share of small and medium-sized households in Georgia, the high level of land segregation and dispersion, the solution to the problems of production of homogeneous agricultural raw materials and crops and the assembly of important commodities make the implementation of policies promoting cooperatives and other combinations of organisational forms an urgent task.

Credit or tax benefits should stimulate the activities of various forms of cooperatives. These can be small, related household associations or multiple, single-profile or multi-profile cooperatives. One household or farmer can participate in a cooperative union of different profiles (manufacturer, equipment supplier, supplier).

In addition to facilitating the cooperative process, to my mind, at the agricultural, district and regional levels, we should also encourage the production of homogeneous, commodity raw materials or crops by different sizes of households, which will be focused on processing enterprises. Such experiences have already been gained by the viticulture subsector and wine processing enterprises. Appropriate regional or district programmes for the production and sale of cereals, vegetables, fruits or other commodity batches should be developed based on marketing research.

Therefore, in order to solve the existing problems of agricultural sector, a state agricultural bank (agro-bank) should be established³. With the guarantees of the state government for the development and expansion of the agricultural-industrial forces, which will combine a variety of specialized funding:

- Export-Import Bank Foundation,
- Credit Fund,
- Research Foundation,

² Z. Lerman, C. Csaki, G. Feder, *Agriculture in Transition, Land Policies and Evolving Farm Structures in Post-Soviet Countries*, Lexington Books, Lanhan 2004.

³ G. Zoidze, R. Lortkifanidze et al., *For Optimization of Economic Growth*, Collection of articles – Innovative extraordinary management and marketing for the nearest strategy, National Parliamentary Library of Georgia, Tbilisi 2014.

- Employment Fund,
- Insurance (compensation) Fund,
- Consulting groups,
- National Agrarian Research Centre – Agro-centre.

These special funds should be distinguished by their legal status and purposeful use. The right to use such funds should be given to legal entities that will carry out state orders or work in accordance with the country's development programmes.

An agro-bank should be an institution that is not subject to the law on commercial banks, and the work of the agro-credit system should be regulated by the parliament.

An agro-bank is non-alternative, but requires the above-mentioned specialized funds to help establish agricultural unions and accumulate cash resources in cooperatives. This method has a long history at international level. Since the agricultural sector is the fastest one to achieve results, it will automatically have an impact on other areas of the economy as well. Promoting small and medium-sized businesses will be a prerequisite for generating a lot of income. Agricultural cooperatives have helped increase farmers' incomes in the United States and Western Europe. In these states, agricultural associations were set up to balance market power between entrepreneurs and their trading partners, as well as to reduce the risks facing farmers. In the given period, they were actively supported by the state

2. FACTORS HINDERING THE DEVELOPMENT OF AGRIBUSINESS AND WAYS OF OVERCOMING THEM IN GEORGIA

Today, such agricultural associations have significant advantages in terms of entering the market, access to credit resources and access to different information by firms. Agricultural entities have the opportunity to achieve economies of scale, acquire the latest technological resources together (which an individual could not buy alone because of the high cost), get out and establish themselves in markets where they could not individually penetrate, which will help to increase the profitability of agricultural production, increase the income of rural residents, strengthen the rural economy and raise living standards. At the same time, the formation and development of such unions in the agro-sphere will prevent the existence of monopolies at local level, and will make Georgian farmers more competitive at international level.

Although this field has huge potential, it has a lot of problems, the country has not yet created the perfect entrepreneurial environment and entrepreneurial skills that an agribusinessman should have. Because of this, it often remains unused as a factor of production. In terms of market relations, an agribusiness must have the following skills:

- 1) It must take the initiative to integrate land, capital and labour resources, goods and services into a single process. To act as a catalyst, it must, at the same time, become the driving force and intermediary of production, consolidate production resources and direct it towards profitable activities;
- 2) The agribusinessman must take on the task of making key decisions in the process of activity and determine the direction of the enterprise;
- 3) The agribusinessman must also be an innovator, must try to introduce new products, new technologies and new forms of business organization in order to expand production;
- 4) An agribusinessman should be a person who chooses an activity in advance so that the level of risk does not exceed the reasonable limit⁴.

Market competition, the degree of consumer market saturation, and the creation of new jobs depend on the effective functioning of the agricultural sector. The need to develop agribusiness is also due to the fact that small businesses show flexibility, viability, as they are characterized by the ability to respond quickly to market demand, a high degree of specialization, more opportunities to mobilize resources. It is an important source of tax revenue and also has a special role to play in terms of innovative development. Sufficient funding from the state, developed infrastructure, high level of mechanization and development of the insurance system are necessary⁵.

Although we even already use high-intensity technologies today, the results of agricultural production are still significantly unpredictable. In recent years, droughts, floods, pests, livestock and plant diseases have put the agricultural sector and, consequently, agribusiness at risk of capital investment. The problem of price parity between agricultural products and the means of production necessary for their production is still unresolved, i.e. the ratio between prices, which shows how many non-agricultural goods and services an agribusinessman can buy by selling his product unit. Such parity is violated in the current situation as well.

⁴ J.W. Mellor, B.F. Johnston, *The Role of Agriculture in Economic Development*, American Economic Review, Vol. 51, No. 4, 1961.

⁵ R. Wade, *Why Justin Lin's Door-Opening Argument Matters for Development Economics*. LSE Global Policy Journal, Vol. 2, No. 1, 2011.

This means that as revenue increases, demand for food and other products increases disproportionately. The low elasticity of agricultural products poses a long-term problem for agribusinesses (farmers, entrepreneurs) – the level of food satisfaction of the population is growing at a very slow pace. Hundreds of thousands of small farmers are unable to control the volume of production in the country; they cannot actually control the market situation. Therefore, a small change in demand leads to a significant fluctuation in the price of products on the market⁶.

For the normal functioning of the agricultural raw materials and food market, it is necessary to observe the following conditions in agribusiness: producing raw materials and products of such quality that they can be sold, as requested by the buyers and agreed to be purchased; all market participants should have relative freedom of production and commercial activity in order to compete fairly with each other; of course, these are not all necessary conditions for the market, they are just basic and do not really work yet. For the further development of the agricultural sector, it is necessary to have various mechanisms for regulating the agrarian business, to perfect the legislation on private property, pure competition, to issue certificates and patents for product (brand) protection, to comply with the tax, credit, benefits and insurance systems etc. Each agribusiness enterprise should strive to produce at least 20% of all products for export. Only then can it be confident of the competitiveness of its products.

One of the acceptable forms of financial support from the state for agribusiness is considered to be the promotion of preferential loans, the definition of preferential financial taxation and others. The relationship between the state and the farms must be based on a mutually beneficial system of genuine contracting, when the state acts not as a master but as an equal partner when mutual obligations take place. As for the predominant development of farms, their area of distribution should be not only the lowlands and suburbs, but also mountainous regions, especially when the development of existing organizational forms of agricultural enterprises, their development to bring Georgia's agricultural sector out of crisis, its social strengthening of the economic potential, solving the tasks of creating an abundance of food products has already become a vital, important condition⁷.

⁶ R.D. Norton, *Agricultural Development Policy: Concepts and Experiences*, John Wiley & Sons Ltd, Chichester 2004.

⁷ R. Kakulia, L. Bakhtadze, A. Jibuti, *Public Finance*, Iv. Javakhishvili Tbilisi State University, Tbilisi 2009.

By solving problems in agribusiness, farmers will be able to penetrate fields with which they do not currently have direct production links or functional dependencies. By expanding the types of products and services offered, agricultural activities would expand to new areas to create a favourable investment environment. Promoting small and medium-sized businesses, creating a fair tax-customs system will provide an incentive to increase exports and reduce imports based on increased domestic production. This will help attract new additional financial resources that can be used to further increase production in the country and ensure a stable market and economic environment. Finally, it can be said that in all agrarian highly developed countries the state plays a major role in regulating the economy⁸.

3. HOW TO MAKE AGRO-SPHERE DEVELOPMENT MORE SUSTAINABLE: ANALYSIS AND RECOMMENDATIONS

The successful operation of agricultural unions contributes to the sustainable and stable development of the regional economy, while creating a favourable investment environment. Stable operation of such cooperatives implies: a strong private sector in the regional context, which will significantly increase employment, reduce social inequality and urbanization; a middle layer will be formed, with more or less stable working conditions.

Another factor in favour of cooperatives is that agricultural unions mainly focus on long-term strategy, which results in long-term results, while small entrepreneurs / farmers focus on short-term strategies, trying to achieve high profits in the short term.

At the same time, it would be desirable (in my opinion, even necessary!) to diversify agricultural associations, which would mean specializing the production of one particular type of product in a particular region of the country. For example,

- a) in the Autonomous Republic of Adjara it is possible to establish citrus production / processing cooperatives;

⁸ G. Zoidze, *Risks caused by pandemics and anti-crisis management*, Iv. Javakhishvili Tbilisi State University, P. Gugushvili Institute of Economics, Proceedings of Materials of International Scientific Conference Dedicated to the 115th Birth Anniversary of Academician Paata Gugushvili, Tbilisi 2020.

- b) wine production cooperatives in Kakheti region;
- c) fruit processing cooperatives in Kartli, etc.⁹

Given the current situation, it is important to create a unified information portal, where all entrepreneurial entities of the agricultural sector will be registered. Through this portal, we will have accurate information on the amount of products to be sold in a particular village, what the quality characteristics of the product, market price, transportation conditions are, etc., which will significantly help to sell agricultural products in local or international markets.

Besides, we can connect (add) the data of those interested in employment in the agricultural sector to this portal. I think an important role in eliminating this problem will be played by the establishment of the Employment Fund on the basis of agro-banking, the aim of which will be to promote the implementation of state policy in the field of employment, to implement social protection measures for the unemployed, and its function should be: to obtain information about the state of the labour market, to register job seekers on the portal and to mediate their employment.

A separate farmer, small entrepreneur or farm often fails to get the necessary credit resources, so it is less interesting for insurance companies to insure the risks for similar farms. However, in the case of cooperative associations, producers (cooperative entities) receive large loans and insure against possible risks to a large crop. Therefore, it is desirable for both credit organizations and insurance companies to deepen their relationship with similar agricultural associations.

Given the high risks in the agricultural sector, I think it will also be important to create an insurance (compensation) fund based on agro-banking. It should be committed to reducing the dependence of macroeconomic and budgetary policies on world market prices of exported raw materials, which literally means, in case of falling below the pre-determined price limit on export raw materials, additional funding of budget expenditures and protection of the national currency exchange rate, which will be implemented at the expense of funds previously accumulated in an agro-bank.

An agro-bank should have an independent balance, the funds of which should be formed both through treasury funds and/or loans, and through the

⁹ T. Taktakishvili, *Effectiveness of agricultural cooperatives and their role in the sustainable development of agriculture*, Iv. Javakhishvili Tbilisi State University, II International Scientific-Practical Conference, Proceedings: Bioeconomics and Sustainable Development of Agriculture, Tbilisi 2013.

sale of its own liabilities and should be used for various purposes (for crop sales, warehouse construction and other purposes). In addition, the source of funding can be: subsidies and targeted transfers from the central budget of Georgia, voluntary contributions and donations from individuals and legal entities, income from economic activities permitted by the agribusiness law, revenues from financial sanctions imposed by An agro-bank for breach of contractual obligations; international or local grants; and revenues from the sale of licenses by the agro-centre. Its annual balance sheet should be checked by independent auditors.

An agro-bank should be able to issue loans (for a period of 15–20 years) to Georgian export companies, as well as to issue guarantees on the export credits of private banks (within 30–60% of the loan volume). It should provide loans at a moderate interest rate to finance loss-making enterprises or provide assistance to companies that do not have access to other sources of credit. At the same time, an agro-bank should stimulate private business, especially during the period of falling production.

It is necessary to increase the scale of infrastructure projects, including the promotion of urbanization and small business development processes in less developed regions. We believe that the implementation of infrastructure projects in the coming years is extremely important, especially with the sought credit and investment resources. Funds raised from the state budget are neither sufficient to stimulate the economy in the regions, nor to build the necessary infrastructure in the state. The implementation of the agrarian and regional policy strategy requires the following measures and support from the state:

- Regulation of land use related issues;
- Arrangement of agricultural infrastructure;
- Stimulating the business environment for agricultural activities;
- Supporting small and medium farmers, encouraging cooperative activities;
- Providing affordable low-interest agro-credits required for the introduction of modern technologies;
- Creating a healthy competitive environment for the development of the agricultural sector;
- Encouraging the production of agro-ecologically clean products and protecting local biodiversity;
- Provision of modern agricultural consulting service centres;
- Provision of high quality raw materials to the agricultural sector;
- Promoting the sale of Georgian products on the domestic market;

- Encouraging the production of products focused on the international market;
- Resolving agro-insurance related issues;
- Improving the living conditions of the local population employed in the agricultural sector;
- Pursuing regional agrarian policy, strengthening the role of local governments.

Clear guarantees for the protection of land ownership are required for the implementation of measures. Legal and technical aspects of agricultural land ownership should be regulated. Passport of agricultural lands must be introduced. In order to use the natural resources of land and water as efficiently as possible, it is necessary to take into account both extensive (full area) and intensive (increase in production and yield) factors, develop norms regulating the land use system, create an agro-information service network, address inefficiencies caused by fragmentation of segregated lands and provide economic stimulus for land expansion. In this regard, it is worth promoting cooperation in the agricultural sector and encouraging its development.

The increase in income from agricultural production is directly reflected in the development of the agricultural sector and the growth of household income. It will increase the level of commercialization and cash flow in the sector. The establishment of a modern system of agrarian education will facilitate the establishment of advisory-information and extension centres for farmers. The development of agrarian education provides training and employment of qualified staff, support to peasants (farmers) in (inter alia financial) programmes. Priority projects in the agrarian sector should include technological modernization and innovation¹⁰.

In the near future, it is necessary for Georgian products to return to the domestic market and fill the appropriate niche, meet the local market demands and replace imported agricultural products. As a result of the development of the agricultural sector, there will be an increase in the export of domestic agri-food products, a partial replacement of imports and an increase in the self-sufficiency rate. The basis for the partial replacement of imports will be a significant increase in the market competitiveness of specific types of agri-food products. An effective food safety system will be established.

¹⁰ T.P. Tomich, P.K. Kilby, B.F. Johnston, *Transforming Agrarian Economies: Opportunities Seized, Opportunities Missed*, Ithaca, Cornell University Press, New York 1995.

Occupying a worthy place by Georgian agricultural products on the international market, production of ecologically clean, quality and competitive agri-food products will create the opportunity to fully use the export potential. Institutional management systems should be established to help domestic agri-food producers overcome non-tariff barriers in foreign countries.

An integral part of economic policy is the encouragement of local entrepreneurial initiatives, which include legislative and advisory support, as well as the development of programmes that increase their access to financial resources. Innovative entrepreneurial initiatives should be implemented in accordance with their priority. Improving the economic and infrastructural environment will lead to an increase in demand for local natural resources, which will increase the activity of small and medium-sized businesses. Every region of Georgia has certain tourism potential. The development of the tourism and agri-food sectors should be organically linked to each other. More and more of the value added created in the tourism business should be reflected in the economy of the region¹¹.

CONCLUSIONS

In order to develop the agricultural sector, according to me, it would be better to establish a National Agrarian Research Centre – Agrocentre based on an agro-bank, where experienced specialists in the agro-sphere from Georgia and various countries will be invited to teach or train farmers. I also think it will significantly improve the qualifications of those interested in the field. The studies, which will be conducted in the laboratories of the agro-centre, and national and private companies and will be introduced in the industry, should be carried out with the help of agro-banking funds. At the same time, the agro-centre should provide: training of labour force – creation of extension systems; restoration of seed-nursery farms, variety selection and renewal systems; purchase of the best quality seed-nursery materials; creation of state reserves of agricultural products; conducting reclamation measures; and make a significant contribution to the formation and development of agricultural manufacturing industries machinery, technology and equipment.

The Association Agreement between Georgia and the European Union of 2014 deserves special mention. The main part of this agreement is the Deep and Comprehensive Free Trade Agreement, the main idea of which is

¹¹ G. Zoidze, R. Lortkifanidze et al., *For Optimization of Economic Growth*, op. cit.

to give our country access to the freedoms of the European Union, such as the free movement of goods, services and capital, without any restrictions. As a result of the creation of the free trade zone, customs duties on imports will be abolished, which will overall contribute to the sustainable and stable economic development of Georgia.

There is no doubt that the Association Agreement between Georgia and the European Union is a fact of historical significance for our country. However, it is important that every citizen of Georgia has comprehensive information on the key issues covered in the agreement.

Important mechanisms for the development of a food safety regulation system require considerable attention. After the signing of the Association Agreement, certain legislative activities were carried out that brought the Georgian legislation closer to the EU standards, although the problems still exist. Solving these problems will help increase the competitiveness of people employed in our country's agro-industry, both locally and on the international markets. We can talk about the activation of marketing services and the promotion of ecologically safe and clean products in Georgia on the markets of our state and developed countries.

With the right steps, approaches and state policy in the agricultural sector, agricultural entities registered in Georgia, farmers will be prepared to face the new challenges facing our state. As a result of increasing awareness, they will be able to produce European standards, environmentally safe, competitive products and occupy a worthy place at the international level.

As for the connection of the agricultural sector with the tourism sector, according to Geostat, the number of international travellers visiting Georgia in 2019 was 9,357,964. The average cost for visitors to Georgia was about GEL 900. If we multiply these figures, we will get the approximate total cost incurred by travellers to our country during the whole year, which is more than GEL 8 billion, of which more than GEL 2.2 billion comes from food and drink (28%). This, I think, is quite a large amount, considering that Georgia is one of the leading countries in the world in terms of the growth rate in the tourism sector. Based on the above data, it is obvious that there should be a steady and stable development of the agro-sphere so that Georgia can meet the needs of the growing influx of tourists every year.

In general, it should be noted that the activities of the agro-bank and the funds or agro-centres in it can be used effectively only in case of transparency. Otherwise, they will later be transformed into a source of corruption.

This requires transparency and appropriate control over effective reporting. That is why, as far as I am concerned, it would be better for the government to

draw up an annual report with the National Bank based on the decree of the President of Georgia, which will be submitted to the President for approval, and the President will be provided with external independent audit results.

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GEORGIAN AGRO-SPHERE DEVELOPMENT PRIORITIES AND WAYS OF IMPROVEMENT

Abstract

The paper presents the main problems in the agricultural sector in Georgia and the conceptual model for eliminating these problems, which is based on certain qualitative assumptions and combines the ideas contained in the broad concept.

Today, Georgia's agricultural sector faces many problems and challenges. Reducing the number of places needed for agriculture in the world not only makes agricultural products more expensive, but also poses a threat of a global food crisis.

The natural-climatic conditions enable Georgia to produce ecologically clean products. The demand for such products is growing. Nowadays, the proper use of Georgia's natural-climatic conditions and the revival of agriculture is a precondition for the development of the country's economy. Using the rich natural resources effectively will contribute to the development of the country's economy and improve the living conditions of the population in the future.

Given the current reality, the development of national agricultural production is vital for the security of the country. However, it is necessary to emphasize the fact that the policy of eliminating only one shortcoming in the agro-sector will not bring results to the country.

However, it is impossible to solve the problems of the agro-sector separately, apart from the development of the country's economy. Assistance to the agro-industry will only work if the right policies are implemented to develop long-term and stable economic processes.

Key words: agro-sphere, agro-bank, agro centre, specialized foundations

PRIORYTETY ROZWOJU GRUZIŃSKIEJ AGROSFERY I SPOSOBY JEJ POPRAWY

Streszczenie

W artykule przedstawiono główne problemy sektora rolnego Gruzji oraz konceptualny model ich eliminacji, który opiera się na pewnych założeniach jakościowych i łączy idee zawarte w szerokiej koncepcji.

Sektor rolniczy Gruzji boryka się obecnie z wieloma problemami i wyzwaniami. Zmniejszenie liczby miejsc potrzebnych rolnictwu na świecie nie tylko sprawia, że produkty rolne są droższe, ale także grozi światowym kryzysem żywnościowym.

Warunki klimatyczno-przyrodnicze Gruzji pozwalają na produkcję ekologicznie czystych produktów. Rośnie popyt na takie produkty. W dzisiejszych czasach właściwe wykorzystanie warunków klimatyczno-przyrodniczych Gruzji i ożywienie rolnictwa jest warunkiem wstępnym rozwoju gospodarki tego kraju. Efektywne wykorzystywanie bogatych zasobów naturalnych kraju przyczyni się w przyszłości do rozwoju gospodarki i poprawy warunków życia ludności.

W obecnych realiach rozwój krajowej produkcji rolnej ma kluczowe znaczenie dla bezpieczeństwa Gruzji. Należy jednak podkreślić, że polityka eliminowania tylko jednego mankamentu w sektorze rolnym nie przyniesie rezultatów.

Nie jest jednak możliwe samodzielne rozwiązywanie problemów sektora rolnego poza rozwojem gospodarki kraju. Pomoc dla przemysłu rolnego zadziała tylko wtedy, gdy wdrożona zostanie odpowiednia polityka w celu opracowania długoterminowych i stabilnych procesów gospodarczych.

Słowa kluczowe: agrosfera, agrobank, centrum agro, fundacje specjalistyczne

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