

CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

**Faculty of Tropical AgriSciences**

**Department of Sustainable Technologies**



**Youth in Cooperatives in Imereti region, Georgia**

Master's thesis

Prague 2016

**Supervisor:**

Ing. Jana Mazancová, Ph.D.

**Author:**

Bc. Petra Šrůtková

## **Declaration**

I hereby declare, that I have written this bachelor thesis "*Youth in Cooperatives in Imereti region, Georgia*" myself with help of the literature listed in references.

I agree with use of the thesis by the library of the Czech University of Life Sciences Prague for study purposes.

Prague, 22<sup>nd</sup> April 2016

Bc. Šrůtková Petra .....

## **Acknowledgement**

I would like to express my honest gratitude to all people and institutions who helped me during this research and with the compilation of this paper, especially to my supervisor, Ing. Jana Mazancová, PhD. for all her valuable comments, advice, and all the time she dedicated to me and my work.

I am also very grateful to the Government of the Czech Republic and the Faculty of Tropical AgriSciences for the funding support during the Summer school and further research in Georgia. I would like to thank the Czech Development Agency for funding the project "*Improvement of education quality at State University Akaki Tsereteli*", which allowed me to attend the Summer school 2015 in Kutaisi. I would also like to thank the Akaki Tsereteli State University in Kutaisi, its professors, my Georgian classmates from the Summer school and all the personnel, who were helpful during my stay.

Finally I would like to thank Petra Netuková for proofreading this thesis and to all my colleagues, friends and family who were always supporting me under all circumstances. Thank you very much.

## **Abstract**

After the collapse of the Soviet Union, the productivity of agriculture sector started decreasing despite of the agricultural potential of Georgia, and the subsequent civil war caused a lot of people to emigrate. There has been a long-term decreasing trend in the rural population and agricultural production. That is why The European Neighbourhood Programme for Agricultural and Rural Development in Georgia (ENPARD) with the main objectives to increase food production and reduce rural poverty in Georgia through agri-cooperatives, was established and 11 cooperatives was set up in the Imereti by the time of our research. The aim of this research was to analyse the involvement of youth in cooperatives in Imereti region in Georgia and to identify some of the factors related to the agricultural cooperatives and the rural-urban migration. The data for this qualitative research was collected through semi-structured questionnaires with young members of cooperatives (N=11) and semi-structured interviews with members of the Board (N=5) and key informants (N=2) in July 2015. The Likert-scale and the Ranking score method were used for some questions in the questionnaire. We found out that the enterprise of a cooperative could be attractive for youth and women who want to engage in agriculture and it could possibly restrict rural-urban migration. Our respondents who were already members of a cooperative seemed quite satisfied according to their statements in the coops. We also indentified two main factors that had an influence on their staying in rural areas and working in agriculture (family, family farming tradition) and the prime impulse and motivation for joining the cooperative.

Keywords: agriculture, young people, migration, rural areas

# Contents

Declaration.....	I
Acknowledgement .....	II
Abstract.....	III
List of Tables .....	VI
List of Figures .....	VII
List of Acronyms .....	VIII
1. Introduction .....	- 1 -
2. Literature review .....	- 3 -
2.1 Modern agriculture cooperatives as a tool for rural development .....	- 3 -
2.1.1 Positive factors of agricultural cooperatives .....	- 4 -
2.2 Youth in cooperatives .....	- 5 -
2.3 Population and migration in Georgia .....	- 6 -
2.4 Issues of Georgian agricultural sector .....	- 10 -
2.4.1 Development of Georgian agriculture .....	- 12 -
2.4.2 Employment in agriculture sector in Georgia .....	- 14 -
2.5 Possible barriers and conditions for creating or joining the cooperative .....	- 14 -
2.5.1 Credit institutions .....	- 15 -
2.5.2 Historical stigma of cooperatives in Eastern Europe .....	- 15 -
2.5.3 Shortage of agricultural land .....	- 16 -
2.5.4 Low interest in agricultural livelihood .....	- 17 -
2.5.5 Lack of management .....	- 17 -
2.5.6 Inequality of youth and women in cooperatives.....	- 18 -
2.6 Support of agricultural sector in Georgia.....	- 18 -
3. Objectives .....	- 21 -
4. Methodology.....	- 22 -
4.1 Study of secondary data .....	- 23 -
4.2 Data collection .....	- 23 -
4.2.1 Target groups .....	- 23 -
4.2.2 Target area .....	- 26 -
4.3 Data analysis .....	- 27 -

4.4 Limitations of the research.....	- 28 -
5. Results.....	- 30 -
5.1 Results of questionnaires with youth .....	- 30 -
5.1.1 Education and interest in agriculture .....	- 30 -
5.1.2 Family and inheritance .....	- 31 -
5.1.3 Land access.....	- 31 -
5.1.4 Cooperatives: motivation to join coop, pros and cons of being a member ....	- 32 -
5.1.5 Conditions of membership in cooperatives .....	- 35 -
5.1.6 Migration .....	- 36 -
5.2 Results of interviews .....	- 39 -
5.2.1 Results of interviews with members of the Board.....	- 39 -
5.2.2 Results of interviews with key informants .....	- 40 -
6. Discussion.....	- 41 -
7. Conclusion .....	- 47 -
7.1 Recommendations .....	- 48 -
8. References.....	- 49 -

## **List of Tables**

**Table 1:** Migration in Georgia

**Table 2:** The share of arable land in particular altitudes

**Table 3:** Number of farms and its area in Georgia

**Table 4:** Target groups and tools

**Table 5:** Structure of the questionnaire

**Table 6:** Cooperatives and coordinates

**Table 7:** Weighted score method

**Table 8:** Ranking method

**Table 9:** Basic information about respondents

**Table 10:** Motivation to join a cooperative according to youth

**Table 11:** Benefits of being a member of a cooperative according to youth

**Table 12:** Negatives of being a member of a cooperative

**Table 13:** Youth contribution to the development of a cooperative as perceived by the respondents

**Table 14:** Personal statements about a cooperative by respondents

**Table 15:** Presence of factors linked to rural-urban migration

**Table 16:** Strength of motivation of respondents for R-U migration

## **List of Figures**

**Figure 1:** The share of urban and rural population in Georgia

**Figure 2:** The development of population in Georgia

**Figure 3:** Natality and mortality in Georgia

**Figure 4:** Food export and import in Georgia

**Figure 5:** Research process

**Figure 6:** Map of Imereti region and visited cooperatives

## **List of Acronyms**

ACDA – Agricultural Cooperatives Development Agency

ATSU - Akaki Tsereteli State University

ENPARD - The European Neighbourhood Programme for Agricultural and Rural Development

EU – European Union

FAO – Food and Agriculture Organization of the United Nations

FAOSTAT – FAO statistic division

GDP – Gross Domestic Product

GEOSTAT – National Statistics Office of Georgia

HDI – human development index

ICA - The International Cooperative Alliance

MoA – Ministry of Agriculture

PiN – People in Need

UN - United Nations

UNDP - United Nations Development Programme

UNFPA – United Nations Population Fund

WB - World Bank

# 1. Introduction

Georgia is a transitional country, which belongs to high human development countries, HDI = 0.744 (UNDP, 2015), with great agricultural potential, which used to be utilized in the past during the Soviet Union era. Agricultural production started decrease in 90s and the wrong agricultural policy almost destroyed agriculture. During the privatization of the agricultural land the land was fragmented, now the average farm size is less than one hectare. Finally, agricultural sector was declared as a top priority by the new government in 2012 and the situation in agricultural sector have begun improving.

Full utilization of agricultural potential in Georgia is vitally important for its economy (Ministry of Agriculture of Georgia, 2015). More than half of the Georgian labour force works in the agricultural sector, but it represents just 9 % of the GDP. Low agricultural production in Georgia is caused by massive underutilisation of fertile agricultural land, decreasing soil fertility due to a lack of crop rotation and good agricultural practise. So there is obviously space for improving the efficiency, the technologies and the approaches in this sector.

After the Soviet Union collapse, the borders were legally opened after many years and during the following years there was a civil war and chaos in Georgia. That caused a lot of people to migrate abroad. Youth out-migration is a common feature of most rural areas in both developed and developing countries and it is the same in Georgia. Until today the decreasing trend of the population has been continuing especially in rural areas. Because of an aging and decreasing population in the rural area, there arises the question who will cultivate the land in the future. Due to that the Georgian government should invest into the rural infrastructure to develop modern agriculture and seek to decrease the income gap between urban and rural areas, and also to support and train the future farm workers. The creation of cooperatives could be one of the tools.

This paper considers how the cooperatives could support rural development, support agriculture and possibly restrict out-migration from rural areas in the Imereti region of Georgia. The International Cooperative Alliance (ICA, 2007) describes a cooperative as “an autonomous association of persons united voluntarily to meet their common economic, social, and cultural needs and aspirations through a jointly-owned and

democratically-controlled enterprise”. Agriculture cooperatives support small-scale farmers and numerous experiences around the world show that cooperatives operate as a successful business model organizing farmers and contribute to their competitive position in the global food market and in strengthening the bargaining power in the food supply chains.

## **2. Literature review**

The following few chapters is introduction to Georgian agriculture and its history, the idea of cooperatives in the past and nowadays, the positives and issues related to cooperatives. There is also mentioned current support of coops in Georgia and the issue of migration of young people from rural areas. The first chapter is dedicated to cooperatives, which demonstrate all over the world that the best way for entrepreneurial activation of labour resources is possible through the development of cooperative movement in rural areas, as is the experience from other countries (Koghuashvili and Ramishvili, 2016). Some studies considered experience of Macedonia, Croatia, Serbia and Albania in the development of agricultural sector, which shows that if the country wants to reduce poverty, it has to promote the development of the agrarian sector in the first place (Kinkladze, 2015).

### **2.1 Modern agriculture cooperatives as a tool for rural development**

Agriculture is the main source of income in rural areas, where most of the world's poor and hungry people live. Unfortunately the rural population usually does not have many alternative employment opportunities than to work in the agriculture sector (Ministry of Agriculture of Georgia, 2015), for that reason the cooperation and rise of coops is one of the essential preconditions for the development of agriculture (Millns, 2013). The process of the development of cooperatives was always at least partly organized and supported by the State (Koghuashvili and Ramishvili, 2016). Cooperatives adhere to seven main principles: voluntary and open membership; democratic control by members (one member, one vote); member economic participation; autonomy and independence; provision of education, training and information; cooperation with other cooperatives; concern for community (FAO and IFAD, 2012; Lerman and Sedik, 2014). Agriculture cooperatives support small agriculture producers; vulnerable groups, women and young people included (FAO et al., 2012; Ministry of Agriculture of Georgia, 2015).

Agricultural cooperatives usually develop in rural economies during the transformation from self-sufficiency to full market production. By joining forces

farmers can strengthen their position in the market so they can all benefit (Koopmans, 2006), the creating of agricultural cooperatives is also paving the way for food security and rural development (FAO et al., 2012). A cooperative should be seen as a private voluntary organisation that is jointly and democratically owned and controlled by its members, women and men, who can also use its services and follow their common economic, social and cultural needs (Koopmans, 2006; FAO et al., 2012). The objectives of a cooperative are primarily economic (Koopmans, 2006). But belonging to a cooperative can also help develop the self-confidence, entrepreneurial spirit, collective action and social capital of its members (FAO and IFAD, 2012).

It is estimated that cooperatives provide 100 million jobs worldwide (ILO, 2012). For example, in EU countries agricultural cooperatives have a market share of about 50% of the entire turnover in the agricultural sector (Koopmans, 2006), the most of which comes from countries such as the Netherlands, Denmark, Ireland and Sweden, which constitutes about 70 – 80 % of the total production (Lerman and Sedik, 2014). But concerning countries in the Caucasus region, there is certain reluctance to participate in cooperatives. Reason for this phenomenon is negative experience with kolkhozes in Soviet era. However, role of cooperatives in this region becomes more significant with time (Movsisyan, 2013).

### **2.1.1 Positive factors of agricultural cooperatives**

Agricultural cooperatives provide the best platform for poverty reduction (Ministry of Agriculture of Georgia, 2015), what is desirable for the individual farmers, but also for greater community and country.

#### ***For farmers***

Young people through cooperative enterprises can attain jobs despite of a lack of experience and gain access to affordable services and products (ILO, 2012), such as seeds and fertilizers, and means to negotiate they can lower prices for these inputs (FAO et al., 2012). Furthermore, it creates opportunities for young people to start a business and it gives them the ability to have a voice in how enterprises not only perform economically, but also act within their communities (Glenk et al., 2008). Cooperatives offer better opportunities to young, small, medium or even beginning agriculture producers (FAO et al., 2012), for its better access to wide a range of services such as

improved access to the market, natural resources like land and water, information, communication and knowledge, technologies, food and productive assets such as seeds and tools, credit, training, warehouses, policy and decision-making (FAO et al., 2012). Active work of cooperatives together with their efficiency and Government support leads to increasing growth rates of sales in future in the domestic and international market (Ministry of Agriculture of Georgia, 2015).

### *For state and society*

Cooperatives play a crucial role in reducing poverty, improving food security and generating employment opportunities (FAO et al., 2012). In the long term perspective, the establishment of cooperatives means the improvement of quality and quantity of products on the market (Ministry of Agriculture of Georgia, 2015). Due to the fact that cooperatives are not based just on making profit, but they also put people at the centre of their business, they follow a broader spectrum of values, namely self-responsibility, democracy, equality, equity and solidarity (ILO, 2012), which can enrich the society.

## **2.2 Youth in cooperatives**

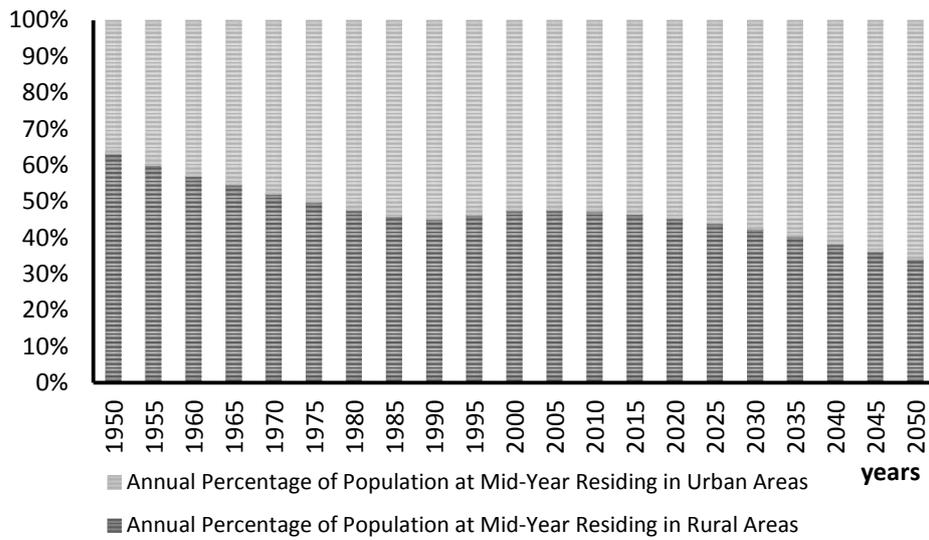
Young people represent a large group worldwide. According to United Nations Population Fund (UNFPA), there are 1.2 billion adolescents (15 – 24 years old) in the world, of which, nine out of ten (FAO,2011), exactly 87% (ILO, 2012), live in developing countries and 55 % of them reside in rural areas (FAO, 2011). In Georgia youth represents 14.7 % of total population (UN, 2012). Generally the young people in rural areas suffer from higher levels of poverty, limited education and training, poorer access to information and technology, as well as more restricted access to the labour market (FAO, 2011). Worldwide the unemployment of youth is increasing; 75 million young people were unemployed in 2012, and not just young people are at risk, but whole society. Youth are almost three times as likely to be unemployed as adults. Because of their lack of professional experience, they may be pushed into an “experience trap” – not being able to get a job for their lack of professional experience and for that it is difficult to gain the professional experience, especially during the economic downturns (ILO, 2012).

The main reason for investing in young people in rural agriculture areas is that they potentially represent the key to enhancing agricultural productivity, food security and boosting rural economy (FAO and IFAD, 2012). That is because young people have the drive and capacity to modernize and innovate, due to their skills in IT systems, mobile phones, social media tools, searching information and sharing it, and they are also more open to new crops and technologies which enables them to produce higher yields (FAO, 2011). Generally youth have a higher level of education than older farmers (FAO and IFAD, 2012). Some records show that in some countries, younger household heads who are engaged in farming tend to derive a higher income from their agricultural activities than older household heads. In many developing countries, young farmers are ignored in policies and programmes (FAO, 2011), which could be a problem in the future, because it is those young people, who will be creating the future agriculture.

The model of a cooperative enterprise is attractive for young people who are seeking salaried employment, which corresponds to their economic needs, but also their desire to work in a business that is responsive to people's needs and embraces democratic practices (ILO, 2012).

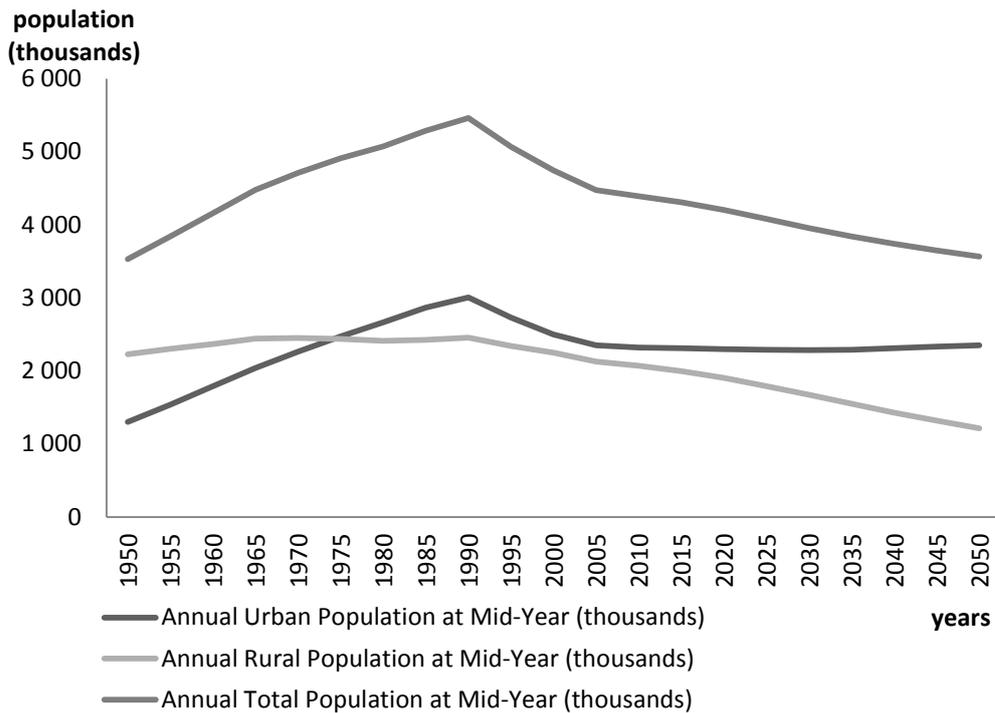
### **2.3 Population and migration in Georgia**

According to the World Bank (2016), Georgia ranks among the countries with lower middle income, these countries are expected to experience faster urbanization than others in the coming decades. In these countries, the proportion of urban population was on average 39 % in 2014, and it is expected to reach, on average, 57 % by 2050 (UN, 2015), which Georgia almost already did. In case of Georgia, it is expected to reach 66 % of the urban population by 2050 (UN, 2015), which is evident in figure 1.



**Figure 1:** The share of urban and rural population in Georgia (data source: UN data, 2014)

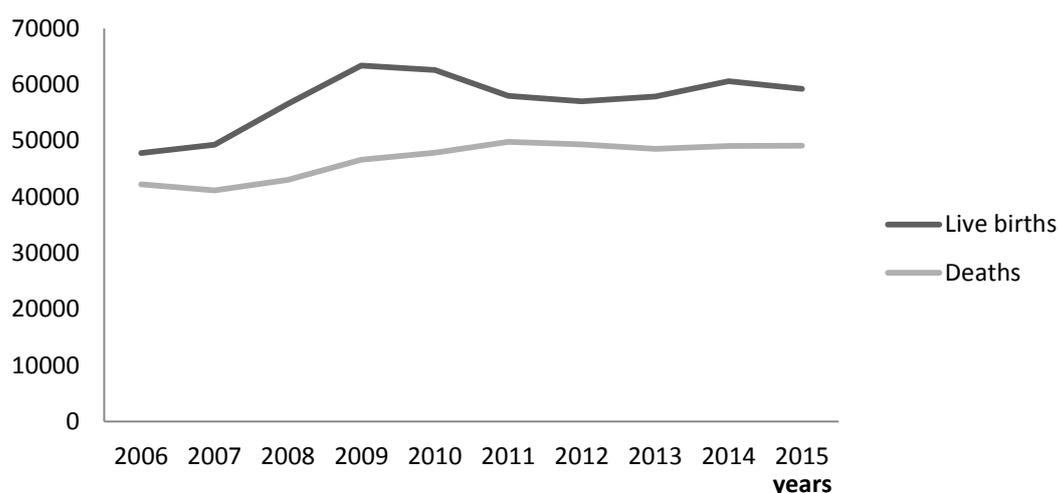
The long-term share of rural population is decreasing. A slightly increasing trend share of rural population in 1990-2005 could be caused by international migration from urban areas, which is evident in figure 2; there is a turning point in total population and mainly in urban population in 1990 (UN, 2014). It is the result of the collapse of the Soviet Union and the opening of borders, followed by civil war and economic collapse, which reduced Georgia’s GDP by more than 70% between 1990 and 1994 (Labadze and Tukhashvili, 2013).



**Figure 2:** The development of population in Georgia (data source: UN, 2014)

According to the World Bank (2016), the total population was 4.504 million in 2014. The census estimated that the population of the capital Tbilisi was 1.118 million in 2014 (Salukvadze and Golubchikov, 2015), which is almost 25 % of the whole population and more than half of the urban population in the country. Georgia is the 25<sup>th</sup> country in ranking of countries or areas with declining percentage of urban population in 1990-2014, the rate of urbanization in this period was -0.12 % (UN, 2014).

In figure 2 the decreasing trend is obvious in numbers of rural population, which could be possibly caused by low birth-rate or by internal or international migration, but from figure 3 is visible that the birth-rate was higher than the number of deaths in the period of 2006-2015, which means that decreasing number of total population was caused by international migration.



**Figure 3:** Natality and mortality in Georgia (data source: GEOSTAT, 2016)

According to Tchanturia et al. (2015) the number of people annually, who want to leave Georgia to work abroad increases and female migrants prevail. 92 % of emigrants work illegally in foreign states and only 5 % are there legally and work in their field of specialization. More accurate figures of migrants from 2012 to 2014 are shown in table 1. Generally, the number of emigrants is higher than the number of immigrants which have an impact on the number of the total population. According to GEOSTAT (2016), the average age for emigrants is 32.6 years for males and 35.8 years for females.

**Table 1:** Migration in Georgia

	<b>Emigrants</b>	<b>Immigrants</b>
<b>2012</b>	90,584	69,063
<b>2013</b>	95,064	92,458
<b>2014</b>	88,704	82,161

Source: Tchanturia et al. (2015)

The population in the Imereti region was 699,666 in 2002 and 536,052 in 2014 that is a decrease of about 23.4 % (GEOSTAT, 2014). In 2015 there were 8,515 births and 8,725 deaths, so the natural increase in this year was -210 (GEOSTAT, 2015), it

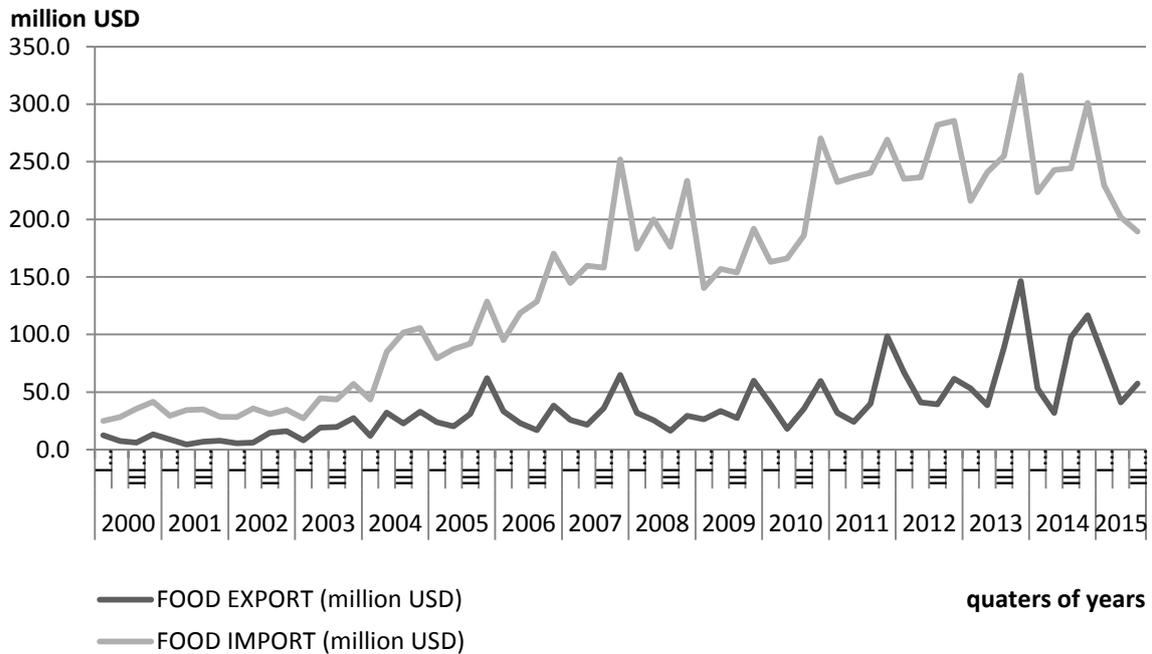
could indicate the aging population in the region. The fact that the agricultural sector was purposefully weakened by government in the period of 2004 - 2012 led to a sharp decline of the population living in rural areas in Georgia (Koghuashvili and Ramishvili, 2016). That could have significant impact on Georgian agriculture in future and that is why it is important at least to slow rural-urban migration and support rural development in Georgia as much as possible. Searching for a job, decent livelihood, and good education are generally the biggest motivators of migration (UNFPA, 2015). There is also a significant gap in the income of rural and urban residents. Rural population usually does not have that many alternative employment opportunities in Georgia (Kinkladze, 2015). That is why it is crucial to focus not just on the development of agriculture and cooperatives, but also on rural development as a whole. The rural out-migration is usually in a form of chain migration: at first the head of the family or a young, educated family member moves to a city to find an off-farm job, followed by other adults in the family, and finally the entire family moves out (Chen et al., 2013).

Rural development is a wider definition than agricultural development and its aim is to narrow the social and cultural differences between villages and towns, which is very important for preventing rural-urban migration of a productive population, especially youth and to increase the agricultural production (Koghuashvili and Ramishvili, 2016).

## **2.4 Issues of Georgian agricultural sector**

Because of Georgia integration with the EU market, the safety and high quality of agricultural products is very important (Kinkladze, 2015). Full utilization of Georgian agricultural potential is vitally important for the Georgian economy and despite of some transformational dynamics, the issue of the poverty and provision of food to the population is still very severe (Ministry of Agriculture of Georgia, 2015). Surprisingly, Georgia has a three times lower agriculture production than developed countries of the EU because of its massive underutilisation of fertile agricultural land and decreasing soil fertility due to a lack of crop rotation and good agricultural practises. Also, despite Government investments into road infrastructure many villages remain isolated from larger domestic markets (Millns, 2013). Georgia's food self-

sufficiency is very low. Food import significantly exceeds food export. In figure 3 it is obvious that the gap between food export and import increases, and that indicates decreasing food self-sufficiency.



**Figure 4:** Food export and import in Georgia (data source: GEOSTAT, 2016)

There is a wide variety of ecological and climatic zones (12 zones and 49 types of soils). The country is rich in potable water resources. From the farming industry standpoint, the diversity is accompanied with difficulties like temperature swings, active erosion and excessive precipitation in some regions. Georgia is characterized by altitudinal zonality, the following table 2 shows the share of agriculture land in particular altitudes (Ministry of Agriculture of Georgia, 2015).

**Table 2:** The share of arable land in particular altitudes

Height above the sea level	Share of arable land
Less than 500 m	39 %
500 – 1,000 m	29 %
1,000 – 1,500	21 %
More than 1,500	11 %

(data source: Ministry of Agriculture of Georgia, 2015)

The rural population in Georgia is 47.0 % (Koghuashvili and Ramishvili, 2016). In 2003, 55.3 % of the working age population was working in the agriculture sector and the average farm size was 0.9 ha (Glenk et al., 2008). 43.3 % of the total area of Georgia, which is more than 3 million hectares, is designated as agricultural land, pastures and meadows. Another 43 % is covered with forest (Ministry of Agriculture of Georgia, 2015). According to Koghuashvili and Ramishvili (2016) the total agriculture area is 4,260,000 ha. With population density 129 person/km<sup>2</sup>, which is quite high number in comparison to neighbouring countries, the Georgian agricultural area per capita is 0.42 ha, agricultural area per one employee in agricultural sector is 13.30 ha and agriculture area per one resident in rural areas is 1.21 ha (Koghuashvili and Ramishvili, 2016).

One of the main reasons why the coops are suitable for Georgia is that farmers often have their own land divided into a few small parcels which is due to the post-socialist of Eurasian agrarian reform, which produced tens of millions of small family farms in place of tens of thousands of large-scale collectives and production cooperatives in many post-Soviet Union countries (Lerman and Sedik, 2014). Difficulties also still remain in buying and selling land (Millns, 2013).

#### **2.4.1 Development of Georgian agriculture**

In the past agriculture was an important guarantee for the national security and economic independence of the country (Kinkladze, 2015). Production cooperatives as the highest form of cooperation, were subsequently implemented in Stalin's collectivization drive from 1928 – 29, which eventually transformed agriculture in all republics of the Soviet Union as well as much of Eastern Europe to agriculture collective farms (Lerman and Sedik, 2014). After the collapse of the Soviet Union, the Georgian government returned ownership of the majority of land to the rural population, often in form of relatively small and dispersed land plots (Millns, 2013). Despite making the land a private property, the agricultural production of the 1990s started to decrease; the sown and planted areas as well as livestock numbers were decreasing, the perennial crops were reduced (Kinkladze, 2015). Agriculture and industrial output decreased and by 1994 the GDP was about a quarter of that of 1989 (Millns, 2013). In the 90's the wrong agricultural policy almost destroyed agriculture, the majority of

enterprises were shut down, machinery sold for scrap prices, buildings and structures collapsed and qualified workers quit working. Also, the experimental farms, laboratories and related museums were destroyed (Ministry of Agriculture of Georgia, 2015). At the lowest-point of the government support in 2010 only 0.44 % of the total government budget was spent on agriculture. In the past, the share of sown area was much more. For example in 1990 it was 701,900 ha, but in following years the sown area and also the number of livestock was generally decreasing, the most in the beginning of 90's because of certain developments after the declaration of independence. Until 2013 there was a decrease of the sown area down to 310,700 ha. And after that the sown area started increasing. Also the share of agriculture in GDP was decreasing from (about 30 % in 1990 and even) 44.4 % in 1995 to 9.3 % in 2013 (Ministry of Agriculture of Georgia, 2015). In 2013, as compared to 2010, fruit production increased by 75.3 %, the most significant was increase of grape production by 84.5 % and doubled increase of the citrus production, wheat production increased by 67 %, maize by 2.5 times, potato by 29.6 % and vegetables by 16.6 %, slaughtered meat decreased by 13.5 %. Milk and eggs production increased by 2.9 % and 11.4 % respectively (Kinkladze, 2015).

Until today the country imports a significant proportion of food, despite the fact that Georgia was far more agriculturally productive than neighbouring countries during the Soviet Union period (Millns, 2013). Georgian food self-sufficiency has fallen even to 34 % (Millns, 2013). The proportion of Georgian agricultural products entering the market was 82 % in 1989, while these days it is only 18 % (Kinkladze, 2015). Then the new government came in 2012 and drastically changed the attitude toward the development of agriculture sector. The agricultural sector was declared as a top priority and the financing by the Ministry of Agriculture (MoA) increased substantially. For this reason, some sponsored programs were created and one of the consequences was that the total sown area increased significantly in 2013 – 14 (Ministry of Agriculture of Georgia, 2015). A special state agency, Agricultural Cooperatives Development Agency (ACDA), was established within the system of the MoA (Lerman and Sedik, 2014). Over 100 donor support projects are now operating in support of agricultural and rural development. Only a tiny number of farms would be able to operate sustainably without donor support (Millns, 2013). In the 1980s, half of the production of farmer was for selling. At present, despite the fact that farmers can cultivate larger land areas, they use

75 % of the product for their own consumption and the other part of production for selling is unable to withstand the competition of imported products (Kinkladze, 2015).

#### **2.4.2 Employment in agriculture sector in Georgia**

Many Georgian farmers are not farming out of choice, but out of necessity (Millns, 2013) and most of them are oriented towards self-consumption (Kinkladze, 2015). Georgia had an unemployment rate 12.4 % in 2014 and has fairly low median incomes compared to European countries (Millns, 2013). The average annual salary of a farmworker was only 64 % of national average in 2013 (Kinkladze, 2015). More than 30 % of the population lives below the national poverty line; in 2001 it was even 51 %. The average monthly income of a household is GEL 347 (about 200 USD). Georgian families spend more than 50 % of their disposable income on food (Millns, 2013). 52 % of the country's labour force is employed in the Georgian agriculture sector and 85 - 98 % of these farm workers are considered self-employed (Millns, 2013; Ministry of Agriculture of Georgia, 2015) and 95 % are small farmers (Kinkladze, 2015). Objective for the upcoming years is economic diversification by means of creating off-farm jobs, promoting family farming as well as agritourism (Ministry of Agriculture of Georgia, 2015).

#### **2.5 Possible barriers and conditions for creating or joining the cooperative**

These barriers are linked to rural-urban migration. Especially in the case of increasing land scarcity, the non-farm activity and migration may become the only way out of poverty for land poor farmers (Bezu and Holden, 2014). The following is necessary for organizing successful cooperative: positive market conditions, government policies, the legal environment, strong leadership and management capabilities, sufficient financial resources, but there is often a shortage of these factors in developing countries. It is not the most suitable way out of poverty for the poorest farmers to set up a cooperative. They are not suitable candidates to be a member because of their lack of financial resources and organizing abilities. The possibility of creating a cooperative is the most suitable for medium or larger farmers (Koopmans, 2006). Conditions for joining a cooperative are different. Some cooperatives can

stipulate its own conditions, which can usually constrain young farmers, such as landownership or the payment of membership fees. In response, some Latin American organizations have introduced the concept of household membership - family members, other than the head of the household who owns the land can be involved in the organization (FAO and IFAD, 2012).

### **2.5.1 Credit institutions**

One of the main constraints for the development of the agriculture sector in Georgia is insufficient access to rural credit institutions (Glenk et al., 2008), because rural areas, especially the poorer ones, are seen as unattractive for any investments (Millns, 2013). For example, in research in the Imereti neighbouring region of Shida Kartli in Georgia in 2008 farmers expressed high demand for small loans with individual liability. The research shows that nine out of ten farmers prefer individual loans over loans with joint liability (Glenk et al., 2008). Despite programs of the government that considerably increased the agriculture portfolio of the banks, the availability of cheap financial resources still remains low in Georgia (Kinkladzr, 2015). One of the main barriers is that there is lack of trust among farmers and negative connotation of cooperatives with the former Soviet kolkhozes.

### **2.5.2 Historical stigma of cooperatives in Eastern Europe**

As opposed to cooperatives in EU, there are historical reasons, why people in former Soviet union and its satellites resent collective forms of farming. One of them being that the concept of a cooperative was misused for ideological or political purposes (Koopmans, 2006), and because there are generally negative experiences with agricultural collectivisation. Soviet collectivisation were often connected with persecution of non-cooperating farmers, unwilling to join their land to cooperatives.

Cooperation can be still misunderstood as a form of collectivised production for markets that are defined by the government (Millns, 2013). The negative association of the cooperatives with the former Soviet kolkhozes creates a barrier in understanding the concept of current cooperatives. Employees or members of these coops, had little or no motivation to work effectively since the final produce was not theirs to keep, but usually

had to be handed over to authorities or sold for set prices (which were lower than market price would be). In contrast to Soviet kolkhozes, the members in cooperatives officially own the soil (Glenk et al., 2008). Some developing countries are still faced with the remnants of state controlled “pseudo-cooperatives” (Koopmans, 2006). That could be one of the reasons why some Georgian farmers do not accept the cooperatives as something beneficial for them and refuse to be a part of it.

### 2.5.3 Shortage of agricultural land

Limited access to agricultural land (land scarcity or land market restrictions) is a problem especially for youth and women in developing countries. Land scarcity can occur for example in parts of the highlands where population densities have become very high and farm sizes have become very small. The youth in rural areas often live with their parents in a household where they may have only limited influence on their own labour allocation (Bezu and Holden, 2014). In Georgia the main problem regarding this topic is that the land of the individuals households is too small, mostly up to 1 ha per land owner (table 3), and generally 1 ha of the land is divided into 2 - 3 parcels (Ministry of Agriculture of Georgia, 2015). The average size of family farm in Georgia is 0.96 ha and mean number of parcels (excluding the household plot) is 1.3 (Lerman and Sedik, 2014). Due to these circumstances it is impossible to organize intensive agricultural production and so the creation of agricultural cooperatives could greatly contribute to solve this problem (Ministry of Agriculture of Georgia, 2015). The majority of the farms disposes of only 0.1 – 1.0 ha of agricultural land (table 3).

**Table 3:** Number of farms and its area in Georgia

<b>Farm size (ha)</b>	<b>Number of farms</b>	<b>%</b>
Less than 0.1	57,019	8.24
0.1 - 1	463,340	66.85
1 - 5	160,993	23.28
5 – 50	10, 112	1.46
50 – 500	1,041	0.15
More than 500	72	0.01
<b>Total:</b>	<b>691,577</b>	<b>100.0</b>

(source: GeoStat, Agricultural Census of 2004)

There are also problems with land registration, arable land is mostly privatized, but is needed to properly segregate state-owned, municipal and privately-owned land. To acquire legal title to a piece of land it has to be registered. The cadastre system comprises only of geographic and legal aspects and only 20 – 30 % of the agricultural land is officially registered by the National agency of Public Registry. For this reason it is necessary to create a new cadastre with an efficient modern electronic system of land use (Ministry of Agriculture of Georgia, 2015).

#### **2.5.4 Low interest in agricultural livelihood**

Unemployment or underemployment in rural areas is generally very high, often structural and worsened by an out-migration of young and skilled people (Millns, 2013). The low interest in agricultural livelihood may be influenced by an effort to copy western lifestyle. The agricultural livelihood may not be as popular as other types of livelihood and employment. Also agriculture is not a very profitable business. According to GeoStat, the average annual salary of a farmworker is about 64 % of the national average in Georgia in 2013 (Ministry of Agriculture of Georgia, 2015). The share of the elderly population in rural areas is increasing (Millns, 2013). In general in last few years the popularity of farming as livelihood has taken an unexpected turn. Thanks to different certificates such as bio, fair trade, organic and so on and due to an informal boom of farmers markets, and an increase interest in a healthy lifestyle, it has become popular to be a farmer again. And for the previously mentioned certifications, the farming can be more profitable. Likely, the interest in farming among young people in Georgia will become stable and it will increase.

#### **2.5.5 Lack of management**

The majority of coops, not just in Georgia, lack the necessary information for better planning of their activities. That was one of the reasons for formation of the Agriculture Cooperatives Development Agency (ACDA) which will introduce the unified IT system and information bank for supporting the cooperatives and

encouraging the local agriculture production in Georgia (Ministry of Agriculture of Georgia, 2015).

### **2.5.6 Inequality of youth and women in cooperatives**

One of the problems mainly for youth and women is that they are not fully accepted by members in mixed organizations. Sometimes they are excluded from the decision making and policy processes. It can be caused by a hierarchical relationship in the culture and due to its traditions, when youth are expected to obey the elder community. In a reaction to this the youth-only cooperatives could be set up, but they often suffer from a lack of human and financial resources (FAO and IFAD, 2012).

## **2.6 Support of agricultural sector in Georgia**

The government intends to create a favourable business environment, attract investments to agriculture and carry out policies that will actively promote further commercialization and growth of this sector. Since 2011 the state became active in the agricultural sector; importing the agricultural techniques, modern irrigation systems and opening farmers' servicecentres. The budget for the agricultural sector increased from 1.1 % in 2011 to 2.8 % in 2013 (Kinkladze, 2015).

In 2012 the Government of Georgia finalized the Agriculture Sector Strategy for the period 2012 - 2020. The overall vision of this strategy was to *“create an environment that will increase agricultural competitiveness, promote stable growth of agricultural production, ensure food safety and eliminate rural poverty through the sustainable development of agriculture in rural areas”* (FAO, 2014). With the main objectives to increase food production and reduce rural poverty in Georgia, The European Neighbourhood Programme for Agricultural and Rural Development in Georgia (ENPARD) aims to support the implementation of the mentioned strategy (FAO, 2014). ENPARD is a five-year programme (March 2013 - March 2018) to reinvigorate the agricultural sector in Georgia with a thorough cooperation of government, civil society, and farmers, with a total budget of 52 million EUR (ENPARD, 2016).

In July 2013 a new law on Agricultural Cooperatives was adopted, which is oriented on the development and promotion of business-oriented small farmer's groups – agricultural cooperatives. The law is consistent with various International and European guidelines, criteria and standards regarding the principles of cooperation. Also, the Agricultural Cooperatives Development Agency (ACDA) was established by the MoA.

Some of the conditions for membership and awarding the status of cooperative according to the Law of Georgia on Agricultural Cooperatives from 2013 are following: *"a member of an agricultural cooperative may be an 18-year or older citizen of Georgia, who is directly involved in agricultural activity carried out by the agricultural cooperative and who owns shares"* (article 11, 1.a), *"the number of members of an agricultural cooperative in the villages, communities and localities to which the Law of Georgia on Social, Economic, and Cultural Development of the Mountainous Regions applies, shall not be less than 3, and in the rest of Georgia, not less than 5"*(article 11, 2), *"a member of an agricultural cooperative may be expelled if he/she: a) does not fulfil his/her obligations"* (article 12, 3) (Parliament of Georgia, 2013). ADCA team members have attended agricultural study training on the cooperation in Serbia and the Czech Republic and cooperate closely with 4 Non State Actors (NSAs) – Mercy Corps, Oxfam, People in Need and CARE, which are supported through the ENPARD programme (FAO, 2014).

It is most important to ensure food security and safety, which is duty of MoA. According to Kinkladze (2015) the future objectives are to create a developmental model for the country's agricultural sector that will ensure provision of affordable and quality food to Georgian population, as well as maximum utilization of export potential of the agricultural products and development of strategies how to penetrate the international markets. An analysis of the priorities in the agricultural sector development these needs were identified: improvement of the competitiveness of the employees of the agrarian sector, development of the agricultural land market, introduction of modern approaches in land use, establishment/development of the conditions to strengthen the credit and lease system of agriculture, support of cooperation in agriculture, improvement of awareness of investing prospects in agriculture, implementation of measures to popularize the national foodstuff, implementation of the marketing program, establishment of the farmers' registry,

improvement of melioration and soil productivity, rational land use, support of the development of production of seed and planting materials, development of cattle and poultry-breeding, improvement of the access to the agricultural techniques, ensuring food safety, etc. The ENPARD programme with its support of cooperatives is reacting to some of these needs (Kinkladze, 2015).

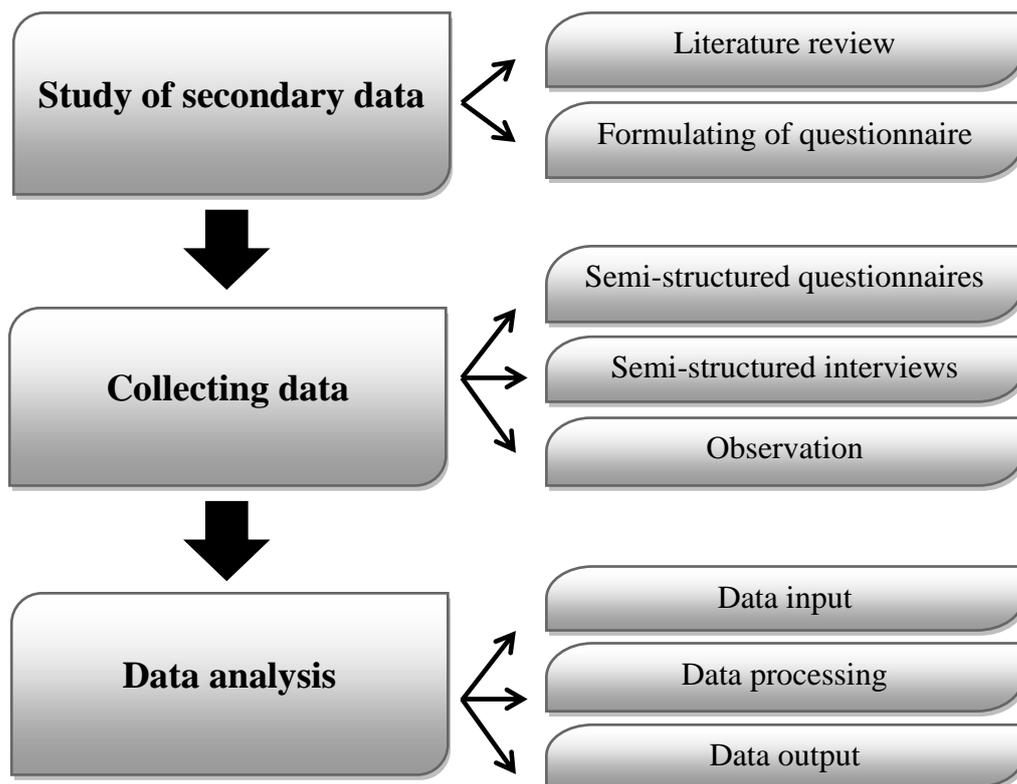
### **3. Objectives**

The main objective of this research was to analyse the involvement of youth in cooperatives in the Imereti region, to analyse what cooperatives could offer to rural youth and consider if coops could be an appropriate tool to restrict the rural-urban migration of youth in this region. For this reason, more specific objectives were established.

First specific objective is to identify the factors influencing the decision of youth to join coops, what is encouraging them into such a decision. Second specific objective is to determine the pros and cons of coops according to youth. Third specific objective is to determine the obstacles for membership acceptance into the coops according the young members. The forth specific objective is to determine if the formation of coops could possibly influence the rural-urban migration of youth.

## 4. Methodology

There are three steps for work out this thesis: research design, collecting data and data analysis (figure 5). The data for this qualitative research was collected by semi-structured questionnaires and interviews. During the research relatively a lot of information was collected from a few respondents in order to understand their situation and opinions focusing on the issue of youth in agriculture and cooperatives in Georgia. The qualitative type of research was also used by Mikulcak (2015) in Romania, it was chosen because we wanted to get a deep view into the issues of our respondents and, in addition, there is a too small sample of suitable respondents in the population in the Imereti region for conducting quantitative type of research. The research is primarily focusing on young respondents.



**Figure 5:** Research process

## **4.1 Study of secondary data**

The first step for writing the thesis was based on literature review focusing on topics of agriculture and cooperatives in Georgia, and youth in cooperatives. The language of sources for research design was English. The main types of sources were scientific articles mainly from ScienceDirect database, reports, data and research papers from various institutions and organisation such as FAO, UN organizations, WB, GEOSTAT, MoA of Georgia, and others publications focusing on the topic. Also one of the sources of secondary data were the results of DBBAT questionnaire survey from spring 2015 provided to us by People in Need in Georgia. The questionnaire and interview were formulated based on obtained information in literature review.

## **4.2 Data collection**

The data collection is based on the method of triangulation, which is a mixed-method involving the careful reviewing of data collected through different methods to achieve more accurate results. Triangulation offers an opportunity to deal with challenges such as data scarcity or unreliability (Carugi, 2016). In this research it sustain from following parts: **the questionnaire survey, personal interviews and observation.**

### **4.2.1 Target groups**

The total number of available cooperatives, which were supported by European Neighbourhood Programme for Agriculture and Rural Development (ENPARD) programme, in the time of the survey in the Imereti region was 11 with the number of members about 90 - 100. The cooperatives which were not supported by ENPARD programme were not the subject of this research, thus they were not taken into account. The respondents sample consists of members of only 5 cooperatives, this is the case because there were no youth in other cooperatives or they were not available at the time of our survey. Also the interviews with key informants were made.

The targets groups for our survey are the following:

1. *Young members of cooperatives aged 18 to 35.* According to the ENPARD the youth are defined by the age between 18 and 30, but the age range of the research was established wider because of an inadequate sample of respondents in the age range from 18 to 30. These respondents were chosen by convenience sampling method which is a non-probability sampling technique, where subjects are selected because of their accessibility, hence the data might not express trends in the whole population, but that is not a focus of our research. The total population of the young members was 15, but the questionnaires were filled by only 11 members, because the rest of them were not available for various reasons (holiday, taking care of baby, too much work). There were 30 questions divided into 6 topics.
2. *One member of the Board from each cooperative.* This part research was provided by semi-structured interviews with 5 open-ended questions. The size of the sample is 5 respondents.
3. *Key informants.* The interview with 2 key informants from People in Need (PiN) was made.

The method of triangulation was used, for each target group was used different method (table 4).

**Table 4:** Tools and target groups

<b>Tool</b>	<b>Target group</b>
<i>Semi-structured questionnaire survey</i>	<i>Young members of cooperatives in age from 18 to 35 (N=11)</i>
<i>Personal Interviews</i>	<i>One member of the Board from each cooperative (N=5)</i> <i>Key informants (N=2):</i> <i>Agriculture Programme Manager (PiN Georgia) Buba Jafarli</i> <i>Project Coordinator (PiN Georgia) David Chelishvili</i>
<i>Observation</i>	<i>Members of selected cooperatives - behaviour of the members, relationships, agricultural processes of the coop</i>

The data from young coops members was collected through semi-structured questionnaires, originally compiled in English and then translated into the Georgian language, often with open-ended questions or Likert-scale questions to enable farmers to express their opinion better and to gain more information, in July 2015. The questionnaires were filled with help of trained enumerators from Akaki Tsereteli State University in Kutaisi (ATSU) during the visits of cooperatives. The filling of questionnaire took about 20 minutes. There were 30 questions in the questionnaire focusing on following topics:

**Table 5:** Structure of the questionnaire

<b>Topics of the questionnaire</b>	<b>No. of questions</b>	<b>Topic description</b>
Education and interest in agriculture	8	<i>Age, education, agriculture focus</i>
Family and inheritance	4	<i>Family background and distribution of land among offspring</i>
Land access	4	<i>Agricultural land of the member - size, parcel, ownership, leasing</i>
Cooperatives: motivation, pros and cons	7	<i>Motivation to join the coop, the pros and cons of the coop, 4 questions evaluated by Ranking method, 1 question with Likert-scale table focusing on the 7 statements about coop</i>
Conditions of membership	2	<i>Requirements to became a member of coop, joining fee</i>
Migration	5	<i>The eventual motivation for the rural-urban migration, 2 questions (8 and 11 statements) with Likert-scale tables</i>

The compilation of semi-structured interview for members of Board and following collecting data was made by the same way as in the case of questionnaire mentioned above (originally compiled in English, translated into the Georgian language). There were 5 open-ended questions for one member of the Board in each cooperative. The interview took about 5-20 minutes, based on availability and willingness of the respondent.

The original version of the questionnaire is available in Annex (I) and the interview is available in Annex (I).

#### 4.2.2 Target area

The research was focusing on the Imereti region, which is situated in the eastern part of western Georgia, with country seat Kutaisi. Reasons why we were operating in this region was that we were cooperating with ATSU in Kutaisi and the office of PiN is also located there. PiN also provided us with addresses and contacts of relevant cooperatives.

#### *The coordinates of cooperatives*

In the figure 6 is displayed the map of Imereti region and 5 visited cooperatives and their coordinates, which we acquired. The respondents are from following cooperatives:

**Table 6:** Cooperatives and coordinates

<i>Name of cooperative</i>	<b>Satsire</b>	<b>Terjolis Guino</b>	<b>Dovlati</b>	<b>Mshvildi</b>	<b>Sargo</b>
<i>Number in the map</i>	1	2	3	4	5
<i>Coordinates</i>	42.3419322N 42.9288464E	42.1733061N 42.9294553E	42.2399644N 42.5538781E	42.1211317N 42.8805447E	42.0458383N 43.1105128E
<i>Distance from Kutaisi (km)</i>	25	24	15	35	47



**Figure 6:** Map of Imereti region and visited cooperatives

### 4.3 Data analysis

At first for processing of data, the data was **input** to MS Excel program, where they were coded and evaluated. Because of the small sample of respondent and qualitative type of research **output** is in written form or in the form of tables.

#### Weighted score method

Methodology used in this paper is the same methodology as the one used in the research made by Sajeev and Singha (2010), since it is suitable for qualitative research to analyse the statements of the respondent by Likert-scale. The following table 7 is manual of the weighted score method which was used for comparing statements in the questionnaire in questions 23, 29 and 30 in the topics Cooperatives and Migration (Annex I). The results are evaluated in tables 14, 15, 16.

- 1) Coding - each statement has a certain value:

**Table 7:** Weighted score method

<b>Statements for questions 23, 29</b>	Strongly agree	Partly agree	Nor agree or disagree	Partly disagree	Strongly disagree
<b>Statements for question 30</b>	Strong motivation	Medium motivation	Low motivation	No motivation	/
<b>Value of statement</b>	1	2	3	4	5
<b>Mark</b>	x <sub>1</sub>	x <sub>2</sub>	x <sub>3</sub>	x <sub>4</sub>	x <sub>5</sub>

- 2) n<sub>1</sub>, n<sub>2</sub>, n<sub>3</sub>, n<sub>4</sub>, n<sub>5</sub> is frequency of each statement
- 3) calculation formula of weighted score: 
$$\bar{x} = \frac{n_1x_1+n_2x_2+n_3x_3+n_4x_4+n_5x_5}{n_1+n_2+n_3+n_4+n_5}$$
- 4) Based on the result for each statement it is possible to compare which statement the respondents agree or disagree with the most. The lower value of weighed score the stronger agreement of the respondents

#### Ranking method

Following ranking method was used for evaluation of questions 17, 18 and 19 in questionnaire (section Cooperatives: motivation, pros and cons) (Annex I). There were

3 empty rows available for placing the statement in, on the basis of importance. Points were assigned based on placement of each answer for the purposes of evaluation of each answer's significance. For final ranking, the points were multiplied by the number of instances of each particular answer and summed. The table 8 shows, how each answer was evaluated. These values was assigned to put relatively lower value to first answer, since respondent rarely used two or more answers. Using just 0.5 point difference emphasizes mentioning of particular answer, not just its rank, thus levelling the values of statements. The results are evaluated in tables 11, 12, 13 in Results chapter.

**Table 8:** Ranking method

1 <sup>st</sup> placed answers	2 points
2 <sup>nd</sup> placed answers	1.5 points
3 <sup>rd</sup> placed answers	1 point

#### **4.4 Limitations of the research**

There are some limitations in our research. The recommendation for the subsequent research is to avoid the following limitations to the research to be able to obtain more accurate data. Main recommendations are filling questionnaires and interviews in private, minimize language barrier by using services of well skilled translator, securing the sufficient number of respondents in advance.

The filling in of questionnaires was not in private, since respondents did not agree to answer the questions in private or it was not possible to separate the respondents from the other members of coops, because the meeting were held in coops or homes of coop members and thus there was no place to go. Nonetheless one of the principles of cooperatives is concern for community (FAO and IFAD, 2012; Lerman and Sedik, 2014) and so separating the respondent from the group could be consider inappropriate. Due to answering in front of the others the answers could be strongly influenced by other people or even members of the cooperative around, because some of them had a desire to reflect their own opinions and experiences, especially in the cases of female respondents.

Another limitation was the language barrier between us and the respondents, because most of them could only speak Georgian or Russian, so in this case we had to rely on our enumerators from ATSU, where there could also have been a problem with a language barrier because most of our enumerators were not able to speak English fluently. Sometimes it was a problem for them to translate directly from Georgian to English, so we were not able to ask additional questions, which could have helped us better understand the issues. Unfortunately, not everything that was said was translated into the English language. To avoid the limitation, it is necessary to have enumerators who translate directly from Georgian to English well or understand the research to such an extent to be able to ask additional questions on their own. Another helpful tool is to record everything and then translate into English in written form, but it could be very time consuming for the enumerators during the research.

We did not manage to find all youth respondents who we wanted to interview. Even when our meeting was announced ahead of time, some of them did not come, so it was impossible to get them, mainly due to the fact that they left on holiday or were too busy to meet us. We were also limited by finances, time and the willingness of our enumerators to spend extra time on the research.

## 5. Results

The first part of this chapter focuses on the results of the questionnaire survey with young members of cooperatives. The second part is the evaluation of interviews with the members of the Board from each cooperative and interviews with the key informants from INGO PiN in Georgia.

### 5.1 Results of questionnaires with youth

The data was collected by semi-structured questionnaires mentioned in the methodology and the total number of respondents was 11. The chapters are divided according to the topic of the questionnaire. In the time of our research (July 2015) the respondents had already been members of coops between 2 to 32 months, 12 months on average. The oldest coop was the Dovlati (herbs), which was set up in October 2010 and the youngest was the Sargo cooperative (dairy) set up in March 2015.

#### 5.1.1 Education and interest in agriculture

Average age of the respondent was 28.6 years. Most of the respondents had higher education, 6 of them were university graduates (table 9). Only 1 respondent was still studying. Only 2 respondents had been studying in a field that was somehow related to agriculture (minor programmes in agriculture, beverages from subtropical plants).

**Table 9:** Basic demographic information of respondents (N=11)

<b>Parameter</b>	<b>Value</b>
<b>Gender (N=11)</b>	
Women	3
Men	8
<b>Education (N=11)</b>	
Secondary	3
Vocational	2
University	6
Average <b>age</b>	28.6 years
Average <b>length of membership</b>	12 months

Based on respondents' answers and my own experience it seems that there are many people in Georgia working in a field which is not related to their field of study. Despite the fact that most of the respondents had higher education, it is quite difficult to find an appropriate and well paid job after graduation without work experience, so that could be why young people look for other type of employment, for example, in agriculture cooperatives. According to the one of the respondents sometimes young people are not satisfied with the level of salary in initial job offers and refuse them, which could prolong the dependency on their parents.

### **5.1.2 Family and inheritance**

Ten out of 11 respondents wanted to live in the area where they were now, mostly rural areas, and it is mainly because their families were there. The respondents have 1.64 siblings on average. Average number of sisters and brother is the same. Also these respondents said that they wanted to work in agriculture for a long term period (more than 10 years). In our research the families are quite large and none of the respondents is an only child. All respondents had one or two siblings. Seven respondents have 2 siblings and 4 respondents have just 1 sibling.

Small plots could be often divided among more siblings. Just 2 of the respondents were the firstborn, 8 respondents already inherited or expect to inherit some land in the future. The average size of the inherited or expected inheritance land is 0.93 ha. Base on the answers of the respondents it seems that the fact that the respondent is a firstborn plays no role in the assumption to inherit the whole family land. Despite the gender or the rank among siblings, most of the respondents expect to inherit some land or they already have, so it is not important to be first child to inherit, because of that it seems that the respondents have equal possibilities to form their future life without any stereotypes and requirements from their parents.

### **5.1.3 Land access**

The average size of the cultivated land area by respondents was 0.89 ha and on average it was divided into 3.2 parcels. One hectare of land was approximately divided into 3.6 dispersed parcels. Only 2 respondents were cultivating land which was not in

their ownership with an area of 0.5 ha and 0.25 ha, for the purpose of increasing their production and they did not have to pay any fee for the land.

#### 5.1.4 Cooperatives: motivation to join coop, pros and cons of being a member

The following results are focused on motivations of our respondents to join the cooperative and benefits and negatives of being a member of a coop according to youth. From table 10 it is obvious that the main motivation to join was profit and for some of them, the prime impulse was the recommendation from friends or relatives. The other strong motivation was a lack of agricultural land, because some of the cooperatives provide common land for cultivating to their members. Four respondents admitted that some other member of their family was also a member of a cooperative. All of them were influenced by this fact and they were primarily motivated to join the coop by them. In the motivations factors to set up or join the coop there are also noble motives like supporting the traditions of agriculture in the case of wine making, and there are also motives which were expected, like “get a grant”, which is understandable, but from results and the observation it sometimes seemed that some vulnerable members were pressed by their surroundings to join the coop to fulfil the condition of a minimum number of members set by ENPARD to get a grant.

**Table 10:** Motivation to join a cooperative according to youth (N=11)

	<i>Number of 1<sup>st</sup> placed answers (2 points)</i>	<i>Number of 2<sup>nd</sup> placed answers (1.5 points)</i>	<i>Number of 3<sup>rd</sup> placed answers (1 point)</i>	<i>Total points</i>
<b>profit (income)</b>	7	1	0	<b>15.5</b>
<b>lack of agricultural land</b>	2	0	0	<b>4.0</b>
<b>pushed by husband/family</b>	1	1	0	<b>3.5</b>
<b>motivated by someone familiar or relative</b>	0	1	2	<b>3.5</b>
<b>sell the product easier</b>	0	1	1	<b>2.5</b>
<b>support the tradition of agriculture</b>	0	1	1	<b>2.5</b>
<b>get a grant</b>	1	0	0	<b>2.0</b>

<b>support the development of winery</b>	1	0	0	<b>2.0</b>
<b>increase productivity</b>	0	1	0	<b>1.5</b>
<b>access to equipment</b>	0	1	0	<b>1.5</b>
<b>work in agriculture</b>	0	1	0	<b>1.5</b>
<b>Friendship</b>	0	1	0	<b>1.5</b>
<b>perspective future</b>	0	1	0	<b>1.5</b>
<b>employ more people</b>	0	0	1	<b>1.0</b>
<b>Quality</b>	0	0	1	<b>1.0</b>

The next results in table 11 are about the benefits of being a member according to the respondents. The most frequently mentioned benefit was the ability to achieve some collective goals through the better collective action. Another important benefits were focused on gaining know-how and education in the field of agriculture.

**Table 11:**Benefits of being a member of a cooperative according to youth (N=11)

	<i>Number of 1<sup>st</sup> placed answers (2 points)</i>	<i>Number of 2<sup>nd</sup> placed answers (1.5 points)</i>	<i>Number of 3<sup>rd</sup> placed answers (1 point)</i>	<i>Total points</i>
<b>better collective action</b>	5	3	2	<b>16.5</b>
<b>education and skills in agriculture</b>	2	0	1	<b>5.0</b>
<b>sharing knowledge between members</b>	0	2	2	<b>5.0</b>
<b>provided training</b>	1	2	0	<b>5.0</b>
<b>development of agriculture</b>	2	0	0	<b>4.0</b>
<b>access to inputs and services</b>	2	0	0	<b>4.0</b>
<b>better social status</b>	1	1	0	<b>3.5</b>
<b>better relationship between members</b>	1	0	1	<b>3.0</b>

Table 12 deals with the negatives of being a member of a cooperative according the respondents' experience. Despite the possibility to fill three rows, most of the respondents filled in only one and the most common answer was that there were no negatives at all.

There could be several reasons for that: it is possible that they were influenced by other members around them at the time of the interview, other factor for no negatives could be that they did not want to admit it before the grant termination or there had not been really any problems so far, which could be thanks to a low number of members or the cooperative had been set up recently. Other reason could be that the ENPARD programme was still running and they could had been afraid of some negatives consequences.

One respondent said that 8 hours of work a day is too much for him, because after such a long working day he is tired and because of that he would prefer to work less hours.

**Table 12:** Negatives of being a member of a cooperative (N=11)

	<i>Number of 1<sup>st</sup> placed answers (2 points)</i>	<i>Number of 2<sup>nd</sup> placed answers (1.5 points)</i>	<i>Number of 3<sup>rd</sup> placed answers (1 point)</i>	<i>Total points</i>
<b>nothing negative</b>	7	0	0	<b>14.0</b>
<b>conflict of interest between members</b>	3	0	0	<b>6.0</b>
<b>length of the work day</b>	1	0	0	<b>2.0</b>
<b>lack of trust between members</b>	1	0	0	<b>2.0</b>

When the young respondents were asked about the youth contribution to the cooperative development (table 13), the respondents were also quite strict and mostly filled in just one answer. The most common answer was that they were open to self-education.

**Table 13:** Youth contribution to the development of a cooperative as perceived by the respondents (N=11)

	<i>Number of 1<sup>st</sup> placed answer (2 points)</i>	<i>Number of 2<sup>nd</sup> placed answer (1.5 points)</i>	<i>Number of 3<sup>rd</sup> placed answers (1 point)</i>	<i>Total points</i>
<b>open to self-education</b>	8	0	0	<b>16.0</b>
<b>IT skills</b>	2	0	0	<b>4.0</b>
<b>Flexibility</b>	1		0	<b>2.0</b>
<b>higher education in agriculture</b>	0	1	0	<b>1.5</b>
<b>willing to share experience</b>	0	1	0	<b>1.5</b>

### 5.1.5 Conditions of membership in cooperatives

According to the Law of Georgia on Agricultural Cooperatives from 2013, a member of an agricultural cooperative may be 18-years or older citizen of Georgia, who is directly involved in agricultural activity carried out by the agricultural cooperative and who owns shares. All respondents had to fulfil some conditions set up by particular cooperative, which is enshrined in their statutes; the conditions are different depending on particular cooperative. The conditions according to the respondents: It was either joining fee to get 1 share at minimum or they had to contribute land, which was evaluated for one share at least or they just had to own at least some land to cultivate. In case of the joining fee, the range was between 50 GEL (\$21) to 2,000 GEL (\$840) depends on statutes of each cooperative. Only two respondents dedicated about 0.3 ha (5,000 GEL; \$2100) and 0.2 ha (2,000 GEL; \$840) to the cooperative respectively. In one case there was no fee, the only condition was to have some land, where the permanent crop (vine) of the cooperative could be cultivated. The general condition is that a member has to pay at least for one share, the amount is set by coop, and then he becomes an owner of that share. But it is also possible to buy more shares and in case of dividing of surplus revenues (profit), a member acquires a financial amount according to his shares. Many coops are obligated to return a portion of their “surplus revenues” to members each year (ICA, 2007). Seven respondents out of 10 paid as little as possible, it means they paid just 1 share, and did not get any extra shares. The average amount of the invested money for fees (all respondents included) was 2,227 GEL (\$935). Almost nobody had a problem to fulfil the conditions, only 3 respondents were financially

supported by their parents and 1 respondent received a bank loan, not due to the inability to pay for the essential share, because of his own decision to get more shares probably in hope of a future profitable business.

### **5.1.6 Migration**

Following chapter if focusing on possibility and motivation of migration. Only 3 respondents ever considered migration to urban areas, but only 1 was considering it during our interview, because she wanted to go to university. For more statements about migration and its indicators see tables 15, 16.

From the table 14 is obvious to what extent young members of cooperatives agreed with the following statements, which are focused on the benefits of being a member of a cooperative. All respondents strongly agree that their voice is heard by the coop and all strongly or partly agree that they have equal rights as the more experienced members. That is a great sign of equality and the fair decision making between elder members and vulnerable groups like young and women. Almost all young member respondents strongly agreed that the cooperatives improved the experience sharing among its members, which is one of the most important services for youths because they often have a lack of knowledge which can pull them into the experience trap. The membership in cooperatives is a great opportunity how to learn verified methods and approaches from older, more experienced farmers. The 4<sup>th</sup> strongest statement is that the respondents feel more involved in community life, which means that the formation of coops is not just developing agriculture and helping to increase the income of members, but also contributes to social capital, meaning the social relations among members, which is important for development of trust in the community.

For answers in table 14 and 15 the following symbols in the Likert scale were used: + + strongly agree, + partly agree, -/+ nor agree or disagree, - partly disagree, - - strongly disagree.

**Table 14:** Personal statements about a cooperative by respondents (N=11)

	++	+	+/-	-	--	<i>total number of respondents</i>	<i>weighted score</i>
<b>I feel that my voice is heard by the coop</b>	11	0	0	0	0	11	<b>1.0</b>
<b>The coop improved the experience sharing among its members</b>	10	1	0	0	0	11	<b>1.1</b>
<b>I feel I have equal rights to more experienced members</b>	8	3	0	0	0	11	<b>1.3</b>
<b>As a member of a coop I feel more involved in the community life</b>	5	6	0	0	0	11	<b>1.5</b>
<b>My income increased thanks to the coop</b>	3	6	2	0	0	11	<b>1.9</b>
<b>Training provided by coops contributed to my personal development</b>	4	3	1	1	1	10	<b>2.2</b>
<b>I gained better social status thanks to being a member of a cooperative</b>	3	5	0	2	1	11	<b>2.4</b>

The following table is focused on the presence of some factors influencing the rural-urban migration. In table 15, we can see which factors of rural-urban migration are most present among the Georgian youths in cooperatives. Most of the respondents agree that the majority of their peers left for urban areas. But if you compare that with table 16, you can see that the fact that some of the friends are living in urban areas is one of the weakest motivation for them to migrate. The respondents are much more connected to the family than to their peers and friends. There are large differences in the levels of motivation in the opinions of respondents (table 16). This is caused by the fact that it is the group of people who mostly never considered migration to urban areas away from their home and family.

**Table 15:** Presence of factors linked to rural-urban migration (N=11)

	++	+	+/-	-	--	<i>total number of respondents</i>	<i>weighted score</i>
<b>The majority of my peers left to UA*</b>	8	2	0	0	1	11	<b>1.5</b>
<b>There is a lack of livelihood opportunities in RA*</b>	6	3	1	1	0	11	<b>1.7</b>
<b>There is low production potential in RA*</b>	8	1	0	0	2	11	<b>1.8</b>
<b>There is low access to credit in RA*</b>	7	1	0	0	3	11	<b>2.2</b>
<b>I have friends or relatives who migrated</b>	7	1	0	0	3	11	<b>2.2</b>
<b>There is a lack of land access in RA*</b>	3	2	0	0	6	11	<b>3.4</b>
<b>I came from poor family</b>	0	2	2	2	5	11	<b>3.9</b>
<b>My family have no farming tradition</b>	0	0	0	0	11	11	<b>5.0</b>

\* UA – urban area, RA – rural area

Table 16 presents which of the factors of the rural-urban migration could possibly be influencing the respondents in Imereti the most. According to the respondents the economic factors outnumber the social factors.

**Table 16:** Strength of motivation of respondents for R-U migration (N=11)

	<i>SM*</i>	<i>MM*</i>	<i>LM*</i>	<i>NM*</i>	<i>total no. of respondents</i>	<i>weighted score</i>
<b>Opportunity of higher income in UA*</b>	4	2	1	4	11	<b>2.5</b>
<b>Lack of livelihood opportunities in RA*</b>	4	1	2	4	11	<b>2.5</b>
<b>Better opportunity of education in UA*</b>	4	1	0	6	11	<b>2.7</b>
<b>Lack of land access to agricultural land</b>	3	2	0	6	11	<b>2.8</b>
<b>Better public services in urban areas</b>	3	0	2	6	11	<b>3.0</b>
<b>Low potential of agricultural production</b>	0	4	3	4	11	<b>3.0</b>
<b>Better living conditions, social life and entertainment (different lifestyle) in UA*</b>	2	1	2	6	11	<b>3.1</b>
<b>Opportunity to have a higher social status</b>	3	0	0	8	11	<b>3.2</b>
<b>Positive experiences of your friends or relatives with migration to UA*</b>	0	3	1	7	11	<b>3.4</b>
<b>Lack of access to credit loans in RA*</b>	0	1	3	7	11	<b>3.5</b>
<b>Friends living in UA*</b>	0	1	2	8	11	<b>3.6</b>

\* UA – urban area, RA – rural area, SM – strong motivation, MM – medium motivation, LM – low motivation, NM – no motivation

## 5.2 Results of interviews

The following chapter is an evaluation of the interviews with members of the Board from each cooperative (N=5), which consist from 5 open-ended questions. The second part of this chapter is an evaluation of semi-structured interviews which were made with two key informants from PiN in Georgia, Buba Jafarli (Agriculture Programme Manager) and David Chelishvili (Project Coordinator).

### 5.2.1 Results of interviews with members of the Board

The interviews were made with 5 members of the Board of cooperative, one from each. According to the directors of the visited Dovlati and Mshvildi cooperatives, youth did not want to join a coops at all, because they were not interested. In the Mshvildi cooperative there was only one youth, and the director R. Mshvildadze said *“It is because there are not many young people in village at all, because some of them*

*had left to the cities for better education or jobs and they are too lazy to work in agriculture anyway, because it means hard work with a low income*". Another barrier for youth to work in agriculture according to R. Mshvildadze was that they did not know how to cultivate plants and had a lack of experience and knowledge. They also did not trust their elders about their experiences and he admitted that there was a negative connotation with the kolkhozes. In some cases the members of Board required experience in the field of cooperative business or ownership of a greenhouse, land for vineyards or cows. In Sargo cooperative the director G. Gvelesidni said that the young people were welcome in the coop and there had been an interest from the side of youth, too. However, the cooperative had been set up recently and production had not started yet and it was still waiting for certification from MoA to get more young members. All of these respondents agreed that it is important to have youth in cooperatives; directors of Mshvildi and Sargo agreed on the fact that young people are full of energy, which is very crucial for working in agriculture.

### **5.2.2 Results of interviews with key informants**

According to D. Chelishvili one of the important issues is to have young people in cooperatives and there are no obstacles for them to join the cooperative. Still the majority of youngsters are moving out of villages because *"there is a lack of possibilities for normal education, less jobs opportunities, etc."*. D. Chelishvili and B. Jafarli agreed that there is a lack of employment opportunities in rural areas, especially for youth and he hopes that the cooperatives can contribute to improve the situation of unemployment of youth in rural areas and so restrict the rural-urban migration, because cooperatives creates possible jobs for youngsters. D. Chelishvili said *"one of the evaluation criteria of cooperatives is level of participation of youth in the cooperative, which, I think, directly should motivate youth"*. B. Jafarli also agreed that the main reasons for rural-urban migration in Imereti are better opportunities for education and income in urban areas, and also fulfilling the lifestyle preferences of young people. On the question why there are less woman members than males members in cooperatives D. Chelishvili answered *"because male are more motivated and involved in agriculture, than women"* and also added that woman have the same access to the land as men.

## 6. Discussion

The results of this research are similar to some results of researches which were made in countries with similar historical backgrounds such as Romania, Russia and Croatia. These countries also went through agricultural reforms in the 1990's and face similar problems as the Georgian agricultural sector.

Majority of the respondents wanted to stay living in rural areas because of their families have a farming tradition. More than half of the respondents were university graduates but only one third of them have studied field related to agriculture. According to the research in Russia by Bednaříková et al. (2016), there are three main reasons why the respondents go back to their parental municipalities and continue in the family agricultural tradition: family background, agriculturally rooted families and agriculture like as a field of study. In case of our respondents their field was not really related to agriculture, but according to them a lot of young people in Georgia do not work in the field they studied.

In our research the families are quite large and none of the respondents are an only child. Four respondents have got one sibling and seven respondents have two siblings. According to Bednaříková et al. (2016) the majority of the university respondents from Altai Krai, Russia have no siblings, 59.2 % are only children and just 12.2 % have 2 siblings. One of the reasons why there are more children in Georgian families, could be that our respondents are a little bit older than those from the Russian university, therefore Russian respondents are more likely to have additional siblings when they reach the age of Georgian respondents.

The respondents in our research have larger families, which could indicate that they have a higher motivation to return to parental villages, because family plays a crucial role in the lives of our respondents, because that is the main reason why they want to stay in rural areas and work in agriculture in the future. Furthermore, all respondents have a farming tradition in their families. According to Bednaříková et al. (2016), 83% of rural students expected to leave their parental municipalities and live elsewhere in Altai Krai, Russia. However, respondents whose families are rooted in agriculture tend to return home after finishing university. These young people are expected to continue in the family agricultural tradition.

Most of our respondents expect to inherit some land or they already did. According to D. Chelishvili from PiN women have the same access to the land as men. In case of our female respondents, none of them had inherited any land yet, and just one was expecting to inherit 0.1 ha in the future. But all of them had some land to cultivate (family or husband's land). In case of male respondents, all of them except one respondent, already inherited or expecting to inherit same land. The one respondent, who does not, said that there is a scarcity of the land in his family. A lack of land was the main motivation for two respondents to join the cooperative, because some cooperatives could provide land to its members or at least members of cooperatives can have an access to cheaper inputs etc., such services could possibly contribute to better economic situation of members and thus restrict the rural urban migration. According to Bednaříková et al. (2016) family ownership of land is one of the significant factors, increasing the likelihood of returning to the parental village and this influences their employment expectations. It is likely that these respondents will maintain their family properties. The difference between genders in Altai Krai, Russia is obvious: female respondents whose parents owned land were unwilling to work in agriculture. This trend could be present in our sample as well, because there are just 3 women and 8 men. According to D. Chelishvili men are more motivated and involved in agriculture than women.

Only 5 respondents strongly or partly agree that there is a lack of land access in rural areas and it is one of the lowest motivational factors to migrate. Only two respondents are cultivating some extra plots for their own purposes in spite of the fact that the parcels in Georgia are small and dispersed. According to Millns (2013) there still remain difficulties in buying and selling land. Only 20 – 30 % of the agricultural land is officially registered by the National agency of Public Registry and can be sold or rented legally (Ministry of Agriculture of Georgia, 2015). According to research made by Bednaříková et al. (2016) the acquisition of agricultural land and agricultural land ownership relationships are very complicated in Russia. The simplification of the process of land acquisition and the availability of access to credit for business establishment and the purchase of agricultural land could motivate young people to stay in rural areas and to establish businesses in agriculture. For example, Ethiopia is facing one more problem which caused out-migration of youth, there is also the scarcity of the

agricultural land but together with the increasing population in rural areas, the plots are being divided into even smaller parcels and a lot of youth is out-migrating because they simply do not have any land to cultivate (Bezu and Holden, 2014).

All of the young respondents cultivate less than 2 ha of land; it is 0.9 ha on average, the same amount as the average farm size in Georgia according to Glenk et al. (2008). The plot of our respondents is divided into 3.2 dispersed pieces of land on average. Despite the fact that Croatia was not a part of the Soviet Union, there are a lot of similarities between agricultural sectors in Croatia and Georgia: according to Nedanov and Žutinic (2015) there is low competitiveness and poor positioning of Croatian agriculture on the EU market, which is a consequence of several factors such as small fragmented land parcels, undeveloped market infrastructure and low technological level of production. Nedanov and Žutinic (2015) recommend that cooperatives should be promoted as a successful business model organization of family farms in Croatia to raise the competitiveness of Croatian agriculture. Despite the favourable agro-climatic conditions and diversity of ecosystems, agricultural production in Croatia has been decreasing in the long term period, which results in a low level of self-sufficiency and the majority are small-scale farmers – 52.5 % cultivate less than 2 ha. According to another research in Botosani county, Romania, undertaken by Cuciureanu (2015), the reforms after 1989 has led to the fragmentation of agriculture and a decrease of the average production level per hectare, but integration into the European Union offered the opportunity to revitalize agriculture and help realize its potential in this area to contribute to the local economy. This study demonstrates that EU integration was a necessary opportunity to develop agriculture and the potential of agriculture. A study from Israel, shows that agricultural cooperatives can play an essential role in the development and maintenance of profitable agriculture. In Israel agricoops create 80 % of production and dominate the agriculture sector since the beginning of the 20th century, but they admit that government support is crucial for developing and maintaining successful agricultural cooperative (Rosenthal and Eiges 2014).

According to Glenk et al. (2008), the negative association of the cooperatives with the former Soviet kolkhozes creates a barrier in understanding the concept of current cooperatives and also supports lack of trust among farmers. Also the director of the Mshvildi cooperative admitted that there was a negative connotation with the

kolkhozes, which could be one of the barriers why somebody does not want to join the coop. But only one of the youth respondents feels that there is a lack of trust between members. That could imply that this issue of a lack of trust between members is a concern of the older generation, not youth.

According to the results of DBBAT questionnaire survey made by PiN in spring 2015 the average age of cooperatives members in Imereti was 46 years and the share of members under 35 years was 11 %. In comparison to research in Croatia (Nedanov and Žutinic, 2015) the rural agricultural labour force is aging; the average age is 59.8 years and just 4.5 % of the agricultural workers are younger than 35 years. According to data from GEOSTAT (2015) the Georgian population in Imereti is aging also, but the rate of youth in cooperatives is quite high, that could show that cooperative is appropriate tool to support the involvement of young people in agriculture. It is also known, that youth are one of the criteria for evaluating the cooperative by ENPARD programme.

All respondents strongly agree that their voice is heard by the coop and all strongly or partly agree that they have the same rights as the more experienced members. That is a great sign of equality and fair decision making between elder members and vulnerable groups like youth and women. That is great sign that cooperatives are running democratically and because of equality, it could be more attractive for women and it could possibly reduce out-migration of women, because there is a lack of traditional female occupations in agriculture and increasing unemployment rates in parental villages discourage females from returning home and most rural occupations favour men (Bednaříková et al., 2016). The number of women or youth in coops is also one of the criteria according to which the coop is evaluated in the EMPRAD programme.

According to Friederike et al. (2015) and their research in Romania, during the Soviet Union people were taught not to think and they were always told what to do. This could have eventually killed all self-initiative and now there is a lack of leadership and rising individualism, which are barriers for building the social capital necessary for collective action. Also the research from Romania reports that the increasing detachment of youth from the rural lifestyle and the negative image of farming is probably the result of the past (top-down system, collective agriculture), now sometimes even their parents push youth away because they want to spare them of the difficult life. Thissen et al. (2010), agree that motivation of youth is influenced by their parents and

other family members, because parents, especially the ones highly educated, encourage their children to pursue higher education. That contributes to the fact that many youth aspire to better paying and more prestigious jobs. Generally, women tend to attain higher educational levels than men do and tend to work in services that are only provided in metropolitan areas (Dahlstrom, 1996; Corbett, 2005). That could explain why there are less women in the coops than men, because the women in our sample did not generally achieve a higher education than men. Furthermore, one of our female respondents expressed the desire to study university and to stay in the urban area in the future because of jobs opportunities. She is the only respondent, who did not want to live in the rural area in future and it seemed that she was pushed to become a member of a coop by her father to fulfil the condition of a minimum number of members to set up a cooperative. Studying in the urban area could contribute to stay there in the future, but on the other hand having children or having a partner from the parental municipality or region increases the likelihood of settling in that area (Bednaříková et al., 2016).

According to Buba Jafarli from People in Need (PiN), the main reasons for rural-urban migration in Imereti are better opportunities for education and income in urban areas, and also fulfilling the lifestyle preferences which was confirmed by our respondents. However, their opinions on some factors which are commonly influencing the rural-urban migration are similar. At least half of the factors strongly occur in rural areas in Imereti according to the respondents, for example the majority of their peers left to the urban areas, that there is a lack of livelihood opportunities and low production potential in rural areas. The higher motivation for migration of our respondents are the opportunity of a higher income in rural areas, lack of livelihood opportunities in rural areas, better opportunity of education in urban areas by our respondents. Also according to Hemmasi and Prorok (2002), rural people often have a general lack of access to adequate employment, education and health care opportunities and the rural-urban migration is a common response to the disparities between cities and rural communities in terms of quality of life.

Some of the young members of coops were not available to meet us for various reasons, for example, due to taking care of a baby, holiday abroad or one respondent was not available, because he was selling products in a remote market in the days of our research. According to Friederike et al. (2015), it was found out that many young

residents of rural areas in Romania often migrate seasonally for work abroad in agriculture, but we did not encounter that trend in our research. Friederike et al. (2015) reports that the problem these days is that people have many options and some of them prefer moving to France or Germany to work for higher salaries instead of staying in their country and working for little money, especially in rural areas. Interviewees report that farming and living in the countryside was increasingly unattractive for youth, thus rural migrants went to Europe to find a job which was also often in the farming sector. But Georgia is not a part of the EU so the conditions for working in the EU are more complicated and there are also higher travel costs. Most of the Georgian migrants are working abroad illegally.

## 7. Conclusion

The young respondents of this research form a new generation of farmers who are probably not stigmatised by the past of kolkhozes, thus there was not a lack of trust among young farmers in cooperatives in the Imereti. They had a potential to cooperate and the most significant advantage of being a member of a cooperative, according to them, was better collective action. The main motivation for joining the cooperative was profit and recommendation from family members or friends.

Most of our respondents had already achieved a high level of education and nonetheless they were open to self-education. The respondents appreciated the access to education and agricultural skills available through training within cooperatives and the system of sharing knowledge between members. This helped them to overcome the "experience trap" and moreover, cooperatives represent a good means of self-employment. During the research the respondents rarely expressed or found any negatives regarding cooperatives, but rather many positives. The respondents did not have any problems meeting the membership conditions of cooperatives. They mostly agreed that there was equality and experience sharing among the members. Furthermore they felt more involved in community life and in addition to that their income had increased, which suggests that the idea of cooperatives achieved its principles in this case.

Most of our respondents wanted farming as their livelihood despite of the small and dispersed parcels of their land. Some of them were taking it seriously and sought to preserve the traditional methods (for example winemaking), good quality and had concern for the environment. Our respondents seemed quite content with the area of land they cultivated, but half of them agreed that there is a lack of land access and they admitted that it could be a possible motivation for them to migrate in the future. Therefore, it is necessary to create a new electronic cadastre and to simplify the sale, purchase and lease of land.

Only three respondents ever considered migration to urban areas. The strongest motivation for out-migration was the opportunity of higher income, more livelihood opportunities, better education and lack of land access in rural areas. These respondents would probably be working in agriculture even without the support through

cooperatives, but indeed being a member of cooperative was a benefit for them and their agribusiness. There were two main factors which influenced their staying in rural areas the most: family living in the area and the agricultural farming tradition of their family.

Nevertheless, these cooperatives were very young and time will show where they are heading and if youth will be interested in membership in cooperatives in upcoming years. According to this research, it seems that the cooperatives perform its function very well and there is a good base for efficient agricultural business ventures which youth could be interested in.

## **7.1 Recommendations**

To obtain more specific information about cooperatives and their pros and cons, it would be necessary to expand our target group by the respondents, who were for example considering joining the cooperative, but in the end they did not or they left it. Our respondents were not able to provide us much information about the negatives of a cooperative.

Further research could be focused on the question whether or not they have any desire to cultivate larger areas of land and if they could be interested in buying or leasing land. Based on our findings it would helpful to create a new modern cadastre system and register land properly, which could relieve the selling and leasing processes and the farmers would not be limited by their current ownership. It could contribute to the development of the agricultural sector in rural areas.

Regarding the topic of migration a wider sample of respondents should be used, for example, the university students or group of youth in an area, to get more varied opinions and results. To stop the out-migration of youth from rural areas is important to make rural life more culturally and economically attractive. In case of continuing rural-urban migration it is possible that most of the subsistence and small-scale farms will change over to intensive agriculture. The spreading of cooperatives could possibly reduce the out-migration of vulnerable groups, because members of co-ops are equal and it runs on a democratic basis.

## 8. References

Bednaříková Z, Bavorová M, Ponkina EV. 2016. Migration motivation of agriculturally educated rural youth: The case of Russian Siberia. *Journal of Rural Studies* 45: 99-111.

Bezu S, Holden S. 2014. Are Rural Youth in Ethiopia Abandoning Agriculture?. *World Development* 64: 259-272.

Carugi C. 2016. Experiences with systematic triangulation at the Global Environment Facility. *Evaluation and Program Planning* 55: 55-66.

Chen R, Ye CH, Cai Y, Xing, X, Chen Q. 2013. The impact of rural out-migration on land use transition in China: Past, present and trend. *Land Use Policy* 40: 101-110.

Cuciureanu MS. 2015. *Agronomy Series of Scientific Research* 58: 247-252.

Dahlstrom M. 1996. Young women in a male periphery - experiences from the Scandinavian north. *Journal of Rural Studies* 12: 259-271.

ENPARD webpage. 2016. Available at <http://enpard.ge/en/>: Accessed 2016-03-10.

FAO. 2011. Message from the Food and Agriculture Organization of United nations on the occasion of the 17<sup>th</sup> International Day of Cooperatives: “Youth, the future of cooperative enterprise”. Available at <http://ica.coop/sites/default/files/2011-fao-en.pdf>: Accessed 2015-01-07.

FAO. 2014. Project: European Neighbourhood Programme for Agriculture and Rural Development: “Capacity Development of the Ministry of Agriculture of Georgia” – Review of legislation regarding agricultural cooperatives and the level of awareness of small farmers of business oriented cooperation. 57p.

FAO, IFAD. 2012. International Year of Cooperatives: Youth: the future of agricultural cooperatives. Available at <http://www.fao.org/docrep/017/ap668e/ap668e.pdf>: Accessed 2015-06-30.

FAO, IFAD, WFP. 2012. International Year of Cooperatives: Agricultural cooperatives: Agricultural cooperatives paving the way for food security and rural development. Available at <http://www.fao.org/docrep/016/ap431e/ap431e.pdf> : Accessed 2015-06-24.

GEOSTAT. 2014. Preliminary Results of 2014 General Population Census of Georgia. 4p. Available at [http://www.geostat.ge/cms/site\\_images/\\_files/english/population/According%20to%20preliminary%20results%20of%20the%202014%20population%20census%20Final.pdf](http://www.geostat.ge/cms/site_images/_files/english/population/According%20to%20preliminary%20results%20of%20the%202014%20population%20census%20Final.pdf); Accessed 2016-03-20.

GEOSTAT. 2016. Main 2015 Demographic Indicators. Available at [http://geostat.ge/cms/site\\_images/\\_files/english/population/Result2\\_2015\\_eng.pdf](http://geostat.ge/cms/site_images/_files/english/population/Result2_2015_eng.pdf); Accessed 2016-03-20.

GEOSTAT. 2016. Exports and imports of Food - data. Available at [http://geostat.ge/index.php?action=page&p\\_id=752&lang=eng](http://geostat.ge/index.php?action=page&p_id=752&lang=eng): Accessed 2016-04-11.

Glenk K, Pavliashvili, Profeta A. 2008. Preferences for rural credit systems and their impact on the implementation of credit unions in Georgia. *Journal of Rural Cooperation* 37(1): 71-86.

Hemmasi M, Prorok CV. 2002. Women's migration and quality of life in Turkey. *Geoforum* 33: 399-411.

ICA. 2007. Factsheet: Differences between Co-operatives, Corporations and Non-Profit Organisations. Available at: <http://ica.coop/sites/default/files/Factsheet%20-%20Differences%20between%20Coops%20Corps%20and%20NFPs%20-%20US%20OCDC%20-%202007.pdf>: Accessed 2015-06-20.

ILO. 2012. International Year of Cooperatives: A better future for young people – what cooperatives can offer. Available at [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---ed\\_emp\\_msu/documents/publication/wcms\\_195535.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ed_emp_msu/documents/publication/wcms_195535.pdf): Accessed 2015-07-06.

Kinkladze R. 2015. Modern Trends and Prospects to Develop the Agrarian Sector of Georgia. *Procedia – Social and Behavioral Sciences* 213: 562-568.

Koghuashvili P, Ramishvili B. 2016. The capacity of rural territories in Georgia. *Annals of Agrarian Science* 14: 11-16.

Koopmans R. 2006. Starting a cooperative. Farmer-controlled economic initiatives. Wageningen: Agrodok 38. 86p.

Labadze L, Tukhashvili M. 2013. Georgia Country Study. Available at <http://www.iza.org/files/ENPIgeorgia.pdf>; Accessed 2016-04-15.

Lerman Z, Sedik D. 2014. Agricultural Cooperatives in Eurasia. FAO Regional Office for Europe and Central Asia - Policy Studies on Rural Transition No. 2014-3. 19p.

Mikulcak F, Haider JL, Abson DJ, Newig J, Fischer J. 2015. Applying a capitals approach to understand rural development traps: A case study from post-socialist Romania. *Land Use Policy* 43: 248-258.

Millns J. 2013. Agriculture and Rural Cooperation Examples from Armenia, Georgia and Moldova. FAO Regional Office for Europe and Central - Policy Studies on Rural Transition No. 2013-2. 37p.

Ministry of Agriculture of Georgia. 2015. STRATEGY FOR AGRICULTURAL DEVELOPMENT 2015-2020. 38p.

Movsisyan S. 2013. The Role of Cooperatives in the development of Agriculture in Armenia, Asian Countries & EU (Worldwide case studies). Available at [http://www.culturaldiplomacy.org/academy/content/pdf/participant-papers/2013-09-emr/Suren\\_Movsisyan\\_-\\_The\\_Role\\_of\\_Cooperatives\\_in\\_the\\_Development\\_of\\_Agriculture\\_in\\_Armenia.pdf](http://www.culturaldiplomacy.org/academy/content/pdf/participant-papers/2013-09-emr/Suren_Movsisyan_-_The_Role_of_Cooperatives_in_the_Development_of_Agriculture_in_Armenia.pdf); Accessed 2016-04-20.

Nedanov A, Žutinic D. 2015. Cooperative organization as a factor of competitiveness and sustainability in Croatian agriculture. *Agriculture & Forestry* 61: 113-120.

Parliament of Georgia. 2013. LEPL Legislative Herald of Georgia: Law of Georgia on Agricultural Cooperatives. Available at <https://matsne.gov.ge/en/document/view/1972742>: Accessed 2015-07-05.

Rosenthal G, Eiges H. 2014. Agricultural Cooperatives in Israel. *Journal of Rural Cooperation* 42(1): 1-29.

Sajeev MV, Singha AK. 2010. Capacity Building Through KVKs: Training Needs Analysis of Farmers of Arunachal Pradesh. *Indian Research Journal of Extension Education* 10(1): 83-90.

Salukvadze J, Golubchikov O. 2015. City as a geopolitics: Tbilisi, Georgia — A globalizing metropolis in a turbulent region. *Cities* 52: 39-54.

Thissen F, Fortuijn JD, Strijker D, Haartsen T. 2010. Migration intentions of rural youth in the Westhoek, Flanders, Belgium and the Veenkolonien, The Netherlands. *Journal of Rural Studies* 26(4): 428-436.

Tchanturia N, Beridze T, Kurashvili G. 2015. Features of Development of the Human Capital in Georgia. *Procedia - Social And Behavioral Sciences* 213: 580-585.

UN. 2014. United Nations Statistics Division: Demographic Yearbook. Available at <http://unstats.un.org/unsd/demographic/products/dyb/dyb2014.htm>; Accessed 2016-04-20.

UNDP. 2014. Human development report 2014. Available at [http://hdr.undp.org/sites/default/files/2015\\_human\\_development\\_report.pdf](http://hdr.undp.org/sites/default/files/2015_human_development_report.pdf); Accessed 2016-04-12.

UNFPA. 2014. The State of World Population 2014: The power of 1.8 billion. Available at [https://www.unfpa.org/sites/default/files/pub-pdf/EN-SWOP14-Report\\_FINAL-web.pdf](https://www.unfpa.org/sites/default/files/pub-pdf/EN-SWOP14-Report_FINAL-web.pdf); Accessed 2016-04-09.

United Nations, Department of Economic and Social Affairs, Population Division 2014. World Urbanization Prospects: The 2014 Revision, custom data acquired via website. Available at <http://esa.un.org/unpd/wup/DataQuery/>; Accessed 2016-04-10.

United Nations, Department of Economic and Social Affairs, Population Division. 2015. World Urbanization Prospects: The 2014 Revision. Available at <http://esa.un.org/unpd/wup/Publications/Files/WUP2014-Report.pdf>: Accessed 2016-04-10.

WB. 2016. The World Bank: Countries: Georgia. Available at <http://www.worldbank.org/en/country/georgia>: Accessed 2016-04-08.