

Possibilities and Prospects for the Development of the Agricultural Insurance Market (The Example of Georgia)

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Abstract : The agricultural sector plays an important role in the development of Georgia's economy, it contributes to employment and food security. It faces various types of risks that may lead to heavy financial losses. Agricultural insurance is one of the means of combating agricultural risks. The paper discusses the agricultural insurance experience of those countries (European countries and the USA) that have successfully implemented the agricultural insurance program. Analysis of international cases shows that a well-designed and implemented agri-insurance system can bring significant benefits to farmers, insurance companies and the economy as a whole. In the background of all this, the Government of Georgia recognized the importance of agro-insurance and took important steps for its development. In 2014, in cooperation with insurance companies, an agro-insurance program was introduced, the purpose of which is to increase the availability of insurance for farmers and stimulate the agro-insurance market. Despite such a step forward, challenges remain such as awareness of farmers, insufficient infrastructure for data collection and risk assessment, involvement of insurance companies and other important factors. With the support of the government and stakeholders, it is possible to overcome the existing challenges and establish a strong and effective agro-insurance system. Objectives. The purpose of the research is to analyze the development trends of the agricultural insurance market, to identify the main factors affecting its growth, and to further develop recommendations for development prospects for Georgia. Methodologies. The research uses mixed methods, which combine qualitative and quantitative research techniques. The qualitative method includes the study of the literature of Georgian and foreign economists, which allows us to get acquainted with the challenges, opportunities, legislative and regulatory frameworks of agricultural insurance. Quantitative analysis involves collecting data from stakeholders and then analyzing it. The paper also uses the methods of synthesis, comparison and statistical analysis of the agricultural insurance market in Georgia, Europe and the USA. Conclusions. As the main results of the research, we can consider that the analysis of the insurance market has been made and its main functions have been identified; The essence, features and functions of agricultural insurance are analyzed; European and US agricultural insurance market is researched; The stages of formation and development of the agricultural insurance market of Georgia are studied, its importance for the agricultural sector of Georgia is determined; The role of the state for the development of agro-insurance is analyzed and development prospects are established based on the study of the current trends of the agro-insurance market of Georgia.

Keywords : agricultural insurance, agriculture, agricultural insurance program, risk

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