



Linking agriculture and rural tourism in the Greater Caucasus of Georgia – A qualitative study in the Kazbegi region

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Session A1: Links between economic development and migration

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Agenda

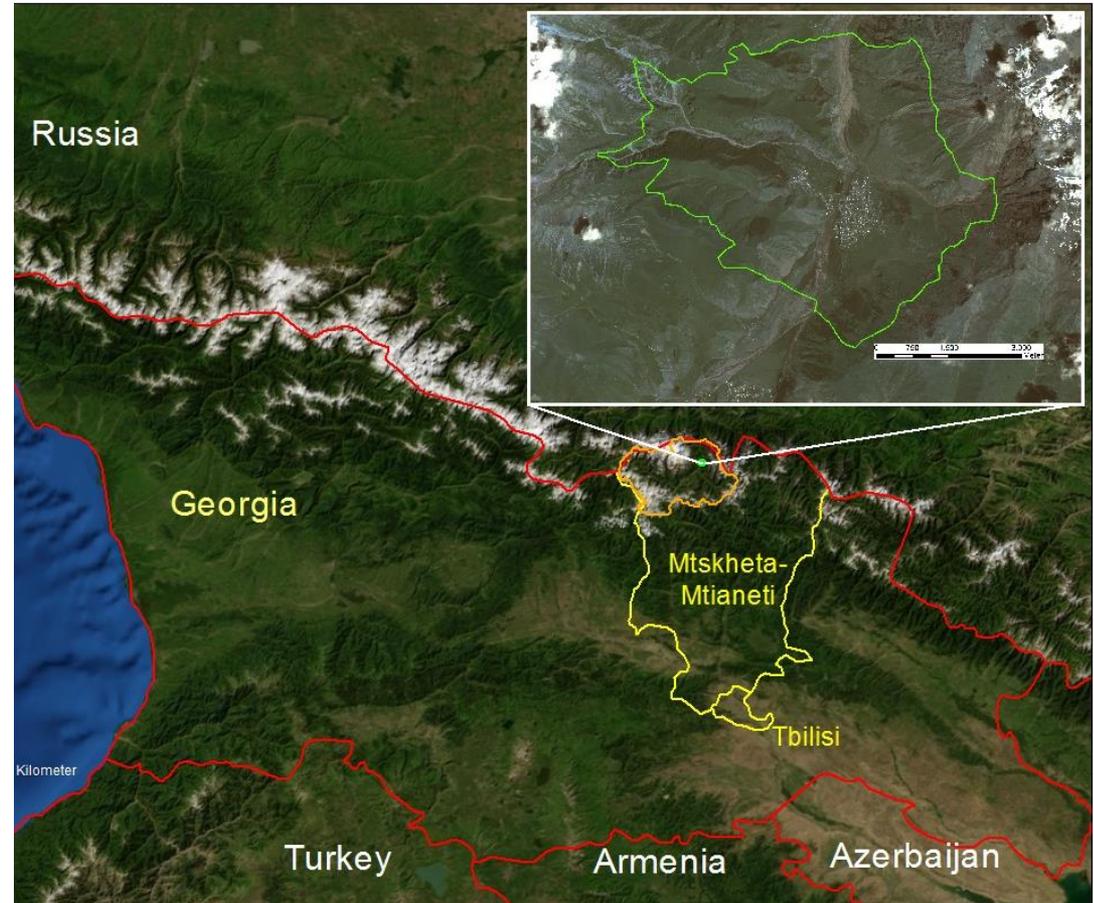
- Background of the study
 - Project and study region
 - Regional background
 - Theoretical background
- Objective and methods
- The qualitative study and preliminary results
 - Exploratory face-to-face interviews
 - Focus group discussions
 - Expert interviews
- Outlook

Project and study region

- The study is embedded in the ZEU-project „Scenario development for sustainable land use in the Greater Caucasus, Georgia”¹ (funded by VW foundation)

Different project units:

- Landscape ecology
- Soil science
- Agrobiodiversity
- **Socio-economics**
 - **Qualitative research**
 - Quantitative research



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Coordination unit D1:
Prof. Dr. Ingrid-Ute Leonhäuser;
Coordination unit D2:
Prof. Dr. Joachim Aurbacher

Regional background

- Main economic activity in the Kazbegi district: **Agriculture** (USAID 2012b, p.7)
 - Small scale income generation (PIN 2015a, p.7), 80% produce mainly for self-consumption (Heiny 2016)
 - Problems in agriculture: lack of finance, knowledge, input factors, low access to tourism service providers (food safety, quality & quantity) (PIN 2015a p.10,11)

- **Tourism** sector growth during the last years (PIN 2015b, USAID 2012a, p.6)
 - Problems in tourism: Lack of infrastructure, lack of dining facilities (PIN 2015 b, p.2,3)

- Strong **core-periphery structure** (PIN 2016, p.3,8)
 - Core (Stepantsminda/Gergeti): Tourism
 - Stepantsminda: Average monthly household income 436.47 GEL (Heiny 2016)
 - Periphery (Villages): Subsistence farming
 - Average monthly household income 237.86 GEL (Heiny 2016)

- (Seasonal) **migration** (PIN 2016, p.10; TJS 2010, p. 58)

The study is embedded in

- the broad concept of **Rural Development**
→ Focus on the development of value chains
- the concept of **Short Food Supply Chains (SFSCs)** (Marsden, Banks, Bristow 2000; Renting, Marsden, Banks 2003)
3 types of SFSCs:
 1. **Face-to-face SFSCs:** e.g. direct sales at the farm gate
 2. **Proximate SFSCs:** products are sold in the region, e.g. cooperation between producers, farm shop groups
 3. **Extended SFSCs:** e.g. export of products to national markets
- the concept of **Social Capital** (Granovetter 1985, Woolcock and Narayan 2000)

Identification of local agri-food products which are suitable for being marketed and efficient marketing mechanisms (also with regard to tourism)

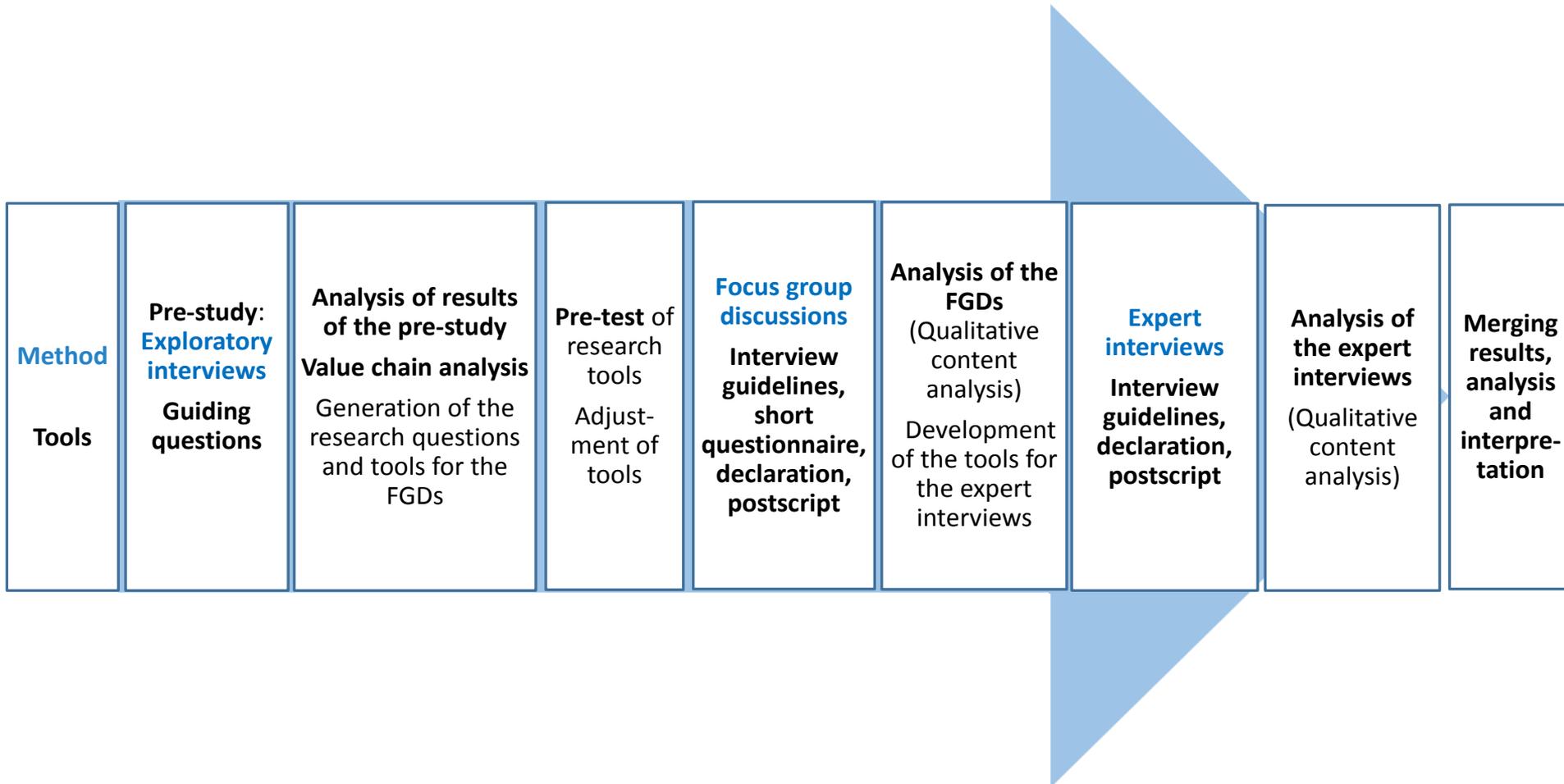


- What are the bottlenecks in agri-food value chains, in particular at the stage of delivering products to the buyers?
- How can linkages between the local agri-food sector and the tourism sector be established?
- Do cooperatives provide an opportunity for establishing efficient marketing structures of local food products?

Qualitative methods: Open approach

- Exploratory face-to-face interviews
 - Focus group discussions
 - Expert interviews
- Qualitative content analysis (Kuckartz 2014, Mayring 2010, Schreier 2012)

Objective and methods



Exploratory face-to-face interviews

→ Learn more about

- the socioeconomic situation in the region
- the demand and supply pattern of local agri-food products

→ Identify interview partners for the focus group discussions

→ Generate the research questions

• Interviewees:

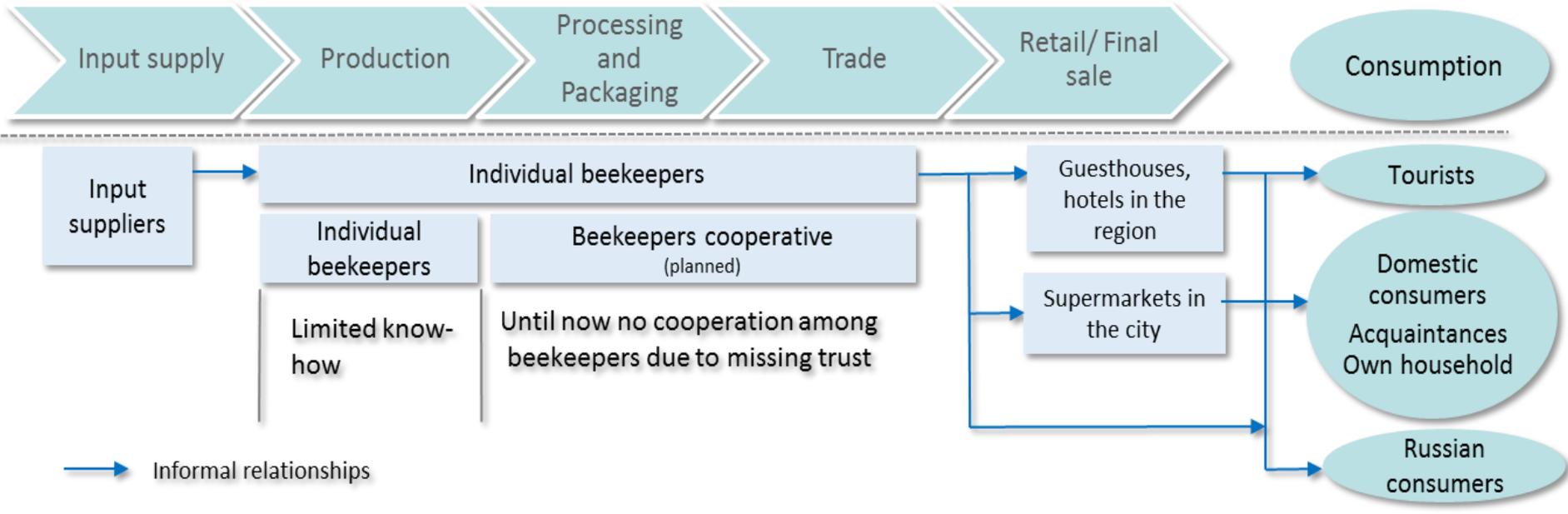
- Farmers, food-producing households – Kazbegi District (N=20)
- Retailers, tourism sector representatives, village heads – Kazbegi District (N=17)
- Experts from organizations and others – Tbilisi (N=15)



Exploratory interviews – Results

Example: The value chain of honey

- | | | | | | |
|--|--|--|---|--|---|
| <ul style="list-style-type: none"> ▪ Lack of access to input factors ▪ Equipment is often obsolete | <ul style="list-style-type: none"> ▪ No constant quantity and quality ▪ No certification | <ul style="list-style-type: none"> ▪ No branding ▪ No professional packaging | <ul style="list-style-type: none"> ▪ Unprofessional organization ▪ Limited bargaining power | <ul style="list-style-type: none"> ▪ Market links not organized ▪ Only few links to tourism sector | <ul style="list-style-type: none"> ▪ Mainly own consumption ▪ Little additional income through sale |
|--|--|--|---|--|---|



Source: Own depiction based on Springer-Heinze 2007

→ Proposals of the local population on products which are suitable for being produced locally and marketed

- 3 groups à 5-6 participants
 - Market-oriented farmers
 - Smallholder farmers
 - Local hospitality sector representatives
- Method and implementation
 - Purposive sampling
 - Interview guidelines, short questionnaire, postscript
 - Georgian moderation, assistants
- Other interviews with value chain actors (Supermarkets, bazaar, distributor, organizations)



Focus group discussions – Results

	Example
Honey	R: Honey is the most appropriate product. S: It's very good honey, of a high quality.
Berries, sea buckthorn	T: Berries, it's a very interesting topic. M: T. for instance, packaged sea buckthorn. I sold it at my facilities. It is a medicinal plant as well. It does need hoeing or other special treatment; there are plenty of sea buckthorn here and you need some time to deal with it. And he managed to do it. It's very healthy and there is a great demand for it."
Medical plants, tea	M: There are various types of tea here. It should be mown down and packaged. T: There are a lot unique medicinal plants. M: You should have knowledge. Previously here used to come botanists that were well aware of this topic. You should know how to do it and you might have such "mixed" types of tea that you might drive mad; I would conduct tea tours in Jita and Zetar. They make tea from various herbs there; it's very tasty and they know how to make it."
Dairy	R: We need special equipment to produce cottage cheese, fermented milk (Matsoni), sour cream. For example, in order to produce sour cream you need mini plants and processing material – which we do not have. We make cheese, butter, etc. from the milk products. [...] The grass is constantly of high quality because new one grows till autumn and helps the earlier one. The percentage of fat content is very high as well, accordingly, the product is of high quality.
Meat	L: [...] It would be better if it were certified by a veterinarian. This is the problem we are mainly facing in our region." Me: Primary instructions are issued by the Food Safety Agency how to slaughter cattle; it's prohibited to slaughter them in your garden. You should get them there and slaughter. It's nonsense?!

Expert interviews

- Systematizing expert interviews → **Fill information gaps** (Bogner, Littig, Menz 2014) and receive an **expert opinion on proposals of the local population**
- Purposive sampling: 10 actors of agri-food chains and the tourism sector, semi-structured interviews in English, based on interview guidelines
- Production and marketing of agricultural products – N=7 Representatives of organizations
 - Georgian Farmers Association
 - Agricultural Cooperatives Development Agency (ACDA)
 - Biological Farming Association Elkana
 - People in Need (PIN): Local action group Kazbegi, European Neighborhood Programme for Agriculture and Rural Development (ENPARD), FAO
- Consumption – N=3 Tourism and retail sector representatives
 - Rooms Hotel, Zeta Camp
 - Supermarket chain

Expert interviews – Code system/Analysis

- ● General characteristics of the agri-food chain in Kazbegi
 - ● Bottlenecks
 - ● Opportunities
 - ● Other info on the agri-food chain in Kazbegi
- ● Marketing of local agri-food products
 - ▷ ● ● Product-specific marketing-relevant info
 - ● Regional branding
 - ● Other (general) info on marketing of local agri-food products
- ● Linkages of the local agri-food sector and tourism
 - ● Sourcing of agri-food products at hotels etc.
 - ▷ ● ● Hurdles wrt linking the agri-food sector and tourism
 - ● Opportunities wrt linking the agri-food sector and tourism
 - ● Relation of the tourism and the agri-food sector
- ● Organic/local products
- ● (Unique) local agri-food products and dishes
- ● Cooperation
 - ● Pro cooperation
 - ● Contra cooperation
 - ● Relation to former Kolkhoz system
 - ● Role of trust
 - ● Other info on cooperation and cooperatives (current situation)
- ● Other relevant info

Identification of products with high potential for being marketed to the tourism sector

Development: Mix of concept and data-driven (Schreier 2012)

→ **Qualitative content analysis** (Kuckartz 2014, Mayring 2010, Schreier 2012)

Bottlenecks in agricultural value chains, in particular at the stage of delivering products to the buyers

- Agri-food value chain is not organized at all, no professional processing
- Local production does not even cover local (household) demand
- Products are often used for self-consumption → Lack of products to be marketed
- Lack of knowledge, resources, equipment, consultancy and market access
- No market place where products can be sold or bought
- Local producers do not store their products, so they all sell at the same time and thus at low prices
- No professional marketing, „even potatoes or honey, it is not even packaged“ (PIN)

Linkages between the local agri-food sector and the tourism sector

Hurdles

- Requirements of the tourism sector: Food safety standards, documentation (invoices), tax issues, constant quality and quantity of products, good visual appearance of products, if possible organic
- Not enough production output to supply tourism sector
- Low variety of products and dishes, no new recipes
- No infrastructure, lack of shops and restaurants

Opportunities

- High demand of tourism sector for regional agri-food products: Potential market
- High quality of products

Note: Both sectors are separated. Either involvement in agriculture or in tourism.

Expert interviews – First results

Local agri-food products (selection)

- Potatoes: Low output, supply gap during summer, high quality
- Vegetables: Greenhouse production is not profitable anymore, huge demand
- Lettuce: Rarely used by locals, very perishable, high quality
- Dairy: Low milk output, food safety issues, high demand for dairy products
- Cattle: No slaughterhouse, availability of grazing lands, high demand for meat
- Honey: Good conditions for beekeeping, high demand
- Herbs for tea: Various wild herbs, plants in the region, e.g. thyme, high demand of tourists

Marketing mechanisms

- Establishment of a market place
- Souvenir corner/selling of souvenirs at hotels, guesthouses
- Contract farming
- Food/farm map
- Participation of tourists in production of agri-food products
- Establishment of cafes and kiosks (at the roadside)
- Regional food tour
- Cooperative shop, farmer shop

Expert interviews – First results

Pro cooperation

- Advantages like access to inputs and markets, tax relief, consultancy etc.
- Motivation of mountain people is higher because they have to overcome more problems than farmers from lower areas (e.g. distance to markets or input supply)

Contra Cooperation

- Mentality of the local population
- Mistrust and risk of working together with a person who is not hard-working
- Lack of knowledge how a cooperative works
- Lack of business and farming skills

Relation to former Kolkhoz system

- Most people understand the difference
- But experience to get a profound understanding of the new type of cooperatives is needed

Role of trust

- Most important factor when establishing a cooperative
- Reason for family- (friend-)based cooperatives
- Trust towards the leader farmer of a cooperative is particularly important

- Complete analysis of qualitative interview-data
- First steps of triangulation with quantitative data → together with the project unit agricultural economics, focused on measuring efficiency of production alternatives (stochastic frontier model): dairy, fattening of calves, beekeeping/honey, herbal tea
- **Development of (a) marketing concept(s)** for agri-food products in Kazbegi
- Further research: Linking agriculture and rural tourism in Kazbegi – An innovative approach to prevent rural migration?

Tourism ↑ → Demand of the tourism sector for regional agricultural products ↑
→ Regional agricultural production ↑ → Marketing of local agricultural products to local tourism providers ↑ → Income of local population ↑
→ Creation of jobs in both sectors?
→ Opportunity to counteract migration from the region?



Thank you!



Annex

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- USAID (2012b): Dairy value chain assessment Stepantsminda and Dusheti Municipalities.
- Woolcock, Michael, Narayan, Deepa (2000). Social capital: Implications for Development Theory, Research, and Policy. The World Bank Research Observer. 15 (2), 225-249.

Homepages (checked on June 19, 2016)

AMIES II Project „Scenario development for sustainable land use in the Greater Caucasus, Georgia” (funded by VW foundation): www.amies-science.de

Agricultural Cooperatives Development Agency (ACDA): <http://acda.gov.ge/>

Biological Farming Association Elkana: <http://www.elkana.org.ge/>

European Neighborhood Programme for Agriculture and Rural Development (ENPARD): <http://enpard.ge/ge/>

FAO Georgia: <http://www.fao.org/georgia/en/>

Georgian Farmers Association: <http://infogfa.wix.com/gfassociation>

People in Need (PIN): Local action group Kazbegi: http://pin.ge/?page_id=142&cat_id=33

Rooms Hotel: <http://roomshotels.com/>

Zeta camp: <https://www.facebook.com/zetacamping/>

Documents

Discussion guideline focus group discussions :

Discussion guideline

Group 1: Market oriented farmers who mainly sell their products

Potential participants

1. Potato (and salad) producer from [Sno](#) ([Martia Papisashvili](#))
2. Livestock farmer from [Abkhazikhe](#)
3. Saled producers from [Sion](#)
4. Strawberry producer [Sion](#)
5. Trout producer from [Sno](#)
6. Contact persons Rati

Step 1: Introduction:

- Welcome
- Introduction of Moderator
- Introduction of assistants/other persons
- We invited you to learn more about the opportunities and hurdles to produce and sell agricultural products in [Kazbegi](#). To this end we have prepared some questions that we would like to discuss with you.
- We will use the results for our research project AMIES which is focusing on different types of land use in [Kazbegi](#). It is a collaboration of the University of Giessen in Germany and three Georgian universities.
- Administrative details, duration, breaks, food and drinks
- Before starting the discussion, we would like to know from you if it is ok for you if we film the discussion? The filmed data will only be used to write down the answers of the interviews and identify who is speaking, the videos will not be published. Furthermore, no names will be published, all results will be used without referring to a name/anonymously.
- Do you agree on this? (Declaration of the moderator/Rati)
- Guidelines/"rules" for the discussion:

1

02-08-15

- No right or wrong answers, only differing points of view
- We're recording, only one person speaking at a time
- We're on a first name basis
- You don't need to agree with others, but you must listen respectfully as others share their views
- Rules for cellular phones: We ask that your turn off your phones. If you cannot and if you must respond to a call, please do so as quietly as possible and rejoin us as quickly as you can.
- My role as moderator is only to guide the discussion, please feel free to talk to each other
- In order to have some basic background information, we would like you to fill out the following short questionnaire on your table ([short questionnaire](#))
- Please also fill in the name tag (only first name) for the other participants
- Start filming (or [audiorecording](#))! Start "official" discussion



Step 2: Warm-up:

Short introduction of the participants (first name, village, type of occupation)

Step 3: Start of discussion

1) Provision of food products

Please describe how you provide yourself with agricultural food products	
Content/Main questions	Follow up
Description of origin of agricultural food products: Where do you get your food products from?	Which products do you buy? What do you produce yourself/for your own consumption? Do you get products from neighbors and friends (barter, for free)?
Restrictions regarding the satisfaction of needs, wants and demand: Which restrictions do you face with regard to your food provision?	Which products are missing? (Seasonal shortages, not enough variety offered?) Access to markets and shops? financial restrictions?

2) Marketing of products and vertical cooperation

What are the main hurdles and opportunities of marketing regional agricultural products?	
Content/Main questions	Follow up
Description of marketing of agricultural food products: How do you currently market your products?	Which products are sold? Where? How are the products brought to the market place? Is a processor or trader involved? Which role does barter play? What is the percentage of products sold and used for own consumption?
Where do you see opportunities for better marketing your products?	In your opinion, which products have potential for marketing? What do you think about the relation of marketing agricultural products and the growing tourism sector?

2

02-08-15

What are the main problems and hurdles with regard to marketing your products?	What kind of restrictions do you face (Financial restrictions, manpower, access to land and market, absence of processing units, bargaining power of traders, seasonality, etc.)? What should be improved?
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How would you describe the cooperation/business relation with input suppliers, processors and traders?	
Content/Main questions	Follow up
Description of the business relation with input suppliers: How is the cooperation with input suppliers?	Where do input factors for the production come from? How are the relations, conditions (informal, contracts, bargaining power)?
Description of the business relation with processors: How is the cooperation with	Are there any processors involved in the value chain, in bringing your product to the market?

Interview guideline expert interviews:

Interview guideline

A) Introduction:

- Hello, thank you for your time and for this interview
- Introduction of interviewer/myself (exchange of business cards)
- Introduction of AMIES II project (Project: "AMIES II - Scenario development for sustainable land use in the Greater Caucasus, Georgia", Unit D1)
- Iliu State University, Tbilisi State University and the Agricultural University of Georgia together with Justus Liebig University Giessen and the Center for International Development and Environmental Research (ZEU). The overall objective of is to foster sustainable land use and improve socio-economic conditions of the population of the [Stepantsminda](#) Region. Project unit D1 analyzes bottlenecks in agri-food value chains and aims at identifying efficient marketing structures of local food products, also with regard to tourism. In the project unit that I am involved in, we would like to learn more about agriculture and tourism, and potential linkages of both sectors, in particular with regard to regional food. Our geographical focus is on the [Kazbegi](#) region.
- I have already conducted some explorative interviews and focus group discussions with local farmers and guesthouse owners, but now I would like to get some more detailed background information.
- As you are involved in the PIN project in [Kazbegi](#), I am sure that your knowledge will be very valuable for our project.

Before starting, I would like to know from you if it is ok for you if we record the interview? This is only for research purposes, if you prefer, no names will be published, all results will be used without referring to a name/anonymously. Do you agree on this? (Handing out the [declaration of consent](#), signature (one for the interviewee, one for the interviewer)

B) Warm-up:

Let us start with a short introduction of yourself and your occupation

- What is your professional background?
- What is your current occupation?
- What are the main objectives/activities of the project/company you currently work for?

C) Thematic Blocks

1) Agri-food chains – bottlenecks and potentials

Content/Main questions	Follow up
How does the agri-food chain in Kazbegi look like?	Input supply (finance, technical equipment...), production, processing, marketing (in general and to tourists), relations between value chain actors, market conditions (hurdles and potentials)

2) Marketing of agri-food products

What are the main hurdles and opportunities of marketing regional agricultural products?
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What are the main problems and hurdles with regard to marketing your products?	What kind of restrictions do you face (Financial restrictions, manpower, access to land and market, absence of processing units, bargaining power of traders, seasonality, etc.)? What should be improved?
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How would you describe the cooperation/business relation with input suppliers, processors and traders?

Content/Main questions	Follow up
Description of the business relation with input suppliers: How is the cooperation with input suppliers?	Where do input factors for the production come from? How are the relations, conditions (informal, contracts, bargaining power)?
Description of the business relation with processors: How is the cooperation with processors?	Are there any processors involved in the value chain, in bringing your product to the market? If yes, please describe how
Description of the business relation with traders: How is the cooperation with traders?	Is a trader involved in selling the products? How are the relations, conditions (informal, contracts, trust, dependence , bargaining power)?

3) Horizontal cooperation and trust

What is your opinion on cooperation with other producers?	
Content/Main questions	Follow up
Description of cooperation among producers: Is there any cooperation with regard to production or marketing the products? If yes, please describe	How exactly is that organized (formal, informal)? For which products? If not, why not?
Which opportunities do you see with regard to cooperation with other producers?	For which products? Would you be willing to cooperate? Under which circumstances? What is your opinion on institutionalized/organized cooperatives?
Which problems do you see with regard to cooperation with other producers?	What are the restrictions (financial, management skills, willingness, etc.)? What do you think about the importance of mutual trust with regard to cooperation between producers?

4) Ending Questions:

- "All things considered question"
 - This question asks participants to reflect on the entire discussion and then offer their positions or opinions on topics of central importance to the research.
 - Examples: "Suppose that you had one minute to talk to the governor on merit pay, the topic of today's discussion. What would you say?" or "Of all the things we discussed, what to you is the most important?"
- Summary question: After the brief oral summary the question asked is: "Is this an adequate summary?"