

THE MAIN DIRECTIONS OF THE AGRARIAN POLICY OF THE REPUBLIC OF ARTSAKH

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Introduction: Agrarian policy is an integral part of the country's economic policy. This is a set of measures taken by the government of the country aimed at increasing the growth rate of agricultural production, improving the efficiency of the organization of peasant farms, increasing the volume of agricultural products, improving the structure of acreage, meeting the domestic demand of the country for the most important types of agricultural products, increasing the competitiveness of agricultural products in domestic and foreign markets, efficient use of material, labour and financial resources in agriculture, as well as fixed assets, introduction of scientific and technical achievements and advanced technologies, etc. [Goschyan et al., 2008, 129] The importance of these events is increasing at present stage, since main guarantee of improving the welfare of our population is developed agricultural sector, which is the basis for development of the state.

Literature review. The improvement of the state regulation of agriculture in the Republic of Artsakh should be aimed at the development of the industry in the long term. Currently, according to the subsectors, the agrarian policy is developed and implemented by various government bodies: the Ministry of Agriculture of the Republic of Artsakh (agriculture, forestry, development of agro-processing and logistics systems), the Ministry of Territorial Administration and Infrastructure of the Republic of Artsakh (development of rural settlements, irrigation system), the State Cadastre of Real Estate under the Government of the Republic of Artsakh (monitoring of protection and effective use of Land Resources), Ministry of Education, Science of the Republic of Artsakh, The Ministry of Culture and Sports (scientific support and training of professional personnel), etc., which reduces the effectiveness of the development, implementation and accountability of the full policy of the industry:

Methodology. In the course of the study, various methods of analysis and comparison were used. The scientific basis of the study was the research and analysis conducted by Armenian and foreign researchers in this field. The information basis was the

laws, legal acts of the Republic of Artsakh and the Republic of Armenia, as well as information obtained from Internet sites and other sources:

Scientific novelty. The conducted research and analyses have led to a number of scientific results. The following can be considered scientific innovations:

- The consequences of the 44-day war in the Republic of Artsakh on the agricultural sector are revealed, options for their elimination and restoration are proposed.

- the existing problems in the field of agriculture are identified and the main directions and possibilities of their solution are put forward.

Analysis. In the real sector of each country, the agricultural sector has its own special place and role, which is one of the most important areas of economic development, employment and the general standard of living of the population [Hovsepyan, 2014, 56].

Based on the modern requirements for the effective use of the potential of the agricultural sector of the Republic of Artsakh and the definition of new ways and mechanisms to solve existing problems, as well as the coordination of the processes of introduction of the latest technologies and advanced methods of agricultural production used in international practice, a concept for the development of agriculture has been developed in Artsakh, approved by the Decree of the Government of the Republic of Artsakh No. 76, dated February 7, 2018, providing the concept of food safety. The analysis of the above documents has led to some considerations that should be taken into account:

- a) the Ministry of Agriculture presents a large number of priorities, for the implementation of which, however, there is no funding;
- b) there are no actions aimed at attracting investments.

Agriculture plays an important role and contributes to the development and stabilization of the economy of Artsakh.

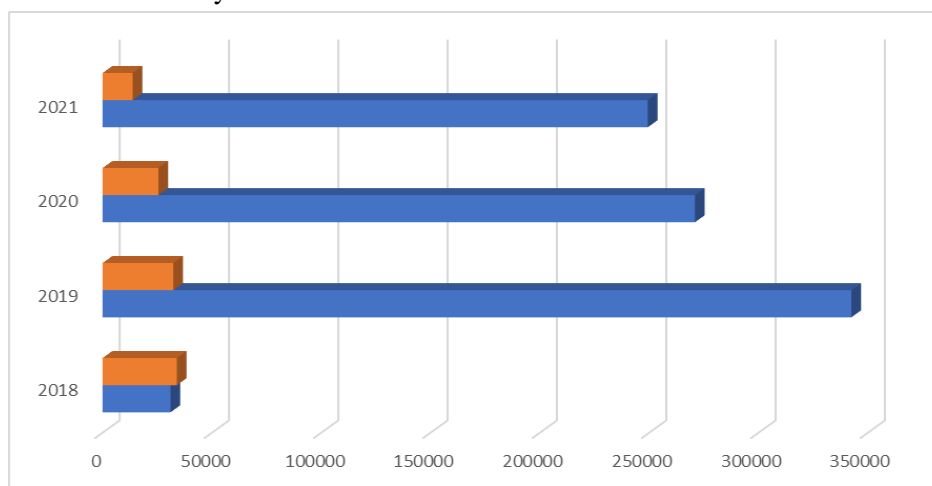


Figure 1. The share of agriculture in the structure of GDP

Share of agriculture in 2018-2021 In the structure of the GDP of the Republic of Artsakh, it was periodically reduced, amounting to more than 11% of the gross domestic product of the country in 2018, and in 2021 - about 5.5% in the post-war period¹.

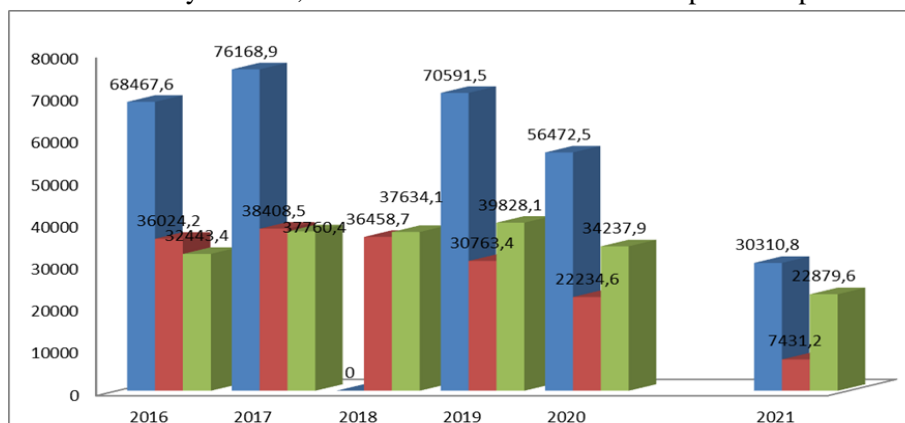


Figure 2. Gross agricultural output by industry / at actual prices, million AMD/

From the data shown in Figure 2, it can be seen that in comparison with 2020, in 2021, gross agricultural output amounted to 56472.5 million drams, having decreased by 46% compared to last year, due to the latest military actions. In 2021, the gross product of crop production amounted to 7431.2 million drams, and livestock production - 22879.6 million drams. Compared with similar indicators in 2020, which in crop production amounted to 22234.6 million drams, and in animal husbandry -34237.9 million drams, in crop production decreased by 66%, and in animal husbandry -by 34. The losses in post-war Artsakh are quite serious and in themselves indicate their negative impact on the economy. In particular, if in the past Artsakh exceeded the pre-set threshold in terms of grain production per inhabitant by exporting part of the harvest to the Republic of Armenia, now export is not provided. All the existing potential in the near future will be directed to meeting the needs of the local population.[4, www.minagro.nkr.am]

Proper and competent management of this resource will allow us to fully ensure the food security of the people of Artsakh over time. According to preliminary estimates, about 20% of orchards, irrigation water supplies, livestock, pastures and agricultural machinery have been lost. The losses are quite large in the horticultural industry. Of the 7,000 hectares of perennial plantations available in Artsakh before the war was about 2,500 hectares of orchards, including 500 hectares of newly planted pomegranate orchards, 900 hectares of vineyards, 650 hectares of mulberry orchards, 450 hectares of nut, stone, walnut orchards. Significant losses were particularly in terms of orchard yields.

¹ www.stat-nkr.am

As a result of the war, the number of livestock in Artsakh decreased by more than 50%.

Based on the consequences of the war in the Republic of Artsakh, it became necessary to revise the policy pursued in the field of agriculture, bringing it into line with current realities, to clarify the main directions and means of implementation, in particular, the conditions, mechanisms and tools for providing state support to peasant farms. Thus, the development of agriculture constantly needs state support, therefore, from year to year, the Government of the Republic of Artsakh makes serious investments in order to develop agriculture, and a number of targeted programs are being implemented.

2020 the Rural Agricultural Support Fund (RFAS) of the Republic of Artsakh continued to implement measures to implement the policy arising from the strategic program for the development of agriculture of the Republic of Artsakh, and their assistance, in particular

- Agricultural development assistance programs,
- Programs to promote the development of animal husbandry
- Programs to promote the development of infrastructures for the procurement, storage, processing and sale of agricultural products
- Other applications [5, www.minagro.nkr.am]

Through the application in agriculture as a priority target policy of assistance to land users under separate programs, the full use of the existing potential can increase the stability of the agro-food system in the republic. In 2019-2021 the support provided by the fund for programs is as follows:

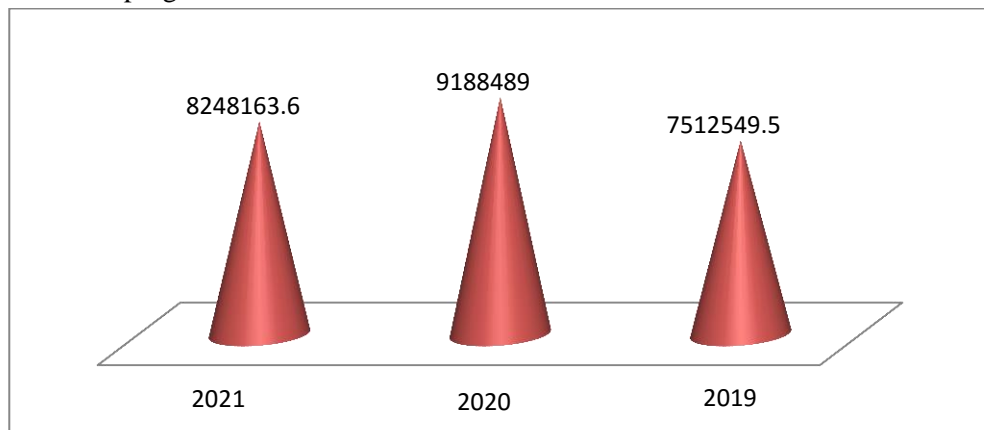


Figure 3. Support provided by the Rural Agriculture Support Fund of the Artsakh Republic in 2019-2021 (thousand drams)

Figure 3 shows that the main part of the agricultural development assistance programs is the farming development support programs which include.

- support program aimed at stimulating greenhouse farming,
- program of assistance in stimulating the production of grain crops (winter crops),
- a program to promote the development of spring crops, a program to promote the development of horticulture,
- a program to promote the stimulation of the production of vegetable crops.
- a program to facilitate the implementation of works on the installation of a drip irrigation system.

Livestock development programs is including:

- cattle development support program
- small cattle development assistance program
- poultry Industry development assistance program
- pig breeding promotion program
- program to promote the development of beekeeping
- fish farming promotion program
- chinchilla breeding promotion program

In 2020 the support provided by the fund increased by 22.3% as compared to the previous year, and in 2021 it amounted to 8248163.6 thousand AMD, which is 10% less than the previous year (Figure 3).

The above-mentioned support programs are implemented in the form of loans, gratuitous assistance, direct purchase and sale, partial subsidization of the cost, partial subsidization of interest rates on loans provided by commercial banks.

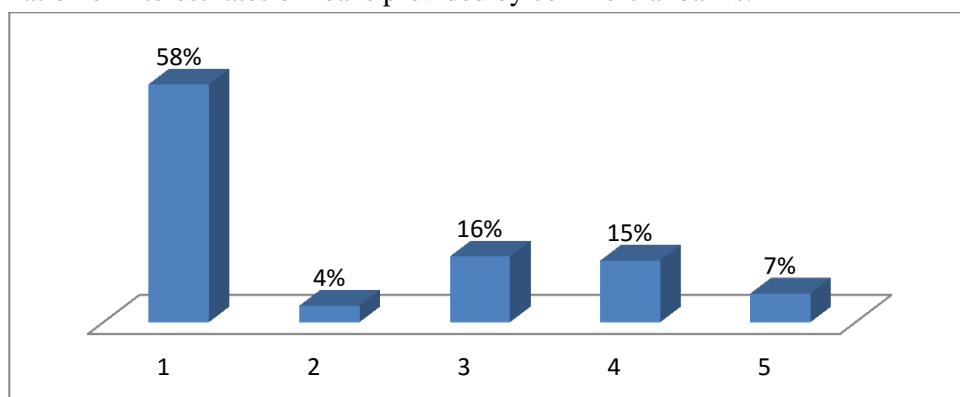


Figure 4. Support structure for agricultural development in Artsakh Republic, 2021

In 2021 the majority of the support structure provided by the Fund was in the form of loans, gratuitous assistance and direct sales, which accounted for 58% of the total support, 16% of gratuitous assistance, and 15% of direct sales (Figure 4).

Conclusions. Thus, taking into account the peculiarities of the agrarian sphere, the situation in agriculture, the scale and relevance of the problems, the priority of the country's food security and rural development, active state assistance to agriculture is emphasized. Basically, it should be aimed at forming a legal framework in the agricultural sector, providing favourable conditions for business entities in agriculture, efficient use of resource potential, attracting foreign investment, developing agricultural infrastructures, increasing the availability of basic resources used in agriculture, stimulating export-oriented production, the introduction of modern technologies, the development of professional consultations and food safety systems.

As a result of the implementation of an effective agrarian policy, it will only be possible to outline the main priorities in the field and achieve the desired result.

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The main directions of the agrarian policy of the Republic of Artsakh

Key words: agricultural sector, intensive agriculture, agro-food system, gross agricultural output, food security, state support

The policy pursued by the Government in the agricultural sector of the Republic of Artsakh is aimed at improving the efficiency of agriculture and its service structures, the sphere of sale and processing of agricultural products and, on this basis, stabilizing the agro-food sector, organizing further development and expansion of reproduction, increasing labour productivity, increasing real incomes of peasant farms, creating favourable conditions for economic entities in agriculture, increasing the level of self-sufficiency and food security of basic foodstuffs. The development of agriculture in the Republic of Artsakh can be through the development of science, stimulating local and foreign investments and the introduction of the latest technologies.