



BLOG SERIES

COVID19 Impact in Georgia Challenges And Opportunities

Disclaimer

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A Georgian Woman's Burden: How Pandemic Affected Distribution of Household Work Between Men and Women, And Why It Matters.

By Yasya Babych, Giorgi Mzhavanadze and Davit Keshelava

The COVID-19 pandemic has changed our lives and perceptions in many important ways: the value we put on face-to-face interactions, the importance of personal space, communication with loved ones, and much more. Some of these perceptions and social changes may actually outlive the pandemic. During the prolonged lockdown periods many people were suddenly confronted with the "hidden" side of their economic lives – the realities of unpaid care work. Unpaid care is something that people do daily to maintain their own and their family's well-being: cooking, cleaning, shopping, paying bills, assisting and caring for elderly and children. Since people do these tasks for free for their household members, the value of such work does not get reflected in the GDP (hence, the "hidden" economic life). Have you ever considered how much of our working day is consumed by such activities? And – more importantly – who does this work in your family?

UNPAID HOUSEHOLD WORK DISTRIBUTION BETWEEN MEN AND WOMEN BEFORE COVID-19

The latest time-use surveys performed in different countries tell the following story: worldwide, more than three fourths, or 76.4% of unpaid care work is done by women, while 23.6% is done by men. In developed countries, women's share in unpaid work is lower, at 65% (34.5% for men), while in emerging economies, 80.2% of unpaid care is done by women. One can see that even in developed countries women account for more than two thirds of the unpaid household work. There is currently no country in the world where this burden does not disproportionately fall on women.

What does this actually imply for women? Because of taking on these unpaid care responsibilities:

1) Women get less free time (time for leisure of self-education than men)

According to a 2018 time-use data from the UK, men enjoyed 5 hours more of leisure time per week

than women. A **Pew Research study** found, on average, a similar 4.7 hour gap in leisure time based on the US data.



Source: GeoStat Labour Force Survey, 2019 and authors' calculations

2) Women more often than men need to work part time instead of full time because of household responsibilities. They are also more likely to not work due to these responsibilities. Georgia's 2019 labor force survey provides some insights. According to Georgian data, 22% of women report housekeeping, childcare and elderly care responsibilities are listed as reason for part-time employment. In the same time only 1.4% of men report the same reason. Childcare or elderly/disabled care is listed as a reason for not being able to start work by 58% of respondent women, while the same was true only for 5% of men.

3) In addition, women get paid less even if they do engage in full-time and/or high responsibility work. In Europe, the "raw" gender pay gap (unadjusted for education and other characteristics) is around 15%, while in Georgia the corresponding gap is 17.7%. Adjusting for qualifications, personal characteristics and for selectivity bias (the fact that better educated women are the ones who tend to enter the labor market), there remains the "unexplained" portion of the wage gap between men and women 12% - this is the effect of discrimination or unobserved characteristics on the labour market. For Europe, the unexplained part of gender pay gap is estimated to be roughly similar, at 11.5%.

WHY IS THIS A PROBLEM FOR THE SOCIETY AS A WHOLE?

The three points mention above imply that unequal work distribution is not just unfair to women – it is also bad for the rest of the society - men, children, families as a whole.

First, perception of unequal household work allocation is associated with lower relationship satisfaction, depression and divorce (based on data from Sweden, US). Moreover, it is found that inequity in the distribution, rather than the amount of work causes greater psychological distress. Second, from the economic point of view "assigning" comparative advantage in household tasks based on gender alone creates significant economic inefficiencies in the society. Simply put, if a woman's abilities are best suited for the labour market, but she is nevertheless forced (by social assignment) to devote significant portion of her time to household work, the society's overall welfare will be lower. Last but not least, lower labour market participation for women and wage discrimination on the labour market means that women (especially single mothers or widows) are more likely to fall into poverty and stay poor, thus creating a vicious cycle of poverty and inequality for themselves, their

families and children (for example, an **ILO report** indicates that 70% of working poor in the world are women). Other economic and social problems created by gender inequality are discussed in more detail below.

DO WOMEN HAVE A "NATURAL" COMPARATIVE ADVANTAGE IN HOUSEHOLD WORK?

Some people might (and do) argue that a woman is "naturally" more attached to family and children that she is happier caring for family members than earning money. Due to these preferences (or sometimes due to educational choices), the argument goes, women either do not work, or take on lower paid jobs, and thus let men specialize in earning a living for the family. If one simply asks women to evaluate the claims above, a different picture often emerges. In particular, surveys show a strong support, globally, for more gender equality. In the US, both women and men state that they "prefer and expect to equally share paid and unpaid labor". Moreover, according to one of the US surveys, 80 percent of children who had a work-committed mother see this as the best option, while slightly more than half of those with stay-at-home mothers see it as the best option.

In Georgia the attitudes toward "natural" home care roles for women are divided: according to CRRC survey 44% agree with a statement that taking care of home and family makes women as satisfied as having a paid job. While 47% disagree with this statement.

One has to keep in mind that these attitudes and choices are very often not independent of gender norms, and how a woman's role is perceived in the society. Inequalities are often conditioned in early childhood. The skills we are taught as children often translate into our "comparative advantage" in the adulthood. For example, according to CRRC survey in Azerbaijan, around 96% percent of women were taught in childhood how to cook, clean the house or do laundry, while only 35% of men were taught how to cook and clean. In Georgia, close to 90% of women reported being taught how to cook clean and do laundry, while less than 30% of men on average reported being taught these skills.

The attitudes towards' female education and woman's aptitude or right to work can determine the kind of jobs women can access as adults, and consequently influence the "comparative advantage" for household work. According to Human Development Report 2020 data, in Georgia 18% of people exhibit educational bias (completely or somewhat agree with the statement that a university degree is more important for a boy), while around the world, this share is 26%. In the same time, 67% of people in Georgia exhibit economic bias (agreeing with the statements that men make better business executives or that men should have more right to a job than a woman). Around the world the share of people with this kind of bias is 57%.

Beyond a simple observation that women may not be "naturally" predisposed to domestic work, or are somehow inherently better at doing it, there are other considerations that make inequality in the distribution of unpaid work unfair to women and bad for the society as a whole.

"SPECIALIZED" HOUSEHOLDS: WHY DO THEY CREATE PROBLEMS FOR WOMEN?

So, why is it unfair if men and women "specialize" in paid or unpaid type of work for the family? One of the simple answers has to do with a balance of economic power within families. The paid work is, undoubtedly, much more flexible than unpaid one. Employees may choose to switch the company if compensation or working conditions are not satisfactory for them. This is not true for unpaid household work. A housewife effectively signs up for a lifetime job. Once she is in it, she has much less power to negotiate or re-negotiate the terms of her "employment" and/or "switch jobs". This is why women in many countries often find themselves vulnerable – having less say over the decision of the household, less influence over important decisions, including financial ones, less ability to be financially independent from their husbands, and less protected against domestic violence. Even

women who work are paid less, and by earning less, receive smaller pension benefits than men. As already mentioned above, this makes single women, especially widows, single mothers more socially and economically vulnerable, facing higher poverty rates than men in similar circumstances.

HOW DID COVID-19 CHANGE THE GENDER BALANCE IN UNPAID DOMESTIC WORK AROUND THE WORLD?

The COVID-19 health crisis had a negative impact on unpaid care work. This was due mainly to reduced access to formal care services. Based on the experience of USA, UK and Germany, much of the additional workload during the lockdown period had fallen on women. Temporary closure of schools and emergence of online teaching generated a new domestic task for many families – home-schooling. This new task tends to be mostly mother's responsibility, and increases the burden of the unpaid care work for women Hence, working mothers spend less time on paid work and devote more time to domestic work, even if working mothers earn higher income. Unpaid domestic work burden also increased more drastically for low-income households with more dependents.

On the positive side, flexible workload and/or working from home due to COVID-19 pandemic gave fathers an opportunity to spend more time on domestic work. Evidence from Spain suggest that father became slightly more actively involved in household tasks, such as grocery shopping. Fathers in the UK also increased their participation in childcare – i.e. gender gap in childcare decreased from 31% to 27% in the country.

And a **nation-wide survey conducted in Turkey** showed that in couple households, men's domestic work time increased almost five-fold. The increase was highest for men who switched to working from home during the lockdown. These findings suggest that more flexible work arrangements for men can actually have a positive effect on the redistribution of household tasks.

Overall, there is so far mixed evidence of the impact of COVID-19 pandemic on gender distribution of unpaid care work. At least in the short run, as reported in a study by Esuna Dugarova (2020), the positive shift in domestic work gender balance was observed in families where: (1) a man lost his job due to the lockdown, (2) a man was working from home, or had flexible work arrangements etc. and (3) a woman was working in healthcare of other essential services during the lockdown.

HOW DID COVID-19 CHANGE THE GENDER BALANCE IN GEORGIA?

According to the UN Women survey, COVID-19 increased the burden of unpaid care work for both sexes, but more so for women. Higher percentage of women reported spending more time on cleaning (35% of women and 24% of men), cooking (31% of women and 25% of men), caring for children (61% of women vs. 44% of men). But overall, both men and women reported spending more time on at least one of the unpaid domestic work tasks (57% of women and 61% of men). Domestic workload particularly increased for households with children, most likely due to school closure. The survey, unfortunately, could not measure by how much the time spent on unpaid care work increased for men vs. women.

Yet, it is telling, perhaps, that 31% of women report a decrease in their leisure time, while only 23% of men did. A higher percentage of men than women increased their leisure time during the lockdown (30% of men vs. 21% if women). In the same time, there were no significant gender differences when it came to the number of paid hours worked (for salaried employees). These findings may suggest that the "double burden" was more likely experienced by women than men - women spent more time than men on unpaid and paid work combined.\Policy recommendations going forward: ways to reduce gender care gap during COVID and beyond.

To minimize the impact of COVID-19 on increased care burden of women, policy makers may consider implementing **support measures** which focus on rewarding unpaid work. These measures could be:

- Wage-replacement subsidies to employees who are unable to work or work reduced hours **due to caring for children** while schools and kindergartens are temporarily closed during the pandemic;
- Introduction of additional cash transfer schemes to employees who **left their jobs to provide unpaid care work** due to the pandemic;
- Providing **care support for children of essential workers** and funding the services related to the provision of care for the elderly and persons with disabilities;
- Expanding access to paid family leave and paid sick leave.

Considering the high share of self-employment in Georgia, **special efforts should be made to identify workers in informal sector** who were forced to leave their jobs due to higher family responsibility burden during the pandemic.

However, what we listed above are only short-term measures aiming to reward increased amount of unpaid work during the pandemic. In order to address the roots of problem associated with unpaid work in the long-term, a policy study by McKinsey Global Institute suggest that policy interventions should ensure recognition of unpaid work, reducing its amount and redistributing it between men and women.

In the Georgian context, the possible instruments could include the following:

- Establishing of professionalized childcare industry with public-financing support. It will enable many women to work and, in addition, create (paid care work) employment opportunities for many others; This is, for example, implemented in Sweden, when families can receive substantial subsidies for using private childcare services.
- Designing tax policies that encourage both spouses to work ("marriage bonuses", "couples' bonuses" for tax purposes). This provision, however, should be done in combination with others to avoid placing the "double burden" of work on women.
- Investing in family-friendly policies which promote work-life balance for both men and women. This can be achieved through adjustments to maternity and parental leave legislation in Georgia. While Georgian legislation mostly covers the topics of maternity and parental leave, breastfeeding, non-discrimination and health protection in the workplace, it falls behind the ILO standards and EU directives in some provisions. Specifically:

o Maternity benefits for private sector employees are insufficient to support themselves and the child for the duration of the maternity leave – calculated per month, existing compensation barely equals to subsistence minimum of average consumer. By increasing maternity benefits, policy makers not only will address the problem of inadequate compensation for employed women, but increase the likelihood of women's labour force participation.

o Fathers do not have any financial incentives to take up parental leave, while paternity leave does not exist at all. Introduction of paid parental and paternity leave for fathers, will encourage male participation in child-care duties and may lead to the long-term change in gender norms, whereby men and women will be perceived as equally responsible for the care of the child. It will positively affect the division of paid employment and unpaid care and housework.

In addition, the time of pandemic could be used as an opportunity to rethink/change social norms and gender stereotypes to support more equal distribution of the burden of unpaid work between men and

women in the future. During the lockdowns and curfews many fathers take more child care and homeschooling responsibilities resulting in higher attachment to the children and experience of caring for children for longer periods. Also, as many boys are at home during pandemic, parents have a good opportunity to teach boys about essential care tasks.



COVID-19 – A Threat but Also an Opportunity for More Decisive Actions Against Climate Change

By Mariam Tsulukidze

Covid-19 has exposed many countries to severe healthcare and economic crises, which have disproportionally adversely affected the most vulnerable and low-income parts of society. The current pandemic crisis, however, has also brought some interesting opportunities to light.

For example, it has shown that relatively quick change is possible, as the unfolding of the COVID pandemic led to significant changes in working practices and individual behaviors, leading to dramatic reductions in greenhouse emissions around the world. Building on these experiences, adopting a scientific approach and careful planning, it should be possible to develop more efficient measures to adapt to and mitigate climate change.

The <u>financial assistance</u> and <u>debt service relief</u> that developing countries have been receiving from the developed world to help them provide economic stimuli to their economies also constitutes an interesting opportunity to accelerate in pursuit of a sustainable development path, if these countries choose to invest these resources to boost the economy and support climate change action at the same time. It is especially important to keep this balance since the predicted temperature rise as a result of accumulated greenhouse gasses from amplified economic activities will negatively affect the sectors¹ which primarily employ the poorest part of the world population. Consequently, further impoverishment of these communities will prevent achieving at least one of the United Nations' (UN) Sustainable Development Goals (SDGs): no poverty in the world.

WHAT ABOUT GEORGIA?

Despite its initial success in containing the spread of the pandemic, Georgia is not an exception.

¹ Agriculture and forestry.

Rising <u>infection and death rates</u> and increasing <u>unemployment</u>² and <u>poverty rates</u>³, forced the Georgian authorities to direct their financial and human resources to life-saving sectors, such as healthcare and social assistance. Simultaneously, companies in the most affected sectors (tourism and services), have been given tax benefits and extensions of loan terms. Given the increased pressure on the government budget, financial resources that could be used for climate change mitigation and adaptation activities are now more limited and climate change risks occupy a much smaller space on the government agenda⁴, despite the country's international commitments remaining unchanged.

On the mitigation side, the country has to comply with its commitments to reduce long-term greenhouse gas emissions. In 2020, Georgia published an <u>updated nationally determined contribution</u> (NDC) to UNFCCC⁵, where the country once more took on an obligation to reduce its greenhouse gas emissions by 35% compared to the 1990 level⁶ and achieve sector-specific targets for energy, agriculture and LULUCF⁷ sectors. On the adaptation side, Georgia has already taken the responsibility in the <u>third national communication document to UNFCCC</u> to elaborate a 2020-2050 strategy which considers the development of National Adaptation Programs of Action (NAPA) and sector-specific adaptation strategies in the agriculture, health, and tourism sectors. Even though the <u>adaptation plan was already elaborated for the agriculture sector in 2017</u>, the actions defined in the document have not been fully implemented.

In Georgia the pandemic has strongly affected the energy sector, especially fuel <u>combustion activities</u>, <u>which contribute 81% of total energy emissions</u>. In particular, the immediate impact of the pandemic was a sharp cut in emissions from the energy industry, transport, and the commercial sector due to reduced economic activities, restricted mobility as a result of home officing, and declined air flights. Despite the apparent short-run positive impacts of the pandemic on climate change mitigation, the long-term implications remain unpredictable. It is likely that <u>soon after the introduction of effective vaccines against the virus</u>, partially revived air and road transport mobility due to the gradual opening of the tourism sector and reduction in home officing will lead to a gradual increase in greenhouse gas emissions in the atmosphere.

The effect of the pandemic on greenhouse gas emissions from agriculture and LULUCF in Georgia also remain uncertain, both in the short and the long term. Since, according to <u>GeoStat data</u>, during the Covid-19 period, there was first an increase (in the second quarter of the year) and then a decrease (in the third quarter of the year) in the ownership of cattle and livestock, the short-term net emission levels derived from enteric fermentation in the animals' bodies cannot be clearly measured. At a more general level, <u>as the planned state budget for 2020 and the projected budget for 2021</u> consider increased expenditures for the agriculture sector as well for the conservation of biodiversity, the net greenhouse gas contribution of agriculture and LULUCF is hard to define. The potential post-crisis expansion of economic activities in agriculture and the increased resources towards conservation will impact emissions derived from agricultural processes⁸ as well as LULUCF-driven carbon removals⁹, with an uncertain net effect.

⁵ United Nations Framework Convention on Climate Change.

² In the first and second quarter of 2020, unemployment was persistently increasing in urban areas compared to the previous periods, while in rural areas the first quarter represented a negative trend while in the second quarter there was a slight recovery in the employment indicator.

³ The number of social assistance beneficiaries in September 2020 was the historic maximum for Georgia over 7 years.

⁴ Even though the state budget consists of resources for environmental protection, is does not indicate separate resources particularly devoted to either climate change mitigation or adaptation measures.

⁶ 30,000 CO2 equivalent Gg.

⁷ Land use, Land-Use Change, and Forestry.

⁸ Enteric fermentation, manure management, agricultural soils and field burning of agricultural residues.

⁹ Forest, crop and grass land management.

While the pandemic crisis has adversely affected the demand structure of the agricultural sector¹⁰ and accessibility to agricultural inputs, reducing farmers' incomes and the potential for sustainable agriculture development, the <u>anti-pandemic crisis plan introduced by the government</u> has already included agro-industrial assistance to counteract these effects, including some climate change mitigation measures. Nevertheless, the proactive incentive schemes directed towards the popularization of climate-smart agriculture practices, including sustainable crop, grazing, and livestock management, still necessitate additional attention in order to mitigate the impacts of the agriculture sector on climate change.

Georgia also needs to continue planning adaptation measures in the agriculture, health, and tourism sectors. If the 2°C global temperature increase limit is not achieved by 2030, Georgia as other countries is likely to be hit by adverse weather changes and natural disasters, which can threaten the lives of people and their economic security. In this case, the country will face the problem of food security stemming from the vulnerability of the agriculture sector, as desertification can eliminate opportunities for agricultural production inside and outside the country. Furthermore, drastic climate changes can be expected to put vulnerable people (low-skilled workers and the poor) employed in the local agriculture sector in extremely severe financial and economic conditions. Moreover, the healthcare sector might face another wave of zoonotic diseases, as a result of massive forest fires and corresponding changes in wildlife habitats. Besides, the increase in air temperature, activation of heat waves and decrease of precipitation might lead to an increased incidence of cardiovascular diseases. Finally, the tourism sector can potentially be hit again by unexpected events such as unfavorable temperature changes, with dramatic effects on businesses and individuals employed in the sector. Even though the adaptation strategy of the agriculture sector has been elaborated and climate change documents have been created for some regions, the health and tourism sectors still necessitate proactive planning for climate change resilience building, even though the businesses in these sectors adopt some adaptation measures in uncoordinated ways.

Given the ambiguous and undecided future of the national climate agenda in the aftermath of the current economic and health crisis, and the expected drastic consequences of climate change on the most vulnerable communities, sectors, and on society as a whole, there is clearly room (and need) for proactive policy decisions, both in the direction of mitigation and adaptation. In this process, the government, non-governmental organizations, and local communities could play a crucial role.

Specifically, the government could incorporate the following adaptation and mitigation measures in the sector-specific anti-crisis plans developed so far:

- Introduce policies incentivizing a quick transition to cleaner energy technologies;
- Introduce incentive schemes for the use of more energy-efficient material in the construction sector;
- Stimulate industry and manufacturing sectors via tax benefits to implement new technologies for more environmentally friendly production processes;
- Encourage and subsidize sustainable eco-friendly regional tourism development;
- Popularize public transport, support sustainable urban planning, and encourage development of suburbs and small cities;
- Subsidize the healthcare sector to develop and/or adopt effective treatments against climate change-driven diseases;
- Introduce state programs supporting the employment of climate smart agricultural practices like technologies for dry-land management and production, arranging drainage canals for

¹⁰ According to the Georgian Farmers Association, 60% of surveyed farmers could not sell their products because the HoReCa (food service and hotel industries) sector is closed.

redundant waters, rehabilitating pastures and taking other sustainable agrotechnical measures.

Simultaneously, different non-governmental organizations and local communities could be actively involved in the following mitigation and adaptation activities:

- Increase media coverage of climate change related issues and raise awareness in local communities around the severity of long-term consequences of the climate crisis;
- Increase awareness of farmers via an online platform or regional workshops to employ climate-smart practices and technologies in agriculture production and forestry (sustainable land use and management);
- Train the low-skilled and poor farmers and workers¹¹ in agriculture and LULUCF in resilience activities to grow climate-resilient trees, irrigate the arable lands more efficiently, arrange windbreak belts to decrease erosion, develop small-scale irrigation systems, plant droughtresistant crops and vegetables, and improve living conditions for pasture watering in the period of droughts;
- Cooperate with the government and the authorities to envisage the inclusion of marginalized and disadvantaged groups of society¹² in all strategically important policy plans, to create climate-resilient communities and avoid the impoverishment of individuals employed in climate susceptible sectors like agriculture;
- Support the economic empowerment of women in rural areas, and their participation in sustainable agriculture production and in the adoption of climate-smart agriculture practices, helping them to apply for the state program Enterprise Georgia which offers preferential conditions for female entrepreneurs.

To summarize, the Georgian government now has the opportunity to adopt a forward-looking approach, directing the resources accrued from international donors and banks to tackle the COVID-related economic crisis to the sectors in need, with a strong focus on sustainability and on the mitigation of potentially irreversible adverse consequences of the upcoming climate crisis. For this purpose, the government should target both the key sectors contributing to climate change and the sectors that are the most susceptible to it. The active involvement and participation of green non-governmental organizations and local communities in this process is of the highest importance to improve the effectiveness of policy enforcement and the achievement of the SDGs.

¹¹ It is worth noting that by 2019 more than 38% of the labor force was employed in the agriculture, forestry, and fishing sector, whereas the contribution of the sector to the total gross domestic product remained at a low 7.4%. This fact indicates that the-low skilled and poor members of society are mostly employed in the sector. The income generated in the sector remains very low over years, while it is always distributed over a large number of agriculture workers. Consequently, climate=driven productivity decreases in the sector might cause impoverishment of those people who suffer the most. ¹² The low-skilled workers and the poor.



COVID-19 and Food Safety in Georgia

By Salome Deisadze

"Food safety risks cannot be entirely eliminated but must be managed along the entire food chain, from farm to table. Reducing food safety risks requires collaboration across sectors, stakeholders and national borders" Dr Hans Henri P. Kluge, WHO Regional Director for Europe.

It has been almost a year since the world started struggling with the challenges of the COVID-19 pandemic. Countries follow the recommendations and precautions provided by the World Health Organization (WHO) in order to prevent the spread of the virus. While various businesses, schools, and other educational institutions have switched to remote work, unlike other enterprises, food production and delivery cannot be operated from the home. Consequently, during a pandemic, providing safe food to consumers as well as ensuring employee health are the biggest challenges faced by Food Business Operators (FBOs) (FAO, 2020).

THE ROLE OF FBOS IN ENSURING FOOD SAFETY IN THE EU

In broad terms, Food Business Operators are *"undertaking, whether private or public, for profit or not, carrying out any of the activities related to any stage of manufacture, processing, packaging, storage, transportation, distribution of food, imports and including food services, sale of food or food ingredients"* (Dudeja, P. & Singh, A., 2017). Thus, the foremost responsibility of FBOs is to ensure compliance with food laws, in particular the safety of food (European Commission, 2020).

The European Commission defines the key obligations of FBOs as follows:

- Safety FBOs should not place unsafe food or feed on the market;
- Responsibility FBOs have a responsibility for the safety of the food and feed which they produce, transport, store, or sell;
- Traceability FBOs should be able to identify and trace any supplier;

- Transparency FBOs should immediately notify the relevant authorities if they have a reason to believe that their food or feed is unsafe;
- Emergency FBOs are obliged to withdraw or recall food or feed in the case of an incident;
- Prevention FBOs should identify and regularly review the critical points in their processes and ensure that appropriate measures are taken at these points;
- Co-operation FBOs should co-operate with the competent authorities to take action and reduce or eliminate risks related to food safety.

To support these principles, the competent authorities within EU countries must ensure an adequate and effective control system. EU legislation is based on the principle that prevention is better than cure and aims to prevent outbreaks of food-borne diseases through establishing comprehensive standards relating to good hygiene, adequate labelling, own-controls, official controls, etc. The management and crisis preparedness associated with food and feed safety is intended to eliminate or minimize the economic and health effects of possible crises. FBOs have to perform their 'owncontrols' on production process and food to check that the applied measures are effective, and thus should demonstrate that such preventive measures are taken during food production. They are also required to implement the regulatory requirements, a code of good hygiene practice, and a Hazard Analysis Critical Control Point (HACCP).

In response to COVID-19, the European Commission, in coordination with local EU authorities, adopted a regulation allowing member states to carry out controls, despite movement restrictions, so that food safety would not be compromised. Furthermore, the European Commission published the details within their questions and answers to COVID-19 and food safety document, covering production, food in shops, and food at home, which informs consumers and FBOs and addresses the main questions related to COVID-19 and food safety.

FOOD SAFETY IN GEORGIA DURING THE PANDEMIC

Under the EU-Georgia Association Agreement, Georgia is required to harmonize its food safety regulations and legislative basis with the EU standards and requirements. Therefore, FBOs are obliged to fulfil their legal requirements and to continue operations in an equal and competitive manner on both internal and EU markets. Through the efforts of the Georgian government, and the active participation of private stakeholders and civil society organizations, numerous regulations have been implemented to approximate a legislative basis for the EU food safety regulations and standards.

The National Food Agency (NFA), established in 2010, implements all food safety, veterinary, and plant protection endeavors. In response to the pandemic, the NFA published several restrictions and recommendations for food producers, retailers, open agrarian bazaars, as well as restaurants and other food facilities. Among the good hygiene practices, required at all stages of food production, the most relevant are the cleaning and disinfection of food facilities and equipment at different stages of food processing. These protocols that safeguard employee health include: wearing gloves, masks, and special hygienic clothes and shoes when required; social distancing at work; personal hygiene, such as washing and disinfecting hands; and the recommendation to stay at home when employees first show symptoms of sickness.

The NFA is responsible for the official control activities that ensure FBOs comply with the required food safety standards. As expected, COVID-19 limited the control of the application of hygiene and food safety standards in food businesses as certain official activities were postponed due to risk of infection. Between March-June 2020, when Georgia implemented restrictions on movement and even announced a lockdown in April, the number of inspections of FBOs conducted by the NFA decreased by 30% compared to the same period of 2019 (Table 1). From June, COVID-19 restrictions were

relaxed and, resultingly, the number of inspections increased by 22% in July-September 2020 compared to the same period of 2019. Meanwhile, as the number of inspections increased, the number of FBOs with food safety violations also increased by 22%; notwithstanding, the cases of critical violations decreased by 39%. It appears that even though official controls are notable within a safe supply chain, the current limitations did not affect the safety of food.

	2019		2020		Change	
	March- June	July- September	March- June	July- September	March- June	July- September
Number of inspections	3256	1778	2265	2175	-30%↓	22% ↑
Number of FBOs with violations	2858	1537	1921	1874	-33%↓	22% ↑
Critical violations	185	206	109	126	-41%↓	-39%↓
Non-critical violations	2856	1531	1916	1866	-33%↓	22% ↑
Total number of non- critical norms violated	18,984	10,424	12,528	12,456	-34%↓	19%↑

Table 1.	. Number o	f inspections	conducted	by the	National	Food	Agency
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Source: National Food Agency, Momxmarebeli.ge, 2020

Factors other than the pandemic also seem to affect the country's food safety and FBO's ability to comply with food safety standards. The current systemic challenges within the Georgian food quality infrastructure (e.g., limited access to certain laboratory tests and veterinary services, limited institutional capacities) have long hindered FBOs from meeting food safety standards and requirements, even prior to the pandemic. The corona virus is, nevertheless, a timely reminder of the importance of good hygiene practices and quality infrastructure for food safety.

ENSURING FOOD SAFETY DURING COVID-19

While food safety is primarily the responsibility of FBOs, an efficient safety system relies on the commitment of all actors within the food chain, from farm to fork. Building a resilient food safety system requires the engagement of Civil Society Organizations (CSOs), Non-Government Organizations (NGOs), as well as farmers' associations, to each bring together necessary resources, data, technology, and public-private partnerships. During the pandemic, the activities of CSOs, NGOs, and farmers' associations should complement FBO work to increase awareness and enable solutions that improve transparency, traceability, and the safety of the food supply chain. It is particularly important to:

- Increase awareness While the population in urban areas is better informed of COVID-19 restrictions and prevention measures, in rural areas information on the virus is limited. Therefore, CSOs, NGOs, and farmers' associations should provide FBOs with information and guidelines regarding food safety standards; especially, for rural FBOS and family farmers, to ensure they place safe food and feed on the market;
- Conduct training During the pandemic, CSOs, NGOs, and farmers' associations can support FBOs by conducting online training related to food safety and hygiene (food traceability,

cleaning management, procurement, and checking), which would improve the effectiveness of food safety and hygiene practices;

- Work with the media There is a rising concern that COVID-19 might be transmitted through food, yet messages from the media are largely driven by inaccurate and incomplete evidence. Thus, CSOs, NGOs, and farmers' associations should closely collaborate with the media to provide accurate information to consumers to prevent unwarranted fears leading to unnecessary action such as the needless destruction food;
- Build partnerships Ensuring food safety during the pandemic requires the serious commitment of building a greater understanding of food safety among government authorities, food business operators, supply chain actors, and consumers. CSOs, NGOs, and farmers' associations can facilitate the process of building partnerships among different stakeholders in adopting food safety standards to ensure that people have sufficient access to safe and nutritious food.



COVID-19 in Georgia's Agriculture: a challenge, an opportunity or both?

By la Katsia

The COVID-19 pandemic has led to widespread economic distress in many countries around the world. For the first time since 2009, the world's gross domestic product (GDP) is **expected to have declined** in 2020. Alongside other sectors of the economy, such impacts are also being felt by the food and agricultural sector. The pandemic has affected food security and nutrition, supply chains, food and livestock production, and food safety. The pandemic consequently poses a serious threat to livelihoods in poor countries, those where agricultural production systems are often more labor-intensive and there is less capacity to withstand severe economic shocks.

COVID-19 AND THE GEORGIAN AGRICULTURAL SECTOR

The current crisis and worldwide lockdowns have equally affected Georgian food supply chains and markets. The closure of restaurants, hotels, schools, and disruptions in logistics and poor infrastructure have resulted in a vast amount of wasted agricultural output. Moreover, the sector is also experiencing a substantial shift in the composition of demand.

Georgian agriculture provides employment opportunities to a significant part of the population. Most people employed in agriculture are subsistence farmers who regularly face risks related to price volatility, inflation, weak infrastructure, climate change, and limited finances. The COVID-19 pandemic is therefore a further challenge for those working within the agricultural sector. Nevertheless, the severity of the impact of COVID-19 largely depends on policy responses over both the short and long-term.

The pandemic has halted many economic activities, however agriculture and connected sectoral activities have been permitted by the government. In March 2020, as a short-term action in order to weaken the impact of the pandemic on the agricultural sector, the Georgian government responded

with its Agricultural Anti-Crisis Plan. The state offered two forms of aid: direct assistance and sectorial support. Direct assistance, supposedly, aimed to solve the short-terms challenges faced by farmers. Whereas sectorial support which can be considered as longer run strategy, represents an extension of older programs that attempt to resolve fundamental problems within the sector. However, there are still many systemic problems which need to be addressed.

Surprisingly, regardless of the challenges faced by the sector, in the first three quarters of 2020 agricultural GDP increased by 3%. This positive trend can also be observed in live animal and poultry production, while the fruit and nut harvest is also **expected** to increase (Geostat, 2020).

	2019	2020	% Change
Real GDP in Agriculture in the first three quarters (mln. GEL)	2,140	2,205	<u></u> †3
Bovine animals in the first three quarters (th. heads)	2,861	2,931	↑2.4
Poultry in the first three quarters	29,540	34,356	16

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Source: Geostat, 2020

Several factors may help explain the positive changes in agricultural GDP. Firstly, favorable weather conditions might have had a positive impact on the harvest of various crops (apples, nuts) in 2020. Secondly, governmental support programs, implemented by the Rural Development Agency (RDA) over the last eight years, could have, partially, contributed to this increase. Together with other support projects, RDA programs cover the co-financing component of perennial gardens, which started in 2015. It is also worth mentioning that between 2015-2019, the RDA's average spending on programs accounted to 84 mln. GEL (MoF, 2020). Finally, individuals involved in the agricultural sector had less fear that the sector would be heavily impacted by the pandemic, which may translate into increased investment and growth in the sector. In the first two quarters of 2020, FDI in agriculture increased by 137% in comparison to the same value in 2019. In general, FDI in agriculture is minimal compared to other sectors, and on average constituted just 1.1% of the total FDI in Georgia between 2009-2019.

It is extremely difficult to assess whether this pattern will be sustained into the future, however there are certain key opportunities brought on by the COVID-19 pandemic which have to be pursued.

OPPORTUNITIES IN AGRICULTURE DUE TO COVID-19

Although the pandemic posed serious challenges to agricultural and food systems, it is also an opportunity to accelerate transformations in the sector and to build its resilience to a range of challenges. Due to the constant need for food and changes in consumer spending patterns (more people are cooking at home instead of going to restaurants or cafes), agriculture might outperform other sectors of the economy hit by the pandemic. Additionally, simple gardening, like growing flowers and vegetables, has also become popular, with more families engaging in this type of farming.

In order to ensure that all the opportunities are captured, and to unlock additional growth, existing market systems could be improved. The present crisis has highlighted the need for agricultural market reforms and digital solutions to connect farmers to markets, to create safety nets, to ensure reasonable working conditions, and to decentralize agri food systems in order to make them more resilient.

- Digitalization In agriculture, the digitalization process was slow prior to the pandemic. Nevertheless, since the pandemic, the speed of adopting digital tools is likely to accelerate, providing such tools are readily available for the sector and the necessary infrastructure is developed. Digital extension services can also be used to raise awareness about food safety risks and agricultural technologies in general. While online transaction platforms can link producers with consumers; with several platforms (agroface.ge, agronavti) currently working on this direction. Moreover, prior to the pandemic, the general public was simply not interested in knowing where food was derived from, yet COVID-19 has strengthened general interest in the origins of food. Finally, the blockchain can be used to track food production in a chain and increase its transparency;
- Development of urban and peri-urban agriculture Movement restrictions disrupt connections between urban and rural areas, which creates opportunities for urban and periurban agriculture. The concept has been practiced in East Africa, where urban agriculture supported the food supply chain and filled the supply gap during lockdowns. Peri-urban and urban agriculture can, furthermore, be a viable youth employment opportunity;
- Returning migrants in agriculture Many migrants have lost employment and have had to return to their home countries, where they can become involved in agriculture. Although the pandemic has caused higher unemployment, the agri sector, with its labor-intensive activities, represents a potential income source for those having to return to their homelands.

Therefore, moving forward it will be vital to capitalize on these opportunities and learn from the experience of the pandemic.



Food Security and COVID-19 in Georgia

By la Katsia

Food supply systems are crucial to the economies of most developing countries, supplying the largest share of food production, and constituting livelihoods and a key source of income for the majority of the population (FAO, 2020). It is therefore vital to maintain the steady flow of goods and services required from local and international food supply chains to ensure the health of the population, and to protect their incomes and livelihoods.

Lockdowns from the COVID-19 pandemic have created logistical issues and posed challenges to the function of food supply chains all over the world. These disruptions have each affected the availability, pricing, and quality of food and raised concerns about food security (Barrett, 2020). As a part of global food value chains, Georgia has also experienced challenges related to the production, storage, import, and sale of agricultural products. Moreover, Georgia is highly dependent on imports for most types of food. As most strategically important food import markets are rather concentrated, it has led to increased risks due to COVID-19.

In order to lessen the adverse impacts of the pandemic, keep food prices stable, and to reduce input prices for farmers, the state has subsidized the import of nine food products (pasta, buckwheat, vegetable oil, sugar, wheat, wheat flour, milk powder, and beans); purchased additional stocks of sugar, vegetable oil, and pasta; and developed an anti-crisis plan – "Caring for Farmers and Agriculture" – offering farmers direct assistance and sectorial support. However, COVID-19 still posed significant risks to the food security in Georgia.

FOOD SECURITY INDICATORS

Food security is often understood as only regularly having enough food to eat; not just for today or tomorrow, but also next month and next year. In broader terms food security determines people's general well-being. However, concept of food security is far more complex and multidimensional. According to FAO, food security is food availability, food access, stability of supplies and biological

utilization.

Food availability is defined as sufficient quantities of food of appropriate quality, obtained from domestic production and/or imports. The second indicator – food access entails ensuring people have adequate access, both physical and economic to food through growing or purchasing it. Based on this concept the individual has to acquire and maintain appropriate foods for an adequate diet and nutritional level. As for food utilization, it is referred to sufficient energy and nutrient intake by individuals. It is related to good care and feeding practices, food preparation, diet diversity and intrahousehold distribution of food. The fourth indicator is the stability of the other three dimensions over time, which means that even if person's food intake is adequate today, they are still considered to be food insecure if they have inadequate access to food on a periodic basis. Adverse weather conditions, political instability, or economic factors (unemployment, rising food prices) may have an impact on food security status.

Examining how food security indicators have performed in each dimension during the COVID-19 pandemic in Georgia proves interesting. However, due to the FAO's irregular data collection, the most recent data for each indicator was collected across different years. Furthermore, the data for certain important indicators is not available for Georgia, nevertheless we have tried to assess the implications of the pandemic on Georgian food security based on the latest available figures.

AVAILABILITY OF FOOD

One indicator measuring food availability is the average dietary energy supply adequacy presented below (Table 1).

The dietary energy supply (kcal/capita/day) is calculated at the national level to serve as an estimate of the calories from foods available for human consumption. The average dietary energy supply adequacy is over 100% in Georgia and in its neighboring countries. Therefore, on average, food consumption is generally sufficient in simple calorific terms. It appears that over the years this indicator is, slowly, increasing for Armenia and Azerbaijan. However, between 2017-2019, Georgia had the lowest value in the past 10 years. Although there is no more recent data for the indicator, it is likely the rate worsened still under the pandemic.

INDICATOR	ARMENIA	AZERBAIJAN	GEORGIA	UPPER-MIDDLE INCOME ECONOMIES
Average dietary energy supply adequacy (%, 2017-2019)	127	129	114	128
adequacy (%, 2017-2019)				

Table 1. Average dietary energy supply adequacy

Source: FAOSTAT, 2020

ACCESS TO FOOD

The income of populations, reflected by gross domestic product (GDP), plays an important role in relative accessibility to food. As can be seen in Table 2, comparatively, Georgia was doing fairly well in 2019.

Table 2. Gross domestic product per capita

INDICATOR	ARMENIA	AZERBAIJAN	GEORGIA	UPPER-MIDDLE INCOME ECONOMIES
Gross domestic product per capita, 2019 (in purchasing power equivalent, constant 2017 international \$)	13,654	14,404	15,014	16,945

Source: FAOSTAT, 2020

However, COVID-19 has affected the Georgian economy via reductions in FDI, export of goods and services, and remittances. In addition, uncertainties caused by the pandemic and containment measures have hit consumption and domestic investment. As a result, the reduction in aggregate demand, combined with increased production costs from pandemic-related constraints, have led to negative GDP growth. According to Geostat, the preliminary estimate of real GDP growth in September stands at -0.7%, while the real GDP growth estimate for the first nine months of 2020 is - 5%.

Aside from economic access, as represented by income, physical accessibility is also an important determinant to access to food. The movement of foodstuffs via international trade was particularly affected by the lockdown measures, which resulted in the shortage of certain major commodities on the international and local markets. Thus, Georgia's notable import dependency and inaccessible transport infrastructure translated into higher-priced imported goods.

As Georgia is a net importer of food commodities, disruptions in the supply chains further increased food prices. Moreover, depreciation of the Georgian lari placed further upward pressure on prices. During the first months of the pandemic in Georgia, food prices significantly increased year-over-year. The main explanation being the weakening of the lari against the US dollar; depreciating by 15.8% between March-May 2020 compared to March-May 2019. The GEL further continued to depreciate relative to the USD, with the average GEL/USD exchange rate in October 2020 being 3.22, compared to 2.97 in October 2019 (The National Bank of Georgia, 2020).

FOOD STABILITY

Another stability indicator is food production variability, an extremely important indicator for Georgia, especially during a pandemic. In 2007, the indicator was 32.2 in Georgia, and thereafter it maintained a decreasing trend, which is a positive tendency since the lower the variability the better. However, due to pandemic, the indicator is expected to have since increased.

INDICATOR	ARMENIA	AZERBAIJAN	GEORGIA	UPPER-MIDDLE INCOME ECONOMIES
Per capita food production variability (\$, 2015), (constant 2004-2006 thousand int \$ per capita)	32.1	5.7	16.7	2.6

Table 3. Per capita food production variability

Source: FAOSTAT, 2020

Disruptions to food supply chains, as discussed above, have affected the stability of global and local

food supply and access. The export restrictions placed on staples commodities has led to their higher prices. Even though most pandemic-related food export restrictions were temporary, the risk still remains that countries may impose new export restrictions (Espitia et al., 2020). Food system stability is also affected by such increased food prices and the ongoing economic uncertainty, and as currencies are affected, it creates a further risk to stability in global and local food markets. Furthermore, uncertainty over the evolution of the pandemic, and restrictive measures, influences the ability and willingness to invest in the agri-food sector (UNCTAD, 2020b).

FOOD UTILIZATION

FAO's utilization indicators focus on healthiness and certain influences of healthy eating. One of the utilization indicators of food security is the prevalence of obesity in the adult population. This indicator is related to poor eating habits. Surprisingly, this indicator nearly doubled since 2000 and in 2016, the indicator was 21.7 percent in Georgia, which is 7.8 percentage points higher compared to the same value for upper-middle income countries.

The utilization indicators also specifically focus on children under 5 years of age – with three indicators concerning stunting, wasting, and being underweight – however these indicators have not been recently updated in FAO database.

Nevertheless, UNICEF Georgia has published the indicators for 2018, and their data from Georgia reveals that 1% of children suffer from moderate or severe wasting; 6% of children under 5 are overweight; 6% suffer from moderate or severe stunting; and 2% of children are moderately or severely underweight.

INDICATOR	ARMENIA	AZERBAIJAN	GEORGIA	UPPER-MIDDLE INCOME ECONOMIES
Percentage of children under 5 years of age affected by wasting	4.4 (FAO,2016)	3.2 (FAO,2013)	1 (UNICEF,2018)	1.8

Table 4. Percentage of children under 5 years of age affected by wasting

Source: FAO 2020, UNICEF 2020

While, compared to other countries, Georgia performed relatively well before the pandemic based on these indicators, the situation is expected to have worsened due to the virus and the current economic situation.

STRENGTHENING POLICY RESPONCE

In 2020, the COVID-19 pandemic threatens the lives and livelihoods of people throughout the world and Georgia as well. The poorest members of society are in position to fare the worst. Households that experience food insecurity lack access to enough food for an active, healthy life for all household members. Due to COVID-19 there will be relatively higher number of food-insecure people. The pandemic related trade restrictions caused issues with availability of food. At the same time, worsened economic situation is expected to lead to the deterioration of access, utilization and stability indicators. While demand for food is inelastic, reduced incomes result in lower demand for relatively expensive food products (e.g. meat, milk etc.) with high nutritional value. This in turn leads to lower incomes for respective FBOs.

In order to ensure food security during shocks like a pandemic, it is recommended that policy-makers focus on the following areas:

- Invest in food supply chains, to ensure unhindered movement of food within and across
 national boundaries; and facilitate food system innovations. Given that social distancing and
 mobility restrictions may be in place for many months, governments, development partners,
 and microfinance institutions should seek ways to stimulate innovative and safe food delivery
 systems, particularly those that create jobs;
- Mobilize new investments to address key food supply bottlenecks at the production, collection, storage, processing, marketing, and distribution phases; encourage cooperation between the government and development partners to support adoption of innovation in food supply chain through investment in hardware and software infrastructure, and enabling a business and commerce environment for both SMEs and large companies eager to play their part in food security during the pandemic and recovery;
- Promote inter-regional trade to reduce risks, incentivize investment, and build food market resilience. The easiest market access, together with low transportation cost for most of the finished goods are in countries that are geographically nearby. This natural advantage has to be nurtured with transport infrastructure and appropriate policies in order to increase degree of trade integration;
- Recognize the importance of local, domestic food markets for smallholders and with regard to these types of markets strengthen national capacities for food security monitoring and analysis; invest in early collecting, analyzing, and publishing data on food security and nutritional health status to improve the efficiency and effectiveness of policy response;
- Recognize the need for initiatives that address the constraints faced by women and youth, by promoting opportunities and facilitating their access to resources.



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CARE Caucasus mission is to decrease social injustice, vulnerability, and rural poverty, and contribute to improved conditions for sustainable development and security in the South Caucasus region. CARE works with the individuals and families in the poor communities, with special focus on women, youth, conflict-affected groups and those living in remote and difficult-to-access areas, as we know that we cannot overcome poverty and create social justice until all people have equal rights and opportunities.

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