Research Paper

Pathology of the Agricultural Insurance System From Viewpoint of Insurance Specialists at Kermanshah Township

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ABSTRACT

Because of the great importance of the agricultural sector, governments have always tried to provide pervasive insurance programs to help and deliver a secure platform for farmers to produce more and better on the one hand and provide social justice on the other hand; however, rural communities resist acceptance of agricultural insurance. This qualitative research aimed to find problems of agricultural insurance system and prioritize its problems in Kermanshah City from the perspective of insurance experts. The present study was conducted using grounded theory. The study population comprised experts working in the agricultural insurance system in Kermanshah that 25 of them were chosen by theoretical sampling. Data were collected by in-depth interviews and focus group discussions through three methods: open coding, axial, and selective analysis. Finally, 11 problems in the agricultural insurance system were identified. In the second step, the experts ranked these problems using appropriate tests. Based on the findings, lack of job security and policy experts, inappropriate administrators to the level (as the highest priority), problems of credit access, poor services provided by insurance system, incomprehensive insurance laws, using outdated technologies, low levels of institutional partnerships, as well as 5 other problems were detected in the agricultural insurance system.

Extended Abstract

1. Introduction

Agriculture is an important sector of the economy in many developing countries. Agricultural sector composes a significant percentage of GDP and employment in developing countries. Despite the importance of this sector in developing countries, low-income, low capital-labor ratio, and general instability are the characteristics of the agricultural sector in developing countries. Agriculture is always a risky activity with unstable circumstances. It is central to the livelihoods of the rural people and of the attainment the Millennium Development Goals. In recent years, natural disasters, particularly climate change, have increased in number and magnitude. Agricultural insurance is known as a tool for development and insurers are recognized and employed as development institutions. In other words, crop insur-

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ance was developed as a form of technology used to meet the needs of small-scale farmers and reduce risk aversion. Given the particular situation in rural areas and cultural attitudes of farmers, agricultural insurance like any other novel technology, has faced with several obstacles in its early stages of development and found its way through the rural communities only by reliance on time and promotion. Despite its long history in Iran, crop insurance has not yet been seriously accepted by farmers.

2. Methodology

The main purpose of this qualitative research was to identify and prioritize the problems of agricultural insurance system from viewpoint of insurance specialists in Kermanshah Township. This research was conducted by grounded theory method, in order to provide a model for the problems of agriculture insurance system. The study population was consisted of all experts of agricultural insurance system at Kermanshah Township, that 25 of them were selected as research sample using theoretical sampling method. Data collection method for this study comprised in-depth interviews and focus group discussions. Data were analyzed by three type of coding consisted of open, axial and selective. Finally, 11 items were identified as the problems of agricultural insurance system. In the second step, the pair ranking as a PRA technique was used for ranking the identified problems.

3. Results

Based on the findings, lack of job security, and inappropriate policy making by managers are the top priorities. Problems such as insurance financing, lack of comprehensive laws in agricultural insurance system, using old technologies, low level of organizational participation, lack of cultural infrastructures, lack of scientific and technical knowledge and low level of skills and expertise among specialists, were respectively the most important issues of agricultural insurance system in Kermanshah Township. Lack of expertise and experts, increase the absorption of new experts and noted the lack of attention to keep the more experienced experts. The study results showed that, at the moment, The insurance fund, rather than trying to keep experienced insurance experts whose training and acquainting with the insurance activities costs a fortune, is worried about the rise in expectations of experienced experts and on the other hand, due to high number of unemployed graduates in agriculture sector, tries to hire novice and unexperienced experts. In this situation, the number of experienced experts reduces and activities of insurance system in providing services to policyholders face with problems.

4. Discussion

It is recommended that the insurance fund more in keeping with the old experts and agents of the sector while constantly provide in-service training. Furthermore, insurance system should consider the ranking of the real experts in Kermanshah City. Although there is a formal ranking in the whole country, studies show that the ranking of most experts are in one place. However, the experts should be more realistic and strive to rank novice to experts by using their expertise and trained by people with more experience. On the other hand, it is recommended that health insurance and its expert staff need more attention and improve the quality of their services instead of increasing the quantity of experts.

5. Conclusion

At the end of the study, it should be stated that the inappropriate cultural infrastructure in rural communities and low level of participation of farmers are important reasons for low insurance acceptance among farmers. Thus, we can say that one of the problems of insurance failure of agricultural products is traditional beliefs and cultural weakness of the region's participation in agriculture and rural development projects offered by the government. However, creating appropriate culture for any organization, especially newbie agricultural insurance system is one of the most important issues that should not be forgotten and be motivated by investing in education of the clients.