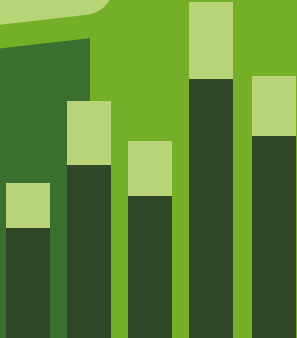


# NATIONAL ASSESSMENT OF WOMEN'S ENTREPRENEURSHIP DEVELOPMENT IN GEORGIA



International  
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This work is co-published by the United Nations Entity for Gender Equality and the Empowerment of Women (UN Women) and the International Labour Organization (ILO).

This publication was prepared jointly by CRRC Georgia and the National Statistics Office of Georgia (Geostat) using the ILO's national Women's Entrepreneurship Development (WED) Assessment methodology, under the supervision of ILO WED Consultants, Annette St-Onge and Lois Stevenson.

The views expressed in this publication are those of the author(s) and do not necessarily represent the views of UN Women, ILO, the United Nations, or any of its affiliated organizations or that of the Norwegian Ministry of Foreign Affairs and the Government of Denmark.

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# NATIONAL ASSESSMENT OF WOMEN'S ENTREPRENEURSHIP DEVELOPMENT IN GEORGIA



**UN WOMEN**  
Tbilisi, Georgia  
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Norwegian Ministry  
of Foreign Affairs



**MINISTRY OF FOREIGN AFFAIRS  
OF DENMARK**



International  
Labour  
Organization



CAUCASUS RESEARCH  
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The National Assessment of Women’s Entrepreneurship Development in Georgia was conducted for the first time in Georgia by CRRC Georgia and the National Statistics Office of Georgia (Geostat) using the ILO’s national Women’s Entrepreneurship Development (WED) Assessment methodology, under the supervision of ILO WED Consultants and Senior Technical Officer and Project Analyst at UN Women. The assessment aimed at understanding the barriers holding women back from starting or scaling businesses in Georgia and identifying locally adapted and strategic recommendations to unleash the potential of women entrepreneurs in the country.

This publication is the result of collaboration between the Women’s Economic Empowerment (WEE) component of Good Governance for Gender Equality in Georgia (GG4GEG), generously funded by the Government of Norway and commissioned by the UN Women Country Office in Georgia, the “Women’s Entrepreneurship Development programme” of the ILO and the ILO-Danida Project “Inclusive Labour Market for Job Creation in Georgia” funded by the Government of Denmark.

With WED Consultant guidance, CRRC Georgia conducted a background review and a qualitative data collection study, analysed the data and provided a write-up of the study results. The associated Women Entrepreneurs Survey (WES) was conducted by Geostat.

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## ACRONYMS AND ABBREVIATIONS

|          |   |
|----------|---|
| BDS      | Business development support  |
| CRRC     | Caucasus Research Resource Center   |
| CSO      | Civil society organization  |
| EBRD     | European Bank for Reconstruction and Development                            |
| GDP      | Gross domestic product  |
| GEL      | Georgian lari   |
| Geostat  | National Statistics Office of Georgia                                       |
| GG4GEG   | Good Governance for Gender Equality in Georgia                              |
| GIA      | Gender Impact Assessment  |
| GITA     | Georgia's Innovation and Technology Agency                                  |
| GIZ      | German Agency for International Cooperation                                 |
| ICT      | Information and communications technology                                   |
| ILO      | International Labour Organization   |
| JAWE     | Joint Action for Women's Economic Empowerment                               |
| MoESD    | Ministry of Economy and Sustainable Development                             |
| MSB      | Micro and Small Business  |
| MSME     | Micro-, small and medium-sized enterprise                                   |
| NACE     | Statistical Classification of Economic Activities in the European Community |
| NAPR     | National Agency of Public Registry  |
| NBG      | National Bank of Georgia  |
| NGO      | Non-governmental organization   |
| OECD     | Organisation for Economic Co-operation and Development                      |
| SME      | Small and medium-sized enterprise   |
| STEM     | Science, technology, engineering and mathematics                            |
| UN Women | United Nations Entity for Gender Equality and the Empowerment of Women      |
| UNDP     | United Nations Development Programme  |
| UNFPA    | United Nations Population Fund  |
| USAID    | United States Agency for International Development                          |
| WED      | Women's Entrepreneurship Development  |
| WES      | Women Entrepreneurs Survey  |
| WiB      | Women in Business   |
| WOEs     | Women-owned enterprises   |



## EXECUTIVE SUMMARY

Equal rights for women and men, including economic rights, are enshrined in Georgia's constitution. Nonetheless, the country still lags behind when it comes to women's actual involvement in public life and fulfilling their economic potential. Georgia's rankings in the Global Gender Gap Index declined between 2021 and 2022, from 49th to 55th position, in addition to falling in the rankings of the Economic Participation and Opportunity subindex, from 64th to 72nd.<sup>1</sup> While in all age cohorts, more women have obtained higher education than men, only a third of women over the age of 15 are employed, compared to the 50 per cent of men in the same group.<sup>2</sup> In 2020, women earned only two thirds of what men did, indicating a clear gender wage gap.<sup>3</sup>

When it comes to entrepreneurial activities in Georgia, women are less likely than men to own a business. As of 1 July 2022, only 33 per cent of economically active businesses were owned by women.<sup>4</sup> Fewer women were participating in state-led entrepreneurship development programmes.<sup>5</sup> Women were also disproportionately affected by COVID-19, as the toll of increased unpaid domestic work—a common hindrance to economic engagement—affected more women than men.<sup>6</sup>






In this light, UN Women and the International Labour Organization (ILO) have collaborated to provide an up-to-date and comprehensive assessment of the women's entrepreneurship ecosystem in Georgia. The assessment is based on the ILO's Women's Entrepreneurship Development (WED) methodology and evaluates the state of its six framework conditions in Georgia, namely the legal and regulatory system, effective policy leadership, access to gender-sensitive financial services, access to business development resources, access to markets and technology, and the representation of women entrepreneurs in policy dialogue. The assessment makes use of multiple primary and secondary data sources, including a representative survey of women entrepreneurs in Georgia, focus groups with women entrepreneurs, and key informant interviews with the representatives of state, private and international organizations, that focus on the issues of women's entrepreneurship in Georgia (Figure 0.1 and Figure 0.2).

### Women's entrepreneurship in Georgia

- The gender gap, in terms of economic measures, is prominent in Georgia. Women own only one third of economically active enterprises in Georgia, and such women-led businesses are predominantly small. Apart from the considerable gender wage gap, women are less likely to be represented in management positions of firms in Georgia.
- Women's entrepreneurship in Georgia across business areas is sectorized. The findings of the Women Entrepreneurs Survey (WES) show that the majority of businesses are working in the trade sector (59 per cent), hinting that many such businesses are small. Women-led businesses are started independently, and women often work as sole proprietors. In many cases, such businesses employ other women.
- While the majority of women entrepreneurs are 40 years old or older, many face the double burden of doing domestic care work while managing a business. The WES showed that many women entrepreneurs, in addition to taking care of their children, were looking after the elderly or sick members of the household.

The first set of challenges that women entrepreneurs face is associated with societal norms and beliefs. These norms view women's involvement in business negatively and often deprive women of access to their inheritance. Operational challenges, such as access to start-up and business development finances and other resources, are a significant hindrance for many women entrepreneurs. Additionally, many women lack the social capital that might help connect them to the business community.

## **Gender-sensitive legal and regulatory system that advances women's economic empowerment**

-  Overall, while Georgia's legal system provides for the comprehensive protection of women's economic rights, its enforcement still remains a major issue of concern. The country's constitution enshrines gender equality, and Georgia has made visible efforts to comply with international commitments and conventions. Georgia's legal system provides the basis for non-discriminatory practices based on gender. However, significant informal barriers to women's economic empowerment exist, especially in the cultural domain.
-  When it comes to women entrepreneurs themselves and their familiarity with the legal system, there is a low awareness of their rights. Both male and female entrepreneurs lack awareness of the legal requirements and regulations for business operation, and they do not have up-to-date information on new regulations or adopted laws. This is especially problematic for rural entrepreneurs who have less opportunity to access business-related information.
-  Both the qualitative and quantitative evidence indicate that women entrepreneurs do not experience harassment or bribery issues from government officials.
-  The business registration process takes a one-stop-shop approach, a fact that is also reflected in the WES results: women entrepreneurs did not perceive the business registration process as an impeding factor. Nonetheless, despite the easily available (online) information on registration, regulations and compliance, as well as the reporting requirements, the interpretation of that information is what creates challenges for women entrepreneurs.
-  One of the areas where social norms become particularly problematic is inheritance. While Georgia recognizes equality between men and women, there is a strong cultural belief that sons should inherit property and other assets. Such circumstances create problems for women in accessing loans, as financial institutions require collateral. Anecdotal evidence indicates that despite officially having property registered in their names, women often cannot independently decide on using the property for collateral, whereas men usually need no one else's consent.

## **Effective policy leadership and coordination for the promotion of WED**

- Gender policy in Georgia, especially relative to WED, lacks a unified approach, despite the significant efforts made by several institutions. While select government entities try to apply a gender lens to their policies and documents, major state policies are often devoid of such an approach. This also refers to the collection of sex-disaggregated data.
- A review of specific policy documents finds mixed evidence supporting that WED is a national policy priority, with the 2021–2025 Strategy on Small and Medium Enterprises being a rare exception. This document identifies women’s entrepreneurship among its six major targets and outlines specific policy measures for better inclusion of women entrepreneurs.
- Yet another challenge to having effective policies towards women’s economic empowerment is the general lack of enforcement. Almost every source consulted argued that a lack of enforcement is the key obstacle across almost every policy advancement. Many positive actions towards gender equality have come from the efforts and advocacy of civil society organizations (CSOs) and international organizations, while government agencies and private businesses just respond to such initiatives.
- It is challenging to identify a single focal point within the Georgian Government that is responsible for the promotion of women’s entrepreneurship. While the Gender Equality Council of the Parliament has spearheaded many initiatives on women’s empowerment, it remains a consultative body, lacking executive power.

Besides the positive steps taken in promoting WED support actions, another important aspect of effective policy leadership is the coordination of action among state institutions, donors and other organizations working on the issue. While informally such divisions of labour and coordination efforts among key governmental stakeholders exist, in many circumstances, they are not effective because there is no single entity tasked with coordinating WED across governmental agencies.

## **Access to gender-sensitive financial services**

- As the volume of loans disbursed to Georgian small and medium-sized enterprises (SMEs) has grown exponentially in recent years, men frequently represent the majority of borrowers. This could be explained by the fact that commercial creditors often look from a stereotypical lens when deciding to lend money to women applicants. This happens despite the fact that some loan officers have attended trainings on gender-sensitive financing and that women are considered low-risk borrowers. While lower risks should, in theory, be associated with lower interest rates, banks refrain from offering lower rates to women clients.
- That being said, only 24 per cent of the women entrepreneurs in the survey reported trying to obtain a business loan during the past year. Those who had not tried explained that they did not need one or did not want to take on more loans. Banks remain the largest resource for borrowing for women entrepreneurs.

- ④ Women entrepreneurs see high interest rates as the most significant problem when accessing financing. This factor was named by almost three quarters (74 per cent) of surveyed women entrepreneurs who were asked about problems in obtaining loans from financial institutions. Slightly more than half (51 per cent) said that collateral requirements are too high, 38 per cent said that they would be required to provide a personal guarantee, and 37 per cent reported that a co-signer would be required.
- ④ When it comes to specific financial programmes that support women entrepreneurs, Enterprise Georgia's Micro and Small Business (MSB) Support Program prioritizes women-led businesses. In 2022, the participation rate of women in the programme was equal to that of men. Unfortunately, however, this particular programme is an exception rather than the rule.
- ④ Currently, funding opportunities that specifically target women entrepreneurs are rather scant. Apart from Enterprise Georgia, only a handful of private lenders or international organizations offer dedicated financing opportunities for women entrepreneurs. The absolute majority of such programmes are initiated and led by international donor organizations, indicating a lack of interest among the local Georgian financial institutions.

## Access to gender-sensitive business development support services

Women entrepreneurs acknowledge the importance of business development support (BDS) services, and the majority of them depend on institutionalized support for business. Women entrepreneurs also rely greatly on their personal networks and assistance from friends and family members (rather than other state or non-state institutions) in the process of business registration and management.

- ④ The main state institutions that support SMEs in Georgia—Enterprise Georgia and Georgia's Innovation and Technology Agency (GITA)—incorporate trainings into their grant projects so that grant applicants and beneficiaries learn business management skills, including financial literacy.
- ④ When it comes to other BDS services, many are spearheaded by international organizations. International development organizations and donors, such as the European Union, UN Women, the ILO and the Governments of Norway and Sweden, have supported multiple BDS initiatives. The EU4Business programme offers various BDS services alongside those offered by such partners as the Government of Sweden and the European Bank for Reconstruction and Development (EBRD).
- ④ Despite the availability of such services, few women entrepreneurs have made use of BDS services. Only 9 per cent of the women entrepreneurs reported having taken part in entrepreneurship or small business management training programmes. Institutional factors, such as the need to register a business to participate in a BDS programme and the lack of information on such initiatives, most probably hinder women's wider involvement. Additionally, the gender insensitivity of many of the support programmes (including within BDS services offered by the Government) could be yet another reason for the low level of engagement with such programmes.
- ④ Most of the identified women-focused BDS programmes were either spearheaded by international development organizations and donors or crucially supported by them. Programmes that offer women-focused BDS services are supported by USAID, the EBRD, UNDP and UN Women, as well as by local Georgian organizations including the Association Rural Development for Future Georgia, the Taso Foundation and the Georgian Farmers' Association (GFA).

## Access to markets and technology

- There is a lack of targeted programmes that help women entrepreneurs access new markets. Enterprise Georgia provides a robust export support programme, but it does not specifically target women entrepreneurs.
- Despite the available options to receive information or support for exploring new markets and exporting products, women entrepreneurs still prefer operating within the country. They rarely participate in trade fairs or exhibitions, either locally or internationally, and only a few of them have an international presence.
- Supply chains appear to be a significant opportunity for micro-, small and medium-sized enterprises (MSMEs) to become the suppliers for larger companies, but the issue remains underexplored by the study and the WES, and there is scant evidence that women's inclusion is a priority for either the State or the donor organizations. Similarly, there is little evidence related to women's participation in state procurement, which is connected to an absence of women-focused government procurement systems.
- The WES results show that three in four women entrepreneurs use digital devices to run their businesses, such as smartphones, computers, landline phones or tablet computers. While the usage of information and communications technology (ICT) tools might seem ubiquitous among women entrepreneurs, large gaps exist across age, educational attainment, location and marital status.
- Few women entrepreneurs have an Internet presence for their businesses. Only about 32 per cent of women entrepreneurs said that they have their own website or run a social media profile. Twenty-three per cent of women entrepreneurs were selling their products either fully or partially online through a web page or on social media.
- As many women entrepreneurs already use ICT tools, many are confident and interested in deploying ICT in their businesses. While most women entrepreneurs are interested in using various ICT tools in their businesses, the largest proportion (64 per cent) would like to learn more skills to use mobile phones/smartphones in their business activities.
- Support for the uptake of ICT and other technology is conducted by the State through GITA. Additionally, a number of international donors and private initiatives work in this direction.

## Representation of women entrepreneurs and participation in policy dialogue

- In Georgia, women's participation in business and sector associations varies depending on the sector and the specific association. Only a handful of women entrepreneurs are members of business associations, with only 4 per cent being a business association member and 2 per cent or fewer being part of women's business associations.
- As few women participate in associations, only a small share report receiving support from such associations and groups. While the plurality (47 per cent) had no opinion on such support, only 15 per cent of surveyed entrepreneurs agreed that they had lots of support from these groups.
- When it comes to policy dialogue, a major impediment is the lack of voices, especially those of small and medium-sized businesses, in government decisions and policymaking processes.

FIGURE 0.1

Network diagram of the six WED framework condition scores for Georgia

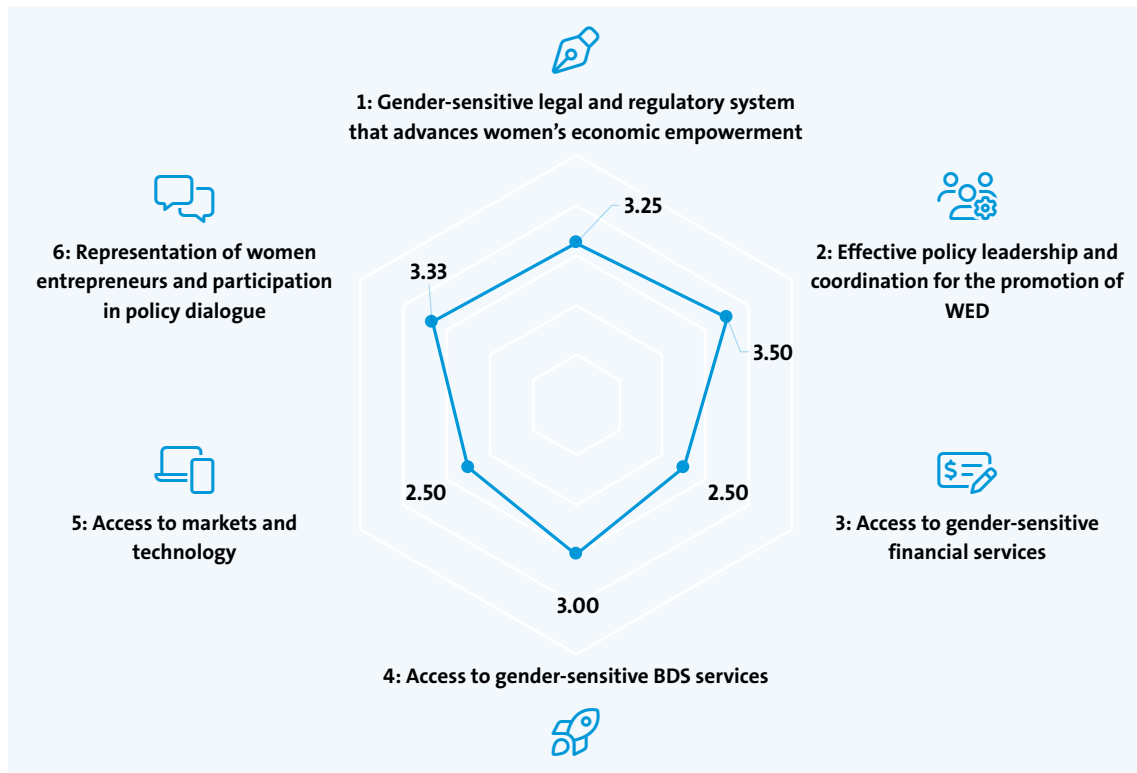
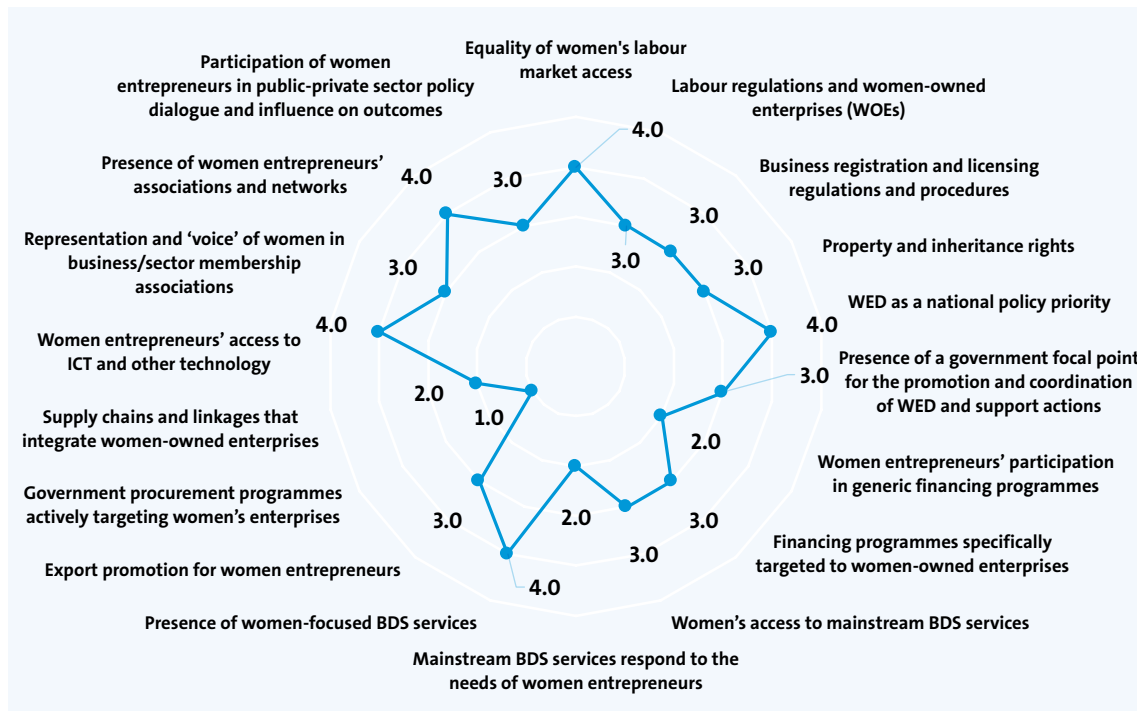


FIGURE 0.2

Scores for the WED framework subconditions



## Recommendations

### General recommendations

- ④ One of the major identified gaps was the lack of a consistent and coordinated policy approach towards WED in Georgia. While governmental institutions are supposed to be primarily responsible for devising policies that support WED, it is imperative that WED programmes be designed and implemented by both state and non-state actors, be well coordinated, not copy one another and be based on rigorous needs assessment studies. It is recommended that (a) a WED focal point exist at, for example, the Ministry of Economy and Sustainable Development (MoESD) and/or the ministry taking up the leadership in terms of coordinating the implementation of WED programmes; and that (b) the Gender Equality Council take a more active role in spearheading legislative initiatives directed towards the popularization of WED in Georgia.
- ④ An official definition of ‘women-owned enterprise’ (and certifying criteria) should be adopted and used to confirm the ownership of women-owned enterprises as specific policy targets in the context of special financing programmes, procurement programmes and so forth.
- ④ There is a need for the collection of sex-disaggregated data, particularly at the programme level, to monitor the number/share of women-owned enterprises and women entrepreneurs in the various generic financing and BDS programmes and initiatives, especially the ones offered by government institutions.
- ④ Stigma and existing social norms are major impediments for many women when it comes to engaging in business and accessing financial resources. It is essential that such stereotypes be eradicated, particularly by appropriate communications efforts and through educational programmes, including at schools.
- ④ Access to financial resources unequally affects women. Therefore, financial institutions should provide gender-sensitive credit lines and ensure that loan officers have gender-sensitivity training.
- ④ While a donor-centred approach to funding and training opportunities remains a major lifeline for initiatives, more sustainable options should be considered.
- ④ More training should be made available to women to improve their access to business information and business literacy. State, private and donor organizations are encouraged to spearhead these efforts.

### Specific recommendations

#### **WED Condition 1: Gender-sensitive legal and regulatory system**

- ④ While the legal and regulatory system in Georgia theoretically ensures the equality of women and men, gaps in legislation might need to be addressed. Specifically, Article 6 of the Law on Gender Equality might provide some clarity with regard to equal opportunities for employment.
- ④ Together with addressing the gaps in legislation, it is imperative to ensure the enforcement of regulations on labour rules and gender equality, including those that recognize women’s economic rights, including on inheritance and property ownership.

- ④ Although information on rules and regulations are readily available online, they are not written in accessible language for many entrepreneurs. Supplying women entrepreneurs with information written in a simple and clear manner is recommended. It is important that such information also be provided in minority languages.
- ④ Respondents mentioned that the lack of information on identifying the most appropriate legal forms for their specific business prior to registering their business represents a challenge. It is recommended that business registration offices and local governments provide information as to which legal requirements are bound to specific legal statuses of businesses.
- ④ While women have the same property and inheritance rights as men, they are generally unaware of their rights. Therefore, all institutions involved in property registration, such as the National Agency of Public Registry and notary publics, should ensure that women are not denied their rights when changes to a property's status are being made. Additionally, trainings on gender sensitivity should be made available to the employees of these institutions.
- ④ Information campaigns directed towards the general population should raise people's awareness on women's rights in terms of landownership, property and inheritance rights.

#### **WED Condition 2: Policy leadership and coordination for the promotion of WED**

- ④ Despite considerable efforts, policy approaches directed towards gender equality and WED are far from consistent. An additional challenge to having effective WED policies is the general lack of enforcement of such policies. While the new SME Strategy of Georgia acknowledges the importance of WED, still, no unified national strategy on WED exists. It is recommended that Georgia develop a national WED strategy, with viable action plans and realistically enforceable and measurable outcomes.
- ④ While the Gender Equality Council could be considered a focal point for lobbying for WED, it lacks executive power in terms of leading policy actions across government ministries and agencies. Therefore, it is recommended that (a) either a separate institution or (b) an inter-institutional coordinating body be created that is tasked with promoting WED. As outlined in the general recommendations, this focal point might be placed at the MoESD.

#### **WED Condition 3: Gender-sensitive financial services**

- ④ SME programmes that prioritize women entrepreneurs might be manipulated by men so that they have access to resources earmarked for women. Therefore, a viable monitoring and evaluation mechanism should be put in place to avoid such cases, along with establishing the definition of women-owned enterprises, as noted in the general recommendations.
- ④ Commercial banks and microfinance institutions lack separate credit lines for women entrepreneurs despite the fact that women have a better history of loan repayment than men. Therefore, financial institutions might consider diversifying their products and giving gender-sensitivity trainings to loan officers. As already recommended by major international financial institutions, it is imperative that more women have access to financing.
- ④ Major loan programmes by international organizations often serve as guarantors to women who cannot provide collateral. Since a loan guarantee programme could help many start-ups, efforts need to be made to design a similar programme for women entrepreneurs. Organizations like Enterprise Georgia might spearhead such initiatives.



#### **WED Condition 4: Gender-sensitive business development support services**

- ④ When assessing access to gender-sensitive BDS, it is important to mention the lack of official statistics regarding the level of engagement with such services. State-sponsored services, such as those provided by Enterprise Georgia and GITA, do not have readily available sex-disaggregated statistics regarding participation in some of their programmes. Therefore, it is recommended that these institutions collect sex-disaggregated data on programme participation and uptake.
- ④ Women entrepreneurs' awareness on the BDS programmes available to them should be increased. This could be done either through a dedicated website or via popular job search portals. Additionally, such information should be disseminated through more than one communication channel and in multiple languages to reach women in rural areas and ethnic minority women.
- ④ State, private and donor organizations that provide BDS services should consider diversifying their portfolio. These activities should better target women entrepreneurs and be designed to respond to their constraints and needs. Apart from trainings, BDS services should include consultations, mentoring and peer assistance. Importantly, conducting initial needs assessment studies prior to designing programmes is highly recommended.
- ④ As accountants serve as the main advisers for many women entrepreneurs and are the main sources of information on business development, BDS providers should target them as information messengers.
- ④ Motivational and psychological support should not be ignored when providing BDS programmes, since many women feel discouraged when dealing with stigma and stereotypes.
- ④ BDS programmes should take into consideration cultural and social obstacles that women face when participating in such programmes; namely, sessions should be scheduled accordingly, allow remote participation and resolve any infrastructural issues, such as providing transportation and accommodation to beneficiaries. Potential participants should be told how BDS programmes specifically could help their businesses, thereby encouraging more women to get involved.
- ④ BDS programmes should be designed and executed to be women oriented. Evidence shows that a 'one-size-fits-all' approach is often counterproductive since women entrepreneurs often face very unique problems.
- ④ Local governments and CSOs from outside Tbilisi should be involved in the provision of BDS. Local governments should put effort into attracting funding opportunities, establishing organizational groups and seeking partnerships with other cities and villages.

#### **WED Condition 5: Access to markets and technology**

- ④ The lack of information about new markets, including the export and technology markets, was named as a problematic issue. BDS trainings and information campaigns should focus on informing women on how to look for such information. Notably, such help should be made available to rural women and ethnic minorities.
- ④ State and quasi-state organizations should focus on increasing the number of women entrepreneurs in international fairs and exhibitions. These organizations should encourage women entrepreneurs to participate in any forum or platform where they can meet with potential partners abroad.

- ④ Women, especially those living in rural areas, often cannot travel beyond their local markets due to the lack of proper and regular transportation to larger urban areas. Therefore, efforts need to be made to help rural women have more physical access to markets outside their communities. Potential avenues for doing so include adopting online capabilities, such as introducing e-commerce platforms.
- ④ Government procurement programmes should prioritize women entrepreneurs, which in turn will support the formation of supply chains. One of the potential avenues is the State Procurement Agency, which makes an effort to proactively reach out to potential women suppliers and helps build their capacity to meet supplier requirements.
- ④ Both state and non-state actors should support the establishment and formation of supply chains and link women-owned MSMEs. This can be achieved by supporting networking, using training modules and sharing success stories.
- ④ Women should continue to be encouraged to gain more ICT and STEM skills. This could include scaling up already existing programmes by international organizations and GITA.
- ④ Continued support should be provided to women entrepreneurs to engage in e-commerce and establish an online presence to increase sales. Such activities could be spearheaded by GITA, international donor organizations and other stakeholders.

#### **WED Condition 6: Representation of women entrepreneurs and participation in policy dialogue**

- ④ Major business associations should be encouraged to increase the number of their women members. This could be done by actively reaching out to prospective members or perhaps by waiving membership fees for women-owned SMEs. Together with building up a gender-sensitive orientation for business associations, they should show success cases and convince potential members that their voices might truly matter in policy design and negotiation processes.
- ④ Women entrepreneurs' awareness should be raised on the benefits of associations.
- ④ Better support should be provided to women entrepreneurs' associations. Women entrepreneurs should be encouraged, including through financial means, to form sectoral associations or regional associations and enter into dialogue formats. Large-scale public-private policy dialogue formats should be encouraged to involve women's associations and SMEs in the policy input process.
- ④ Government entities should consider establishing viable mechanisms, such as subcouncils and local focal points, for women entrepreneurs to gather input on their needs and provide policy recommendations.
- ④ Women entrepreneurs, especially women-owned SMEs, should be involved in consultations starting at the policy design stage. This would help government policies be more responsive to the needs of women entrepreneurs and SMEs.



# INTRODUCTION

UN Women has spearheaded a number of initiatives in Georgia to address the disparity in women's representation in economic activity. Between 2017 and 2020, UN Women Georgia partnered with the Norwegian Ministry of Foreign Affairs to implement the "Joint Action for Women's Economic Empowerment in Georgia" (JAWE) project. The JAWE project sought to improve women's economic rights by cultivating a gender-responsive culture in the private sector and an enabling state legislative and economic environment. To follow up on the work of JAWE, UN Women in Georgia is now implementing the "Good Governance for Gender Equality in Georgia" (GG4GEG) project, financially backed by the Government of Norway. GG4GEG focuses on emerging opportunities for women entrepreneurs in the agritourism and ICT sectors and builds on the achievements of and lessons learned from JAWE. One of the key outputs of the GG4GEG project is the increased capacity of policymakers to identify and address the challenges that women entrepreneurs face in Georgia. To facilitate this, UN Women and the International Labour Organization (ILO) have collaborated to provide an up-to-date and comprehensive assessment of the women's entrepreneurship ecosystem in Georgia.

This assessment is grounded in the Women's Entrepreneurship Development (WED) framework approach, elaborated by the ILO and updated in 2022.<sup>1</sup> The specific objectives of the national WED Assessment are to:

- ④ Analyse the current landscape of women's entrepreneurship in Georgia.
- ④ Identify the gaps and specific barriers to women's entrepreneurship in the country.
- ④ Examine if, and how, women business owners are affected negatively by policies, laws and regulations in areas that affect women's economic empowerment, as well as the extent to which these policies, laws and regulations are appropriately gender sensitive.
- ④ Assess the extent to which enterprise support policies and programmes, including financial and non-financial, are sensitive to the needs of women entrepreneurs and respond to their unmet potential and underserved needs.
- ④ Assess the extent to which businesswomen have a 'voice' in public-private policy dialogue and that the issues affecting them are raised in these forums.
- ④ Provide empirically informed recommendations to address the core barriers to women's entrepreneurship development and develop the potential of women entrepreneurs that will serve as the basis for future priority actions on WED by policymakers and other stakeholders.

Since the early 2000s, the ILO WED Assessment framework has supported national WED assessments in more than 30 countries in Africa, Latin America, the Middle East, Central Asia and South-East Asia. National WED assessments are prepared using the methodology outlined by the ILO in the "National Assessment of Women's Entrepreneurship Development (WED) Framework Conditions: Assessors' Guide"<sup>2</sup> (hereinafter the ILO WED Assessors' Guide).

## 1.1 WHY A WED ASSESSMENT?

The ILO WED Assessment provides a tool to enable analysis of the situation affecting the development of women's entrepreneurship at the national level. Many studies of women's entrepreneurship focus only on a certain dimension and cannot discern the disconnect between women entrepreneurs and policy, programmes, service providers, and business and sector associations. The aim of a WED assessment is to elucidate the 'bigger picture', leading to the achievement of the following objectives:

- ④ An increased rate of entrepreneurial activity among women
- ④ An increase in the share of enterprises owned by women
- ④ Greater sector and market diversity of women-owned enterprises
- ④ A larger proportion of small and medium-sized women-owned enterprises versus microenterprises
- ④ An improved level of women's economic empowerment and gender equality

Using an integrated, analytical approach, a WED assessment can identify policies and measures to unleash women's economic potential.

## 1.2 HOW THE FINDINGS FROM A WED ASSESSMENT CAN BE USED

WED assessment findings are used to inform policymakers, business development service providers, financial service providers/institutions, member-based business and sector associations, employers' organizations, non-governmental organizations, researchers and development partners on the actions needed to advance the profile and status of women entrepreneurs in a country. Assessment recommendations can support actionable policies and programming to address the identified challenges affecting women's entrepreneurship development, as well as contribute to a national strategy design to support women's underdeveloped potential as entrepreneurs, such as those country experiences highlighted in Box 1.1.

### BOX 1.1

#### How ILO WED assessments have influenced policy development in other countries

- ④ South Africa's Department of Trade and Industry used it as the basis of their Women's Economic Empowerment Strategy.
- ④ Montenegro used it to lobby for and adopt a joint declaration and strategy for the development of women's entrepreneurship for the period 2015–2020.
- ④ Senegal developed a national WED Strategy based on its national WED Assessment report.
- ④ The Mali Employers' Federation built a national WED action plan.
- ④ In Tanzania, the WED Assessment led to the establishment of a quota calling for 30 per cent of public tenders to be allocated to women-owned enterprises.
- ④ In Tunisia, the WED Assessment led to the creation of a chamber of commerce for women-led businesses, coupled with a manifesto on unleashing the potential of women's entrepreneurship in the country.
- ④ In El Salvador, a full chapter on WED was included in the 2015–2050 strategy of the National Micro and Small Enterprise Commission (CONAMYPE).

The report can also be used by women entrepreneurs' associations to enhance their advocacy to policymakers and to raise awareness among women entrepreneurs of the collective challenges they face and of support initiatives to address their needs and concerns.

## 1.3 THE WED ASSESSMENT FRAMEWORK AND METHODOLOGY

The WED Assessment in Georgia was structured to examine the state of the six framework conditions for WED outlined in the ILO WED Assessors' Guide, each one associated with two to four subconditions (see Figure 1.1).

The assessment employed cross-sectional methodologies combining both qualitative and quantitative methods as per the ILO WED Assessors' Guide (Figure 1.2). These included the following:

- ④ A review of existing relevant documents, reports and statistical data on MSMEs in Georgia, including on the role of women-owned enterprises.
- ④ An examination of the laws and regulations relevant to WED and the economic empowerment of women.
- ④ Mapping of the organizations providing business development, financing and other forms of support to MSMEs and specifically to women entrepreneurs.
- ④ Interviews with 27 key informants representing 20 state and non-state entities, e.g. government officials, financial institutions, business and employer membership organizations, women entrepreneurs' associations, donor organizations, and business support and training providers (see Annex A for the list of organizations). Interviews were conducted by CRRC Georgia.
- ④ Online surveys with 2,000 women entrepreneurs,<sup>3</sup> using the ILO's standardized "Women Entrepreneurs Survey" (WES) questionnaire, adapted for the Georgian context. The surveys and production of the statistical data were administered by the National Statistics Office of Georgia (Geostat) and presented to the CRRC for analysis.
- ④ Five focus groups attended by 37 women entrepreneurs, held in Tbilisi and other urban and rural areas of Georgia (see Annex B). The focus groups were organized and facilitated by CRRC Georgia.

Based on a qualitative assessment of all inputs and materials, quantitative scoring was applied to the WED framework conditions and associated subconditions according to the assessment grid presented in the ILO WED Assessors' Guide. By averaging the scores for the set of subconditions associated with each WED framework condition, a composite score was derived for each framework condition (with 5 being the highest) and the results presented visually in a radar/spider diagram. This assisted in identifying strengths and weaknesses across the WED framework conditions in Georgia.

FIGURE 1.1

## WED assessment framework: Profile of women's entrepreneurship and key framework conditions

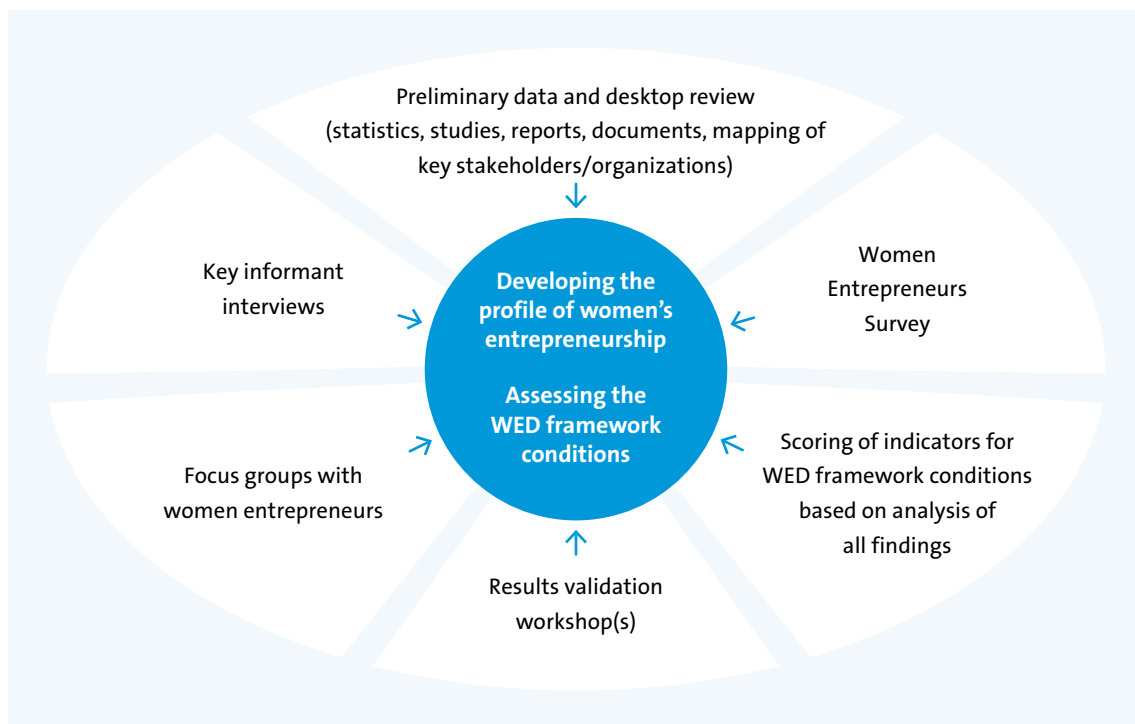


Source: ILO 2022b, p. 17.



FIGURE 1.2

Components of the ILO WED Assessment methodology



Source: ILO 2022b, p. 18.

The information conveyed in this report is important for policymakers and non-governmental stakeholders that focus on promoting and advocating for women's entrepreneurship in Georgia. The comprehensive approach elaborated in the WED framework allows stakeholders to apply a gender-sensitive lens to the country's legal and regulatory system, policies, availability of financial services and business development services, accessibility of markets and technology, and the representation of women in policy dialogues.

This report proceeds as follows. First, it provides a comprehensive profile of women entrepreneurs in Georgia. The next chapter then analyses the six major framework conditions for women's entrepreneurship development in Georgia, looking at the presence of gender-sensitive legal and regulatory systems, the patterns of policy leadership and coordination to promote WED, the nature of gender-sensitive financial services and business development support services, access to markets and technology, and the characteristics of women's presence in policy dialogue. The report concludes with a series of recommendations geared to improving the environment for women's entrepreneurship. Ultimately, the recommendations could form the basis for a national action plan on women's entrepreneurship, with strong policy leadership from the economic ministries and entities.



PROFILE OF WOMEN  
ENTREPRENEURS IN  
THE ECONOMY OF  
GEORGIA

## 2.1 DEFINITION OF MSMES IN GEORGIA

Authorities in Georgia use at least two different approaches to denote micro-, small and medium-sized businesses. The first one, used by Geostat, is based on the volume of annual turnover and the number of employees, and it follows the definitions adopted in the European Union. Small enterprises are those employing up to 50 persons or those with up to GEL 12 million in annual turnover. Medium-sized enterprises have 50 to 250 employees or those with an annual turnover of GEL 12 million to GEL 60 million.<sup>1</sup> Notably, this approach is also adopted by the Small and Medium-sized Enterprises (SME) Development Strategy for the Years 2021–2025, developed by the Ministry of Economy and Sustainable Development of Georgia (MoESD).

The Revenue Service of Georgia, the country's main taxation authority, on the other hand, offers a different definition, also introducing a distinction between micro- and small-sized businesses. Micro- and small-sized enterprises are offered tax breaks, going as far as being exempt from paying any income tax. An enterprise qualifies as a micro-business if it represents a natural person registered as a taxpayer who conducts economic activities independently and has an annual turnover of less than GEL 30,000.<sup>2</sup> Notably, such a definition was used in Georgia's earlier strategies for SME development.<sup>3</sup> As for small businesses, the Revenue Service designates enterprises as those that are established by individual entrepreneurs, do not conduct activities that are prohibited for small businesses<sup>4</sup> and have an annual turnover of GEL 500,000.<sup>5</sup>

## 2.2 WOMEN'S PARTICIPATION IN THE LABOUR FORCE AND THE MSME SECTOR

### **2.2.1 Participation in the labour force**

Women's participation in the labour force in Georgia is low. In the second quarter of 2022, only about one third (34.6 per cent) of women aged 15 and older were in employment. In contrast, more than half (51.5 per cent) of working-age men were employed.<sup>6</sup>

Women in Georgia earn considerably less than men. In 2020, the adjusted gender pay gap between men and women amounted to 21.4 per cent based on monthly wages, while it came to 15.9 per cent based on hourly salaries.<sup>7</sup> Even in nominal terms, the average monthly earning<sup>8</sup> for a man in Georgia was GEL 1,538 in 2021, with women earning GEL 1,056 on average.<sup>9</sup>

While the majority of women and men are employed by private enterprises, slightly fewer women (6 per cent) than men (9 per cent) work in state-owned entities. Women comprise only 44 per cent of workers employed by local private enterprises, 37 per cent of employees at foreign private enterprises and less than one third (32 per cent) of workers in state-run entities.<sup>10</sup>

Notably, the majority of women are concentrated in white-collar jobs (73 per cent), compared to less than half of men (43 per cent). Nonetheless, slightly more men (7 per cent) occupy managerial jobs than women (5 per cent).<sup>11</sup> Still, as noted above, a structural wage gap even within the same occupational classes is apparent.

There is a significant gender disparity in terms of economic activities in which women and men are engaged. Women tend to be employed in education (21.4 per cent), wholesale and retail trade (17.1 per cent), agriculture (16.5 per cent), and human health and social work activities (9.1 per cent). In comparison, men are mostly employed in agriculture (22.4 per cent), industry (14.2 per cent), wholesale and retail trade (13.6 per cent), construction (11.8 per cent), and transportation and storage (10.2 per cent).<sup>12</sup>

Women and men are equally engaged in informal labour. Among those employed in the non-agricultural sector, 22.5 per cent of women are engaged informally, compared to 34.2 per cent of men. Still, disparities exist, especially in terms of earnings.<sup>13</sup> In 2018, women who were employed informally earned 42 per cent less, on average, than women in formal employment. Women with children, those with secondary education or lower and married women were more likely to be in informal jobs than men with similar characteristics.<sup>14</sup>



## 2.2.2 Women in entrepreneurship

The share of entrepreneurs among women is lower than that among men. In the second quarter of 2022, Geostat estimated that less than a quarter of employed women (23 per cent) were self-employed, compared to the 39 per cent of self-employed men.<sup>15</sup>

Still, not all self-employed women are entrepreneurs. In 2020, almost half (46 per cent) of self-employed women were contributing family workers, compared to only 14.2 per cent of self-employed men. Three quarters of self-employed men were own-account workers, about 25 percentage points higher than that of self-employed women who were own-account workers (46 per cent). Only 7 per cent of self-employed women were employers, compared to 10 per cent of self-employed men.

As of July 2022, among 193,000 registered enterprises in Georgia, only one third were established by women. Gender disparity is especially prominent across enterprise sizes. Women tend to lead small businesses, while the share of women-led enterprises among medium-sized and large businesses is drastically low (Table 2.1).

**TABLE 2.1**  
**Ownership status across large, medium and small-sized enterprises, by gender (percentage)**

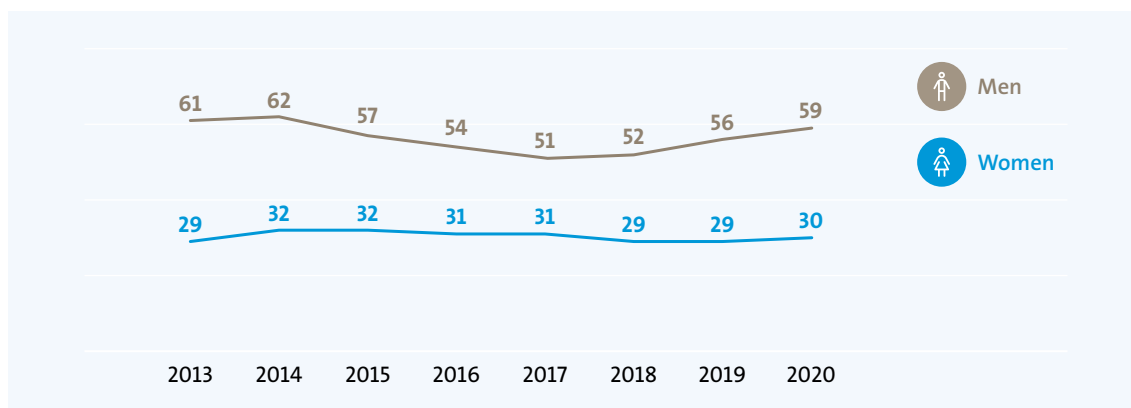
|  | Large | Medium | Small | Unclassified | TOTAL |
|--|-------|--------|-------|--------------|-------|
|  <b>Women</b> | 11    | 16     | 34    | 26           | 33    |
|  <b>Men</b>   | 80    | 76     | 63    | 50           | 61    |
| <b>Unidentified</b>  | 9     | 8      | 4     | 24           | 6     |
| <b>TOTAL</b>   | 100   | 100    | 100   | 100          | 100   |

**Source:** Geostat 2022a.

Regretfully, women's low level of business ownership has been a long-term trend. Over the past 10 years, women accounted for roughly 30 per cent of the newly established enterprises every year (Figure 2.1), a dynamic that persisted across the decade.

FIGURE 2.1

### Newly established enterprises, by gender of the owner (percentage)

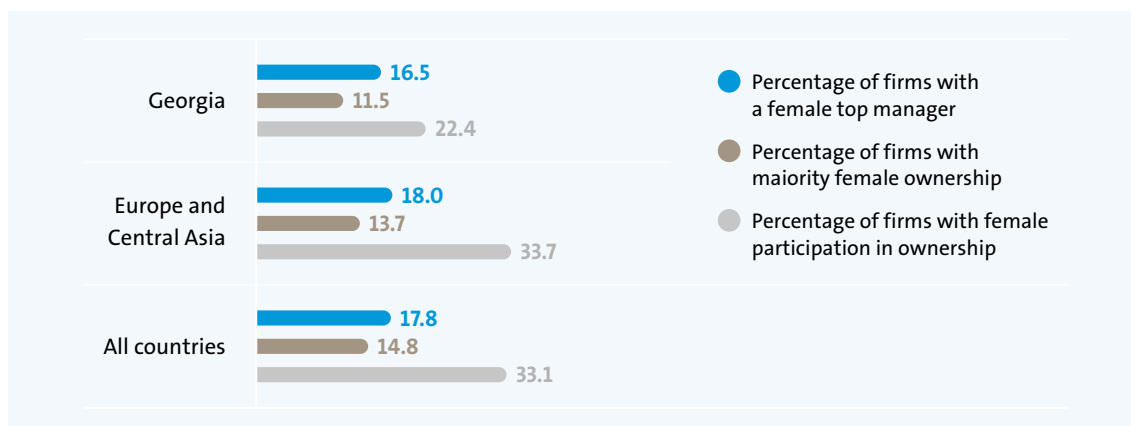


Source: Geostat 2021d.

Few women are represented in the ownership and management of firms. Data from the 2019 wave of the World Bank's Enterprise Survey affirm that the country falls substantially below the global and European averages in terms of the share of women in ownership and top management positions (Figure 2.2). Only 11.5 per cent of Georgian firms have majority female ownership, and only 16.5 per cent have a female top manager. Given that the education level of women in Georgia is far higher than that of men, the low level of their participation in ownership and top management highlights gender inequality and difficulties for women engaging in entrepreneurial activities.

FIGURE 2.2

### Firms with female participation in business ownership and top management (percentage)

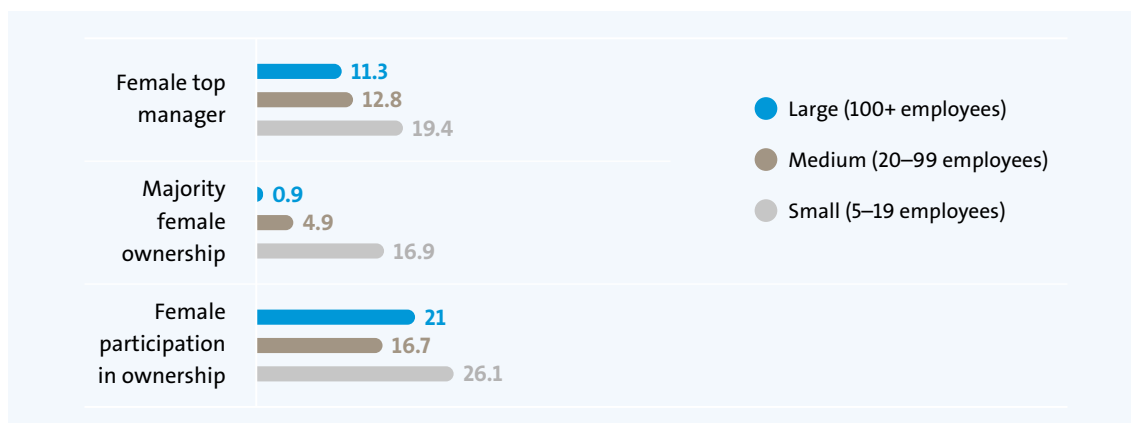


Source: World Bank, Enterprise Surveys, <https://www.enterprisesurveys.org/en/data/exploretopics/gender/>.

As women tend to own small enterprises, they are also more likely to be represented in the management of small businesses (Figure 2.3). Less than one fifth of enterprises have female top managers, including close to only 10 per cent among medium-sized and large firms. Moreover, less than 1 per cent of large firms in Georgia had majority female ownership, with women represented in the ownership of only about one fifth of enterprises overall.

**FIGURE 2.3**

**Female entrepreneurial activity, by firm size (percentage)**

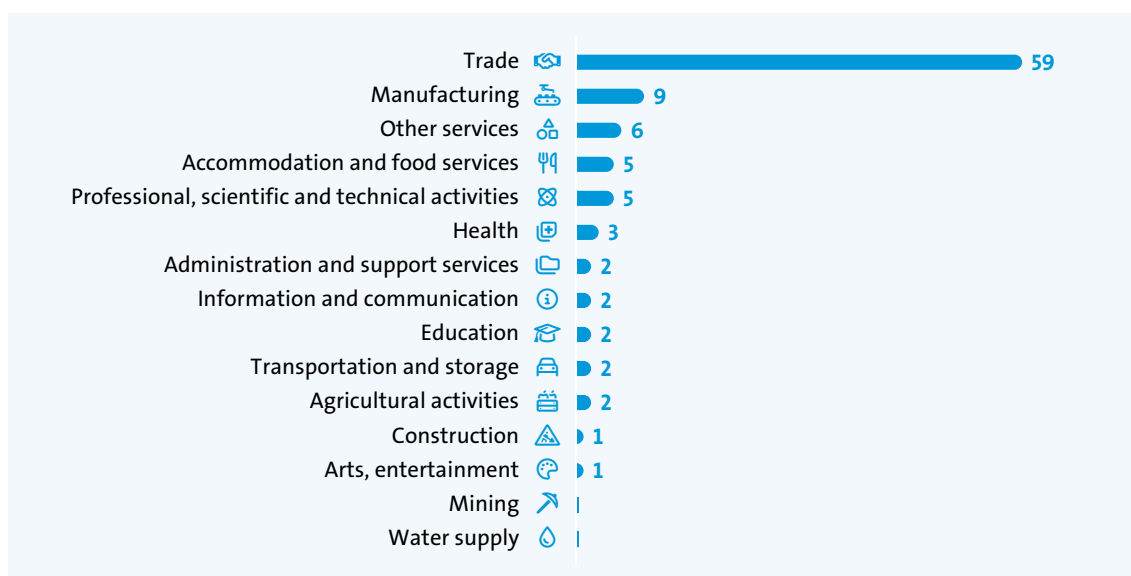


**Source:** World Bank, Enterprise Surveys, Georgia 2019 data, <https://www.enterprisesurveys.org/en/data/exploreeconomies/2019/georgia#gender/>.

Women’s entrepreneurship in Georgia across business areas is also sectorized (Figure 2.4). The findings of the Women Entrepreneurs Survey (WES), which covered Georgian enterprises with a female owner or where women owned 50 per cent or more of company shares, show that the majority of businesses are working in the trade sector (59 per cent). Fewer operate in manufacturing (9 per cent), some other services (6 per cent), accommodation and food services (5 per cent), professional, scientific and technical activities (5 per cent), and healthcare-related sectors (3 per cent). Even smaller proportions operate in sectors related to administrative and support services, information and communication, education and so forth.

**FIGURE 2.4**

**Main sector of activity for women-owned enterprises in Georgia (percentage)**



**Source:** Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

Women are in a disadvantaged position in the agricultural sector, which holds a significant standing in the Georgian economy. Not only are women underrepresented in commercial agriculture, but they also face numerous obstacles. Not surprisingly, a 2018 study by the Food and Agriculture Organization of the United Nations (FAO) showed that of the 8,700 farmer cooperative members in Georgia, only 25 per cent are women.<sup>16</sup>

### 2.2.3 Profile of women entrepreneurs

The WES results paint a detailed picture of a woman entrepreneur in Georgia. The majority of the respondents have kick-started their business operations independently and work as sole proprietors. Many are employers, meaning that they employ others. While the majority of women entrepreneurs are 40 years old or older, many face the double burden of doing domestic care work while managing a business.

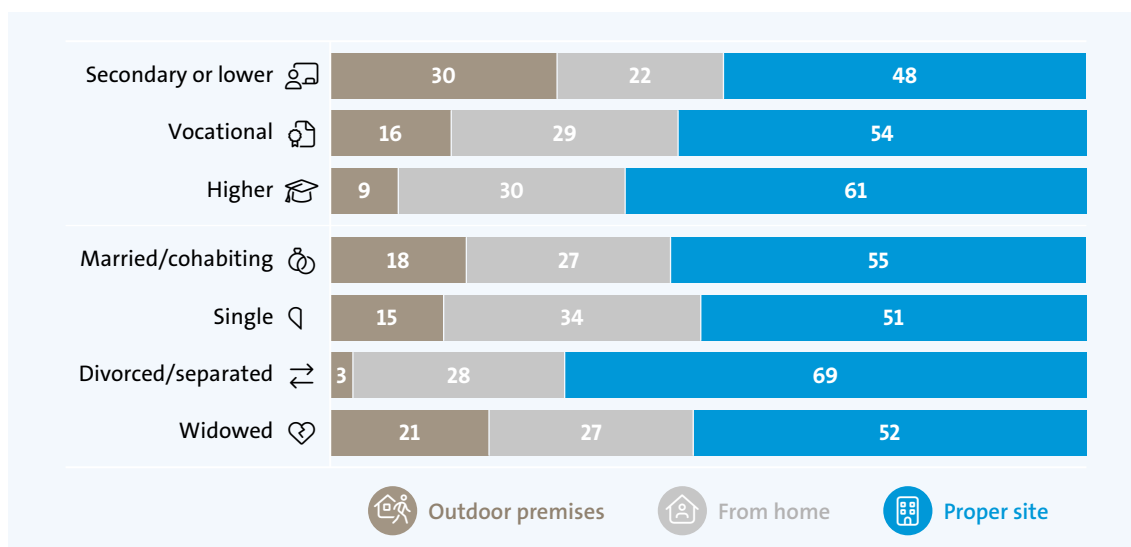
The majority of women entrepreneurs started their businesses on their own (89 per cent). About 8 per cent took over a family enterprise. A similar share (8 per cent) purchased their business from someone else or inherited it. Two thirds of the women-owned businesses were operated as sole proprietorships (or as individual entrepreneurs, an equivalent within Georgian law). About 31 per cent are registered as limited liability companies, while a negligible share are registered as joint-stock companies, limited partnerships and cooperatives.

Of those WES respondents who operated as partnerships, limited liability companies and joint stock companies (31 per cent of the total sample), the majority (69 per cent) do not have a shareholder in their current businesses. Of those who do, 24 per cent have a woman partner or shareholder, and 11 per cent have a male partner or shareholder.

Overall, more than half of women entrepreneurs (56 per cent) operate from proper business sites, such as office buildings, storefronts and the like. Slightly more than a quarter (27 per cent) managed their businesses from their personal residence. Fewer had market stalls and temporary structures (7 per cent each) such as kiosks, while only 2 per cent worked as street vendors. Respondents' education level and marital status predict the type of premises from which they operate (Figure 2.5). Women entrepreneurs with higher education are more likely to work from proper premises, such as offices, storefronts, factories and the like, while a good share of those who have not obtained higher education work from outdoor sites, such as farms, the streets, a market stall or a temporary structure. Similarly, those who report to be divorced mostly work from proper business sites. Notably, only 38 per cent of women entrepreneurs who work in premises other than the streets report owning their business sites.

**FIGURE 2.5**

**Type of premises from which women entrepreneurs operate their business, by education and marital status (percentage)**



**Source:** Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

Thirty-six per cent of the WES respondents do not employ workers other than themselves, indicating that the majority (64 per cent) are actually employers. Twenty-three per cent have one employee, 13 per cent have two employees, 15 per cent employ three to five people, and 4 per cent have six to nine workers. Eight per cent employ 10 or more people.

The majority of the women entrepreneurs (56 per cent) do not have paid employees, although some might employ staff free of charge, such as family members or friends. Similarly, 71 per cent do not employ unpaid workers but might have paid staff. Thirteen per cent have one paid employee, 8 per cent have two paid employees, and 12 per cent have between three and five paid workers. Four per cent have six to nine paid employees, while 7 per cent employ and pay 10 or more people.

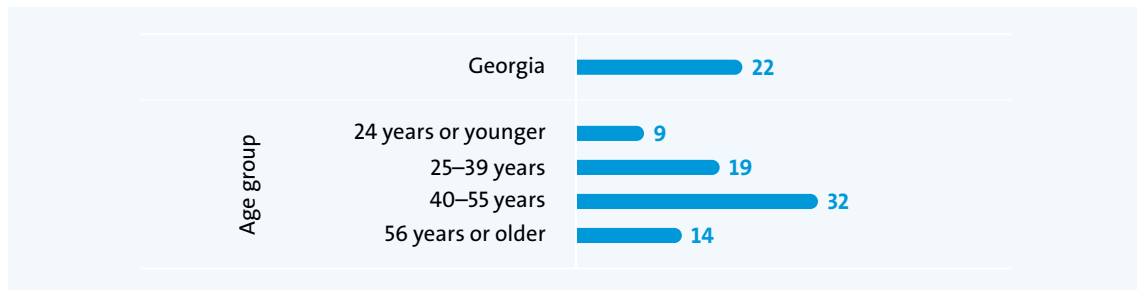
The women entrepreneurs with employees create jobs for other women. More than half (52 per cent) of women-led businesses in Georgia employ female workers, while 37 per cent also employ men. Close to a quarter of such businesses (23 per cent) have one female employee, 10 per cent have two, 11 per cent employ three to five women, and the remaining businesses have six or more women employees.

According to the WES results, more than half of entrepreneurs are 40 years old or older. The plurality (39 per cent) of women entrepreneurs were aged 40–55, while about 29 per cent were over the age of 55. Thirty per cent were aged 25–39, while only 2 per cent were 24 years old or younger. About 44 per cent of women entrepreneurs held higher education degrees, followed by an equal proportion (28 per cent each) of those who have obtained vocational education or hold secondary education degrees. The majority of the surveyed women entrepreneurs are married or cohabiting (78 per cent) and have children (65 per cent) under the age of 18.



Women entrepreneurs in Georgia often face the double burden of doing domestic care work while managing a business. In addition to taking care of their children, in some cases they also have to take care of their elderly relatives (Figure 2.6). When asked whether or not they are personally responsible for the care of elderly, sick or disabled household members, more than one fifth (22 per cent) said yes. Notably, women aged 40–55 are most likely to care for an elderly, sick or disabled person, with 32 per cent reporting doing so.

**FIGURE 2.6**  
**Women entrepreneurs with the personal responsibility of caring for elderly, sick or disabled family members, by age of respondent (percentage)**

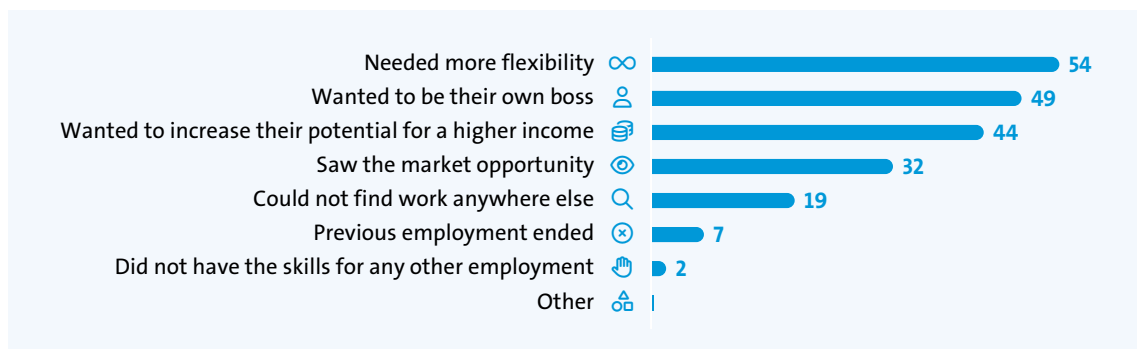


**Source:** Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

### 2.2.4 Major factors motivating women to start their own business

What motivates women entrepreneurs to start their own businesses? For the majority (54 per cent), it is the opportunity to earn an income while still taking care of family and fulfilling household duties (Figure 2.7). Close to half of the women entrepreneurs (49 per cent) wanted independence and to be their own bosses, 44 per cent wanted to increase their potential to earn a higher income, and about one third (32 per cent) saw an opportunity in the market to establish a profitable business. On the other hand, while almost one fifth (19 per cent) were pushed to start their own business because they could not find any other employment, fewer indicated that they did so because their previous employment ended (7 per cent) or that they did not have any other skills for employment (2 per cent).

**FIGURE 2.7**  
**Respondents' motivations for having their own businesses (percentage)**



**Source:** Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

**Note:** Respondents were permitted to choose up to three answers.

Women entrepreneurs differ across demographic groups in terms of the major motivating factors for starting a business. Those living in Tbilisi, younger women and respondents with higher education reported that they were driven by potential opportunities rather than by necessity to support themselves or their families. Three groups—older women, those who have lower educational attainment and those who live outside Tbilisi—were more likely to pick answers hinting that they had a necessity or an urgency to make money. Additionally, younger women and those from the capital city were more likely to see entrepreneurship as an opportunity to be their own bosses. As many as 92 per cent of the women entrepreneurs under the age of 25 said so, compared to slightly half of women entrepreneurs nationwide. Similarly, 56 per cent of women entrepreneurs in Tbilisi named independence as their main reason for starting a business.

Younger women were more likely to say that they saw a market opportunity than those in the older age groups. For instance, this applied to about 40 per cent of women in the youngest age cohort, as opposed to only 28 per cent among those who were over the age of 55. Older and less educated women were more likely to say that they started their business because they could not find any other job. Twenty-seven per cent of women over 55 years of age and 29 per cent of those with secondary or lower education said that they were unable to find other employment.

In sum, many women see entrepreneurship as a potential opportunity to be independent while still taking care of their domestic responsibilities. Importantly, these findings are also supported by focus group discussions. Participants across geographies and age groups equally believed that entrepreneurship is a great way for women to realize their full potential. According to the discussants, the ability to do business, have financial independence and be an entrepreneur is empowering in Georgia, where society has patriarchal views of women. Entrepreneurship enables women to be financially independent, more socially active, engaged, confident, free and self-loving to discover and develop new skills and to inspire other women that change is possible.

“Women can never reach equality without economic independence. [...] Doing business independently is hardly based on gender, but considering our society, it is especially important for women to have their own business to tackle the stereotypes around women rooted in Georgia and similar countries. Engagement and leadership, [and] having status in society, is how we can tackle those vicious stereotypes. [...] Being a woman entrepreneur, for me, is a kind of responsibility towards the development of the society I live in.”

(Participant 1, Tbilisi, owner of a formal business)

Notably, focus group participants from rural Georgia suggested that the promotion and support of entrepreneurship could be the way for young people to find jobs within their communities instead of emigrating.

The necessity to earn more money when taking care of family and household duties was the main motivating factor for the majority of women, with older women, those with lower educational attainment and those outside Tbilisi more likely to say so. Notably, focus group participants also confirmed these findings. Many respondents argued that entrepreneurial activity allows women to have a more flexible schedule and therefore more time for family and children, a personal life and/or additional activities. For others, entrepreneurship became a means of survival after being left without a job.

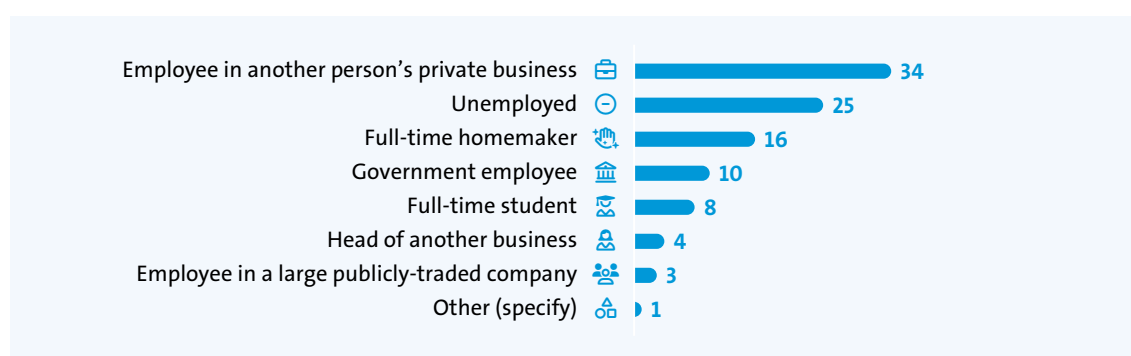
“I was very active my whole life and held leading positions in the Soviet Union at my workplace, [...] but then I had to retire. The system also changed, and I could not stay functionless.”

(Participant 2, rural, owner of a formal business)

Prior to starting their current business, more than half of the women entrepreneurs (51 per cent) were either working for another private business (34 per cent), a government agency (10 per cent) or a large publicly-traded company (3 per cent) (Figure 2.8). Only 4 per cent said that they were running another business. Almost half of respondents (49 per cent) were not working prior to when they started their current business: 25 per cent were unemployed, 8 per cent were full-time students, and 16 per cent were full-time homemakers.

FIGURE 2.8

### Respondents' role or position just prior to starting their current business (percentage)



**Source:** Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

**Note:** Some data were rounded to the whole number.

Only about 19 per cent of women entrepreneurs had any prior experience of being an entrepreneur before starting their current operations. This is associated with respondents' age and education. While older respondents expectedly were more likely to have such experience, respondents with higher education were also more likely to own a business before starting their current one. Those women who currently own a business, on average, have led 1.3 businesses (median of 1) in the past. Currently, the majority of women entrepreneurs (94 per cent) only lead one business. The average length of their entrepreneurial experience is 8.7 years (median of 7 years).

On average, women entrepreneurs start their businesses when they are about 37.8 years old (median of 37). Age, marital status and the presence of young children in the household predict at what age respondents started entrepreneurial activities. The average age when starting a business among the youngest respondents is 20 years old, while respondents between the ages of 25 and 39 start a business at 27 years old on average. Those who have younger children in the household, on average, start a business at the age of 32, as opposed to those without young children (31 years old). Notably, those who report to be widowed start their businesses at a relatively older age than others (at 34 years old).

## 2.3 CHALLENGES AND BARRIERS TO WOMEN'S ENTREPRENEURSHIP

Overall, the major challenges that women entrepreneurs in Georgia face could be split into several categories. The first set of challenges is associated with societal norms and beliefs that negatively perceive women's involvement in business and deprive them of their access to an inheritance. The double burden of housework and care work alongside business responsibilities also hinders women from fully exploring their entrepreneurial potential. The second set refers to the operational challenges, such as access to start-up and business development finances and other sources of support. Finally, many women lack the social capital that is essential in establishing connections within the business community.

The first group of barriers covers social norms and cultural beliefs. A large share of Georgians believe that men are better business leaders than women. In a 2019 survey on gender perceptions by UNDP and UNFPA, 39 per cent of respondents claimed that men are better business leaders than women, which was a somewhat improved figure compared to the data from the prior 2013 study (59 per cent).<sup>17</sup> Although this perception is slowly changing, women are still expected to be housewives and take care of responsibilities at home. This observation was reiterated by key informants, who stated that the dominant expectation among Georgians regarding women's role includes not spending much time outside the home. As confirmed by the informants, such cultural barriers prevent women from starting a business, growing enterprises and being active in business circles, including associations and policy dialogues.

Recognizing that women should have equal access to property inheritance is an often overlooked challenge that many women in Georgia still face. As outlined by both key informants and women entrepreneurs in focus group discussions, cultural norms prioritize men over women even though Georgian law stipulates the equal access to inheritance among siblings. Hence, women are often forced to give up their shares on behalf of male heirs. In turn, the lack of access to property derails women entrepreneurs' ability to obtain loans, which often require collateral.

The next barrier relates to unpaid domestic work and responsibilities at home. Many in Georgia expect women to stay at home and act as housewives by taking care of children and other family members, rather than work outside the household leading a business. These household responsibilities prevent many women from being engaged in entrepreneurial activities. Due to the unequal, gendered divisions of labour in the household, many women are left with no time to have their own business. The above is also corroborated by a recent time use survey conducted for UN Women showing that women dedicate five times more time to unpaid domestic work than men.<sup>18</sup>

Access to financing is yet another challenge. The lack of women-focused funding for start-ups and business development restricts women entrepreneurs' ability to start and develop their businesses. While a number of government entities and international developmental institutions have spearheaded efforts to fund women entrepreneurs, such efforts are fragmented. Moreover, large financial institutions such as commercial banks still lag behind in terms of women-focused loan programmes and gender-sensitive approaches in their work. Additionally, high interest rates on the available financing, as well as the need for business registration to get a loan, bar many vulnerable women entrepreneurs from starting and developing their businesses.

The lack of information, business literacy and confidence among women is another barrier for women entrepreneurs.<sup>19</sup> While the business registration process is straightforward, many are not aware of business regulations and procedures, including identifying the appropriate legal forms for enterprises. Additionally, as argued by key informants, women entrepreneurs disproportionately suffer from the lack of knowledge on technological advances and up-to-date production standards.

Many women entrepreneurs are sidelined, as many do not have sector-based connections with the other businesses operating in the same field.<sup>20</sup> As noted by focus group participants, since many women entrepreneurs are relative newcomers to the field, they are usually perceived as lacking experience, unlike their male competitors.

In the WES study, most women entrepreneurs (60 per cent) named access to financing as the biggest challenge to starting up their businesses. Notably, the same share also believes that the lack of financing will also hinder their future activities.

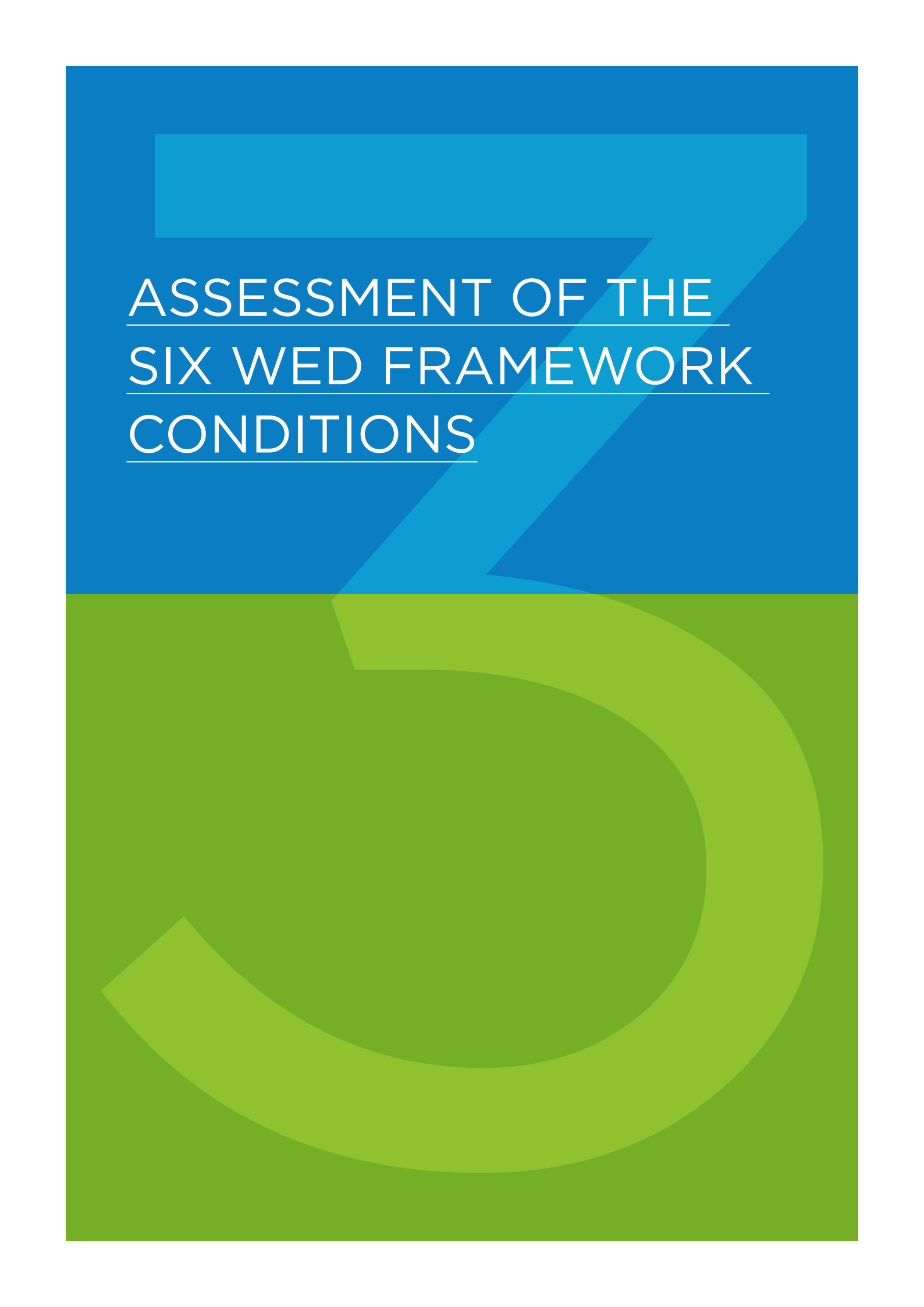
Not surprisingly, the next most frequently named challenges were those related to domestic responsibilities and support from household members. Thirty-eight per cent of women entrepreneurs found it challenging to arrange for family and childcare responsibilities when working to start a business, while close to a third of respondents (31 per cent) found it challenging to get support from their family members.

Relatively fewer named problems such as acquiring customers (29 per cent) or finding a space suitable to run a business (28 per cent).

Notably, women across demographic groups equally singled out access to financing as a challenge to starting up their businesses. Women outside Tbilisi were more likely to say that they found it hard to get support from their families, while those who were divorced or widowed were less likely to pick this problem out of the suggested list of potential challenges. Women entrepreneurs from outside the capital city were also more likely than those in Tbilisi to say that they found it hard to arrange for family and childcare responsibilities.

Other questions in the WES further show that not many women access institutionalized financial sources as start-up funds. Most start their businesses using personal savings (62 per cent) or money borrowed from family or friends (39 per cent). Only 38 per cent reported taking a bank loan to kick-start business operations. Fewer participated in a rotational credit scheme, sold assets or used government programmes.

Notably, while women entrepreneurs across all demographics were most likely to have used personal savings to start up their businesses, more women from outside Tbilisi (41 per cent) used bank loans to start their businesses than did those from the capital city (32 per cent). Similarly, young women were more likely to receive support from family and friends (76 per cent) than older women entrepreneurs.



ASSESSMENT OF THE  
SIX WED FRAMEWORK  
CONDITIONS

This chapter provides the findings and assessment of the related strengths and weaknesses of the six WED framework conditions in Georgia. As illustrated in Figure 1.1, these are:

- ① Gender-sensitive legal and regulatory system that advances women's economic empowerment
- ② Effective policy leadership and coordination for the promotion of WED
- ③ Access to gender-sensitive financial services
- ④ Access to gender-sensitive business development support (BDS) services
- ⑤ Access to markets and technology
- ⑥ Representation of women entrepreneurs and participation in policy dialogue

The analysis and assessment are based on a triangulation of the data and information acquired from secondary sources (policy documents, complimentary research studies and reports) and the results of the key informant interviews, the focus group sessions and the WES. Each of the WED framework condition sections concludes with a scoring of the indicators for its component subconditions.

## **3.1 WED FRAMEWORK CONDITION 1: GENDER-SENSITIVE LEGAL AND REGULATORY SYSTEM THAT ADVANCES WOMEN'S ECONOMIC EMPOWERMENT**

The gender-sensitive legal system ensures that women have opportunities equal to men to engage in the national economy. The potential scenario in which women have similar access to labour markets as men predicts an added value of US\$28 trillion to the global GDP.<sup>1</sup> Additionally, the United Nation's Sustainable Development Goals (SDGs) underscore the importance of women's equal participation and opportunities in leadership, including in economic life, and guaranteeing equal access to economic resources. Several multilateral normative documents, such as the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the Beijing Platform for Action, highlight the importance of women's rights to economic equalities and opportunities.

This section of the WED Assessment report summarizes how Georgia fares in terms of the gender-sensitive legal and regulatory system. Specifically, it evaluates Georgia's standing regarding labour laws and regulations, business registration and licensing laws, and women's property and inheritance rights.

### **3.1.1 Subcondition 1.A: Labour laws and regulations**

A comprehensive legal basis that enshrines women's equality in employment rights and their access to the labour market ensures the conditions necessary for women's economic empowerment. As multiple barriers hinder women's access to better jobs, a higher salary and entrepreneurship opportunities, such regulations should mitigate structural challenges, including cultural barriers that prevent women from exercising their economic rights.

This subcondition is concerned with two issues related to the labour legislation. The first looks at the equality of women's labour market access and participation, while the second discusses the direct impact of labour laws and regulations on women-owned enterprises.

### **Subcondition 1.A.1: Equality of women's labour market access and participation**

Overall, while Georgia's legal system provides for the comprehensive protection of women's economic rights, its enforcement still remains a major issue of concern. Gender equality is enshrined in the current Constitution of Georgia. Article 11 states that:

“[Georgia] shall ensure equal rights and opportunities for men and women. The state shall implement special measures to ensure substantive equality between men and women and to eliminate inequality.”<sup>2</sup>

The above-mentioned clause obliges the State to set up “special measures” with the purpose of fostering efforts to achieve gender equality.<sup>3</sup>

Georgia has made visible efforts to comply with international commitments and conventions. The country has already ratified a total of 18 ILO Conventions, including 8 of the 10 Fundamental Conventions. Georgia has joined such Conventions as those on Equal Remuneration (No. 100), Discrimination (No. 111) and Labour Standards (No. 144). Nonetheless, the country has yet to ratify at least 58 Conventions, including on Maternity Protection (No. 183) and Domestic Workers (No. 189).<sup>4</sup> While ratifying conventions and drafting regulations to address issues are not simple procedures, they are nonetheless critical for gender equality in the economy and in labour relations.<sup>5</sup>

Georgia's Law on Gender Equality prohibits discrimination in access to employment (under Article 6) and the unequal division of household duties (under Article 10). However, the same Article 6 of the Law on Gender Equality, which protects women's economic rights, also provides a rather vague and open-ended justification for gender discrimination during recruitment and employment.<sup>6</sup> Such a disparity indeed negatively affects women's economic prospects, and the wage gap between women and men is still significant in Georgia.<sup>7</sup>

Recent amendments to the Labour Code of Georgia have brought further advances to gender equality. As of now, the Labour Code establishes a rule for equal pay for equal work. Additionally, the Labour Code does not restrict women in specific sectors, and the only legal limitation is towards “pregnant women, or women who have recently given birth or are breastfeeding” in the cases of arduous, harmful or hazardous work, as well as night work.<sup>8</sup> Perhaps more relevant for Georgia, where social norms still see women as caretakers and as mothers above else (thus resulting in unpaid care work and further discrimination), Article 37 of the Labour Code introduces parental leave that is partially paid (and unpaid) and is to be shared between the father and mother.

The enforcement of the Labour Code remains inadequate, as women are not equally represented as decision makers in the public or private sector, in elected office or in the academic world,<sup>9</sup> despite increasing numbers of top management positions at companies being filled by women. As noted by one key informant, Georgia's labour law should include a clause that supports women entrepreneurs and employed women, as they are often in a disadvantaged position due to their double burden of housework and employment.



Overall, Georgia's legal system provides the basis for non-discriminatory practices based on gender. This also includes the absence of any legal instrument that would require women to get permission from their partners or guardians to work or operate a business. Still, informal barriers to women's economic empowerment exist, especially in the cultural domain. The majority of Georgians in 2018 either strongly or somewhat agreed that men should be the final decision makers at home (54 per cent), with 45 per cent of adult women thinking the same.<sup>10</sup> Nonetheless, Georgians score somewhat low in a common measurement of sexism in the economic domain. Only 17 per cent agree that women making more money than men is a problem.<sup>11</sup> While more than half of Georgians (59 per cent) disagree that men should have more rights to a job than women when jobs are scarce, still more than one third (38 per cent) agree with this statement.<sup>12</sup>

### **Subcondition 1.A.2: Impact of labour laws and regulations on existing women-owned enterprises**

Women entrepreneurs that participated in focus group discussions noted that it is certainly common to employ people both formally and informally without labour contracts. Some businesses, especially smaller entrepreneurs, avoid hiring additional staff due to the extra bureaucratic burden associated with signing contracts and conducting workforce management. While many women entrepreneurs follow formal recruitment procedures, some prefer hiring acquaintances or those close to them without formal recruitment procedures.

When it comes to employment agreements, almost all of the focus group participants with formal employees stated that they pay pension taxes, but not all of them can afford corporate health insurance for their employees. In rare situations, some entrepreneurs offer more social security benefits above obligatory ones to their employees.

Avoiding taxes and retaining social security assistance are primary reasons for keeping informal workers and hiring employees on short-term service contracts. Extra fees that are associated with hiring full-time workers include payments to the pension fund, formal vacation time, overtime work remuneration and so forth. If a potential hire is eligible for social security payments, many employers avoid setting up formal contracts so that the State will be responsible for paying his/her social benefits.

Yet another challenge to women's economic empowerment is the relatively low awareness of their rights. Key informants highlighted that both male and female enterprise owners generally lack awareness of the legal requirements and regulations regarding the operation of their business. Sometimes they did not even know that a new regulation or a legal amendment was adopted. This was especially pressing for rural entrepreneurs who have less opportunity to access business-related information than those from Tbilisi or other urban areas. Respondents believed that their low level of awareness did not have much to do with their gender but rather their experience in business.

Both the qualitative and quantitative evidence show that harassment or bribery issues from government officials are less of an issue. The only exception named by one of the key informants was related to state procurements, where some tenders are tailored to particular organizations, thus informally barring others from competing. While almost a quarter of women entrepreneurs (24 per cent) were visited by government officials during the past year, the proportion outside Tbilisi was higher (26 per cent) than in the capital city (19 per cent). The majority of such visits happen due to tax issues (83 per cent among those who were visited) and checks by the Labour Inspection Office (29 per cent of those who were visited).

### 3.1.2 Subcondition 1.B: Business registration and licensing laws, regulations and procedures

Georgia is often praised for the ease of doing business. The last edition of the World Bank's Ease of Doing Business report placed Georgia as the 7th ranked country globally regarding favourable business regulations.<sup>13</sup> The index recognized that Georgia's business registration procedures are gender equal and rated the set of procedures as one of the best worldwide. Therefore, registering and initiating a business, if in possession of capital, is hardly a regulatory constraint for women in Georgia.

The business registration process in Georgia takes a one-stop-shop approach.<sup>14</sup> The National Agency of Public Registry (NAPR), public service halls and legal entities that are authorized by NAPR (usually notary publics) can register a business. Furthermore, all surveyed women entrepreneurs in the Women Entrepreneurs Survey stated that they are registered with all major government agencies, including NAPR and the Revenue Service.

As noted by key informants, the registration process itself is very easy, and business owners get the assistance they need regardless of their gender. Women entrepreneurs in focus group discussions agreed that they rarely faced challenges when registering their businesses and argued that the registration process was simple for both men and women, recalling no gender-specific challenges. Still, there is no evidence that there are dedicated desks or services specifically for women entrepreneurs to help with registration.

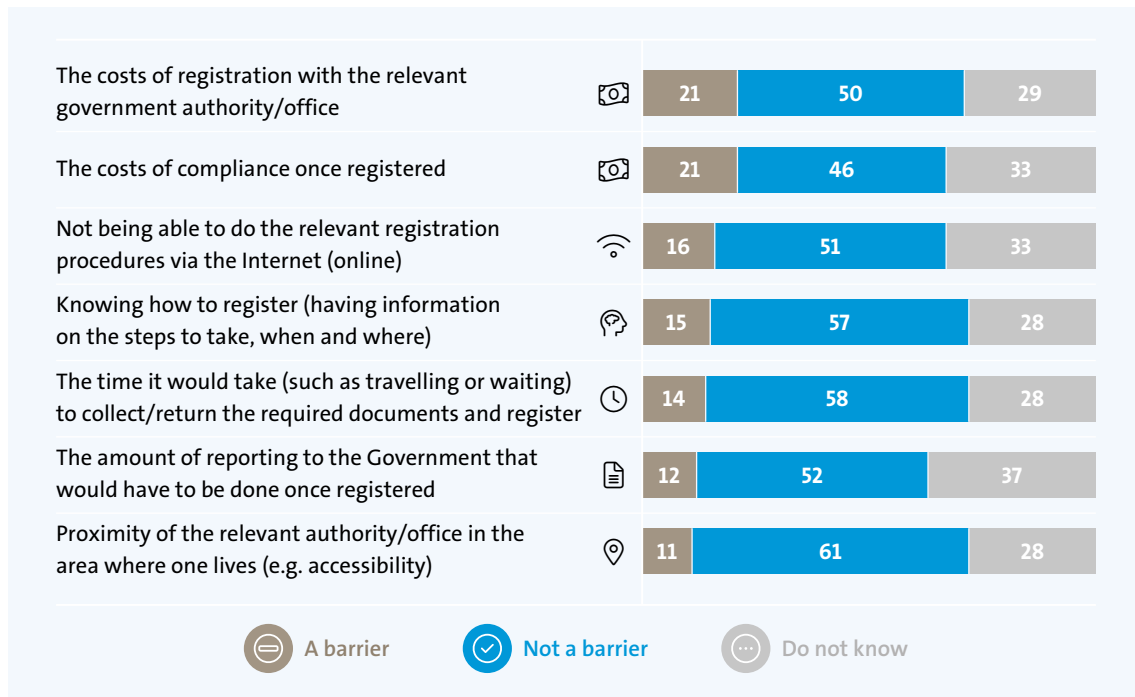
While the information on registration, regulations, and compliance and reporting requirements are not difficult to obtain online, their interpretation is what creates challenges for women entrepreneurs. As one focus group participant mentioned, she found out about the disadvantages of a particular organizational status only post factum after registering her business. Relative uncertainty regarding the availability of business information is evident among the survey participants: almost half of women entrepreneurs agree that information about business regulations is widely available to them, while about a similar proportion have no opinion.

Georgia's laws do not require women to have permission from partners or guardians to register a business. Information on business registration is available at public service halls or local centres, with no specific focus on women customers. The information on registration and licensing procedures is available equally for women and men. Still, focus group discussions indicated that in the process of business registration and management, women prefer to rely on personal networks and assistance from friends and family members rather than approaching state or non-state institutions.

The WES results offer more context regarding how women entrepreneurs perceive barriers to formally registering a business (although all of the WES respondents had obtained formal registrations). For the most part, the WES respondents did not perceive any major impeding factors in the business registration process (Figure 3.1). Additionally, a substantial share of respondents were unsure or ambivalent. While the costs associated with the registration of a business and the compliance costs once registered were the most stated barriers, only 21 per cent of the women entrepreneurs picked them as a challenge to formalizing their business.

Fewer said that not being able to do the relevant registration procedures online is a problem (16 per cent), followed by 15 per cent who said that their lack of knowledge about registering represented a barrier to formalizing their business. Fewer considered other issues as barriers, such as the time needed to collect or report the necessary documents for registration (14 per cent), the amount of reporting required following the registration (12 per cent) and their physical proximity to the registration authorities (11 per cent).

**FIGURE 3.1**  
**Opinions of women entrepreneurs on barriers to formalizing their business (percentage)**

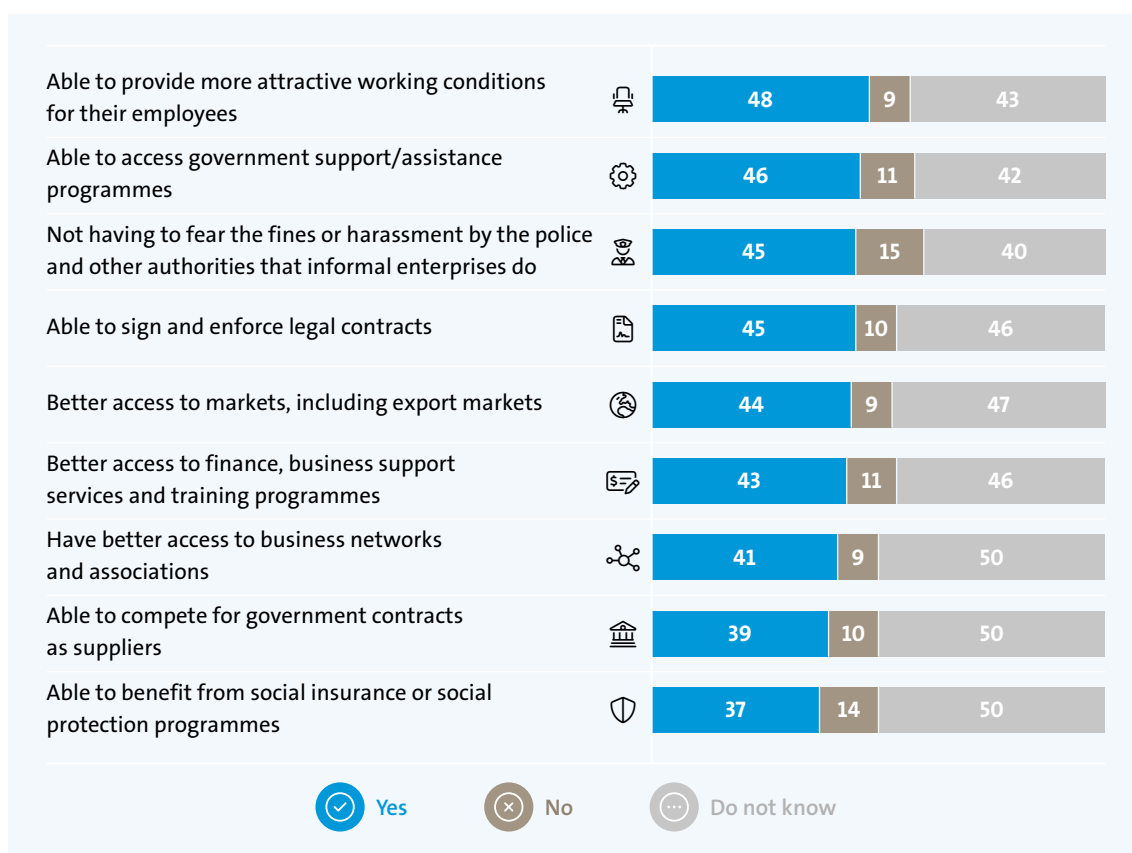


**Source:** Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

While many WES respondents acknowledged the advantages of having a formally registered business, many were unsure or indifferent. Close to half agreed that formal businesses are able to provide more attractive working conditions for their employees (48 per cent). A similar proportion also shared the opinion that such enterprises can access government support and assistance programmes (46 per cent): they can sign and enforce legal contracts (45 per cent) and have better access to markets (44 per cent), financing (43 per cent) and business networks (41 per cent) (Figure 3.2). Fewer agreed that formal registration increases the opportunity to participate in government procurements (39 per cent) and social protection programmes (37 per cent).

FIGURE 3.2

### Opinions of women entrepreneurs on the major advantages of having a formal, registered business (percentage)



Source: Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

### 3.1.3 Subcondition 1.C: Property and inheritance rights

The development of women entrepreneurs and women-led MSMEs is, in general, directly associated with equal rights regarding property and inheritance. Real estate often serves as the main source of start-up capital or business growth in Georgia, especially in the form of collateral. Thus, women need to have unbiased access to property. Although property and inheritance rights are gender-neutral by law, deeply rooted patriarchal norms still prevent many women from having equal access to an inheritance.

Accordingly, inheritance is one of the areas where these social norms become particularly problematic. While Georgia recognizes equality between men and women, there is a strong cultural belief that sons should inherit property and other assets. For instance, the UNDP and UNFPA survey found that approximately 35 per cent of respondents believed sons should inherit all or most of their parents' property.<sup>15</sup>

The 2014 agricultural census found that 70 per cent of total agricultural holdings were operated by men, with a preference for passing land and property to sons rather than daughters, and that this norm was particularly high among ethnic minority families.<sup>16</sup> This becomes even more worrisome when the presence of economic abuse is considered. As highlighted by the survey implemented by UN Women and Geostat in 2017, at least 10 per cent of women in Georgia were a victim of economic violence; that is, they were prohibited from earning money, family members took their earned money, or they were refused funds for household expenses.<sup>17</sup> This would mean that women are in a disadvantageous position in terms of asset ownership, and the assets they own may become dependent on the ‘approval’ of their cohabiters or parents.

Such circumstances create problems for women in accessing loans, as financial institutions require collateral. If property is not registered in women’s names, they cannot take out loans. There are situations when despite officially having property registered in their names, women still cannot independently decide on using the property for collateral, whereas men usually need no one’s consent. As a result, many of the surveyed women could not access those business development programmes that require having a registered property or a business in their name.

“I don’t know how property is arranged elsewhere, but in Samegrelo, for example, all of the property is owned by men. [...] Many women could not participate in programmes of different organizations that required property ownership; in the agricultural sphere among them, ENPARD and CARE also had such programmes, and believe me, approximately 40–45 per cent of women could not participate because their husbands refused to register property in their wives’ names.”

(Participant 7, urban, owner of a formal business)

As stated by one of the key informants, women were often under family and social pressure, and they gave up their share of property to their brothers. Another key informant shared: “We have a cultural norm like that—that boys inherit everything, and women have no right to make claims.” The lack of property is also linked to the next obstacle—limited or no access to finances, which are essential to start and develop a business.

Key informant interviews provided further context on the problems that women face in terms of property rights and inheritance. Sometimes women are under pressure from their families to give up their share of the property to their brothers. When such cases occur, it is done without proper consideration, and many women are not told that they have rights. Additionally, institutions involved in this process (NAPR and notary publics) do not scrutinize such cases at all. Similar problems exist regarding women’s rights when it comes to the inheritance of land. Notably, NAPR is currently preparing a draft legislative amendment to the Law of Georgia on the Public Registry, assisted by UN Women through a Gender Impact Assessment (GIA) of the legal framework regarding matrimonial property as being under the joint ownership of spouses.<sup>18</sup>

### 3.1.4 Assessment and scoring of WED Framework Condition 1: Gender-sensitive legal and regulatory system that advances women's economic empowerment

This section summarizes the scores assigned to each component of WED Framework Condition 1 (Table 3.1). It presents scores for subconditions related to labour laws and regulations, business registration and licensing regulations, and property and inheritance rights.


Subcondition 1.A (labour laws and regulations) looks at two components of Georgia's regulatory framework and practice. The score of the first component, which evaluates the state of women's employment rights, was assessed as a 4. Women in Georgia are not normally restricted from employment in any sector of the economy. The country's legal system explicitly makes clear that practices, including in the domain of the national economy, should be non-discriminatory, meaning that women can decide on their economic activities. While the enforcement of legally binding clauses remains challenging (often because of discriminatory cultural practices), the framework provides enough pretext for protecting women's economic rights.

Regarding the impact of labour laws and regulations on women entrepreneurs, Georgia is assigned a score of 3. All enterprises, including women-owned businesses, are given assistance by NAPR to guide them through registration and compliance procedures. Training courses by various state and non-state actors touch upon various regulations, including labour laws. The registration of employees can be done relatively easily through NAPR or the so-called Employees Registry, while empirical evidence shows that women entrepreneurs are not harassed by the authorities to comply with labour regulations. Nonetheless, this analysis could not discern specific actions taken by the Government to inform women entrepreneurs about labour laws and regulations. The apparent lack of outreach fits into the general pattern that women entrepreneurs are less likely to be aware of laws and regulations governing business activities.

Georgia is given a score of 3 out of 5 points on property and inheritance rights. While women have the same property and inheritance rights as men on paper, many women, especially those outside the capital and urban areas, are nonetheless unable to fully exercise their rights. There are few if any efforts made to inform women about their inheritance and property rights, and as the evidence suggests, government agencies such as NAPR and notary publics sometimes fail to fully address this problem.

TABLE 3.1

## Scoring summary for the assessment of WED Framework Condition 1

| WED Framework Condition 1: Gender-sensitive legal and regulatory system   |   |   |  |   |  |
|---|---|---|--|---|---|
| <b>1.A. Labour laws and regulations</b>   |   |   |  |   |   |
| 1.A.1. Equality of women's labour market access and participation   |   |   |  |   | <b>Score</b>  |
| Women are not restricted from employment in any sector of the economy   | Labour laws and regulations mandate non-discrimination in hiring practices on the basis of gender   | Laws mandate that women and men receive equal pay for similar work  | Married women are not legally required to have their husband's permission to work outside the home or to operate a business                            | Women are made aware of their equal employment rights, and these rights are enforced  | 4   |
| 1.A.2. Impact of labour laws and regulations on existing women-owned enterprises  |   |   |  |   | <b>Score</b>  |
| Women-owned enterprises (WOEs) are provided assistance in dealing with any complexities in registration and compliance procedures | Orientation on labour laws and regulations and compliance/reporting requirements are provided to women entrepreneurs as part of BDS and training programmes | The Government makes specific efforts to inform WOEs about labour laws and regulations and compliance/reporting requirements  | Registration of workers can be completed online or through conveniently located one-stop shops, which eases the administrative and time burden on WOEs | WOEs are not subjected to harassment or bribery by labour inspectors  | 3   |
| <b>1.B. Business registration and licensing regulations and procedures</b>  |   |   |  |   | <b>Score</b>  |
| Women can register a business without the legal requirement to have their husband's permission                                    | Special efforts are made by the Government to ensure that women are informed about business registration and licensing procedures                           | Women are not disadvantaged in accessing business registration offices due to mobility restrictions (e.g. registration can be done online, through local registration points, etc.) | Women's desks are located in business registration offices (women may have lower literacy levels and less business knowledge)                          | It is possible for women to obtain a business license for all types of businesses, including ones for the types of businesses more traditionally started by women | 3   |

| 1.C. Property and inheritance rights   |   |   |  |   |             |
|--|---|---|--|---|-------------|
| 1 point  | 2 points  | 3 points  | 4 points   | 5 points  | Score       |
| Women do not have the same property and inheritance rights as men according to the laws of the country | Women have some of the same property and inheritance rights as men, but there are different procedural requirements imposed on women to gain access to these rights (e.g. by law, husbands are given administrative control over jointly-titled matrimonial property) | Women have the same property and inheritance rights as men, but they are generally unaware of their rights, and few efforts are being made to educate and inform them of their rights | Women have the same property and inheritance rights as men, and broad-based efforts are made to make them aware of these rights; but customary practices do not recognize these legal rights, and women have limited recourse through the legal system | Women and men have the same property and inheritance rights by law, these rights are enforced, and women have access to legal recourse mechanisms to gain these established economic rights | 3           |
| <b>Overall score for WED Framework Condition 1</b>   |   |   |  |   | <b>3.25</b> |

**Note:** For Subconditions 1.A and 1.B, the assessment score is based on the number of statements that apply to the Georgian case. In Subcondition 1.C, the scoring is based on the statement that most accurately reflects the situation in Georgia. The shaded cells represent the applicable statements based on the findings of the assessment process.

## 3.2 WED FRAMEWORK CONDITION 2: EFFECTIVE POLICY LEADERSHIP AND COORDINATION FOR THE PROMOTION OF WED

Many countries have developed a vision within policy documents and strategy documents to engage more women in entrepreneurship and empower them from an economic perspective. While many OECD countries have effectively incorporated WED into their economic priorities, gaps exist still, especially in contexts such as those in Georgia.<sup>19</sup> The following section analyses the effective policy leadership and coordination for WED and the extent to which it is demonstrated as a national policy priority. Additionally, it provides an institutional review of the existence of government focal points responsible for the execution and coordination of WED.



### 3.2.1 Subcondition 2.A: WED as a national policy priority

This subsection looks at Georgia’s national policy priorities and evaluates whether or not WED is present among them. To do so, different governmental strategy documents, including gender and economic development-related policy documents, are analysed.

One of the more striking features of gender policy in Georgia is the lack of a unified approach despite significant efforts by several institutions. For instance, Georgia’s National Statistics Office (Geostat) possesses a gender strategy and has taken steps to disseminate gender indicators. The Parliament of Georgia has a Gender Equality Council, and there exists an Inter-Agency Commission on Gender Equality, Violence against Women and Domestic Violence. While UN Women’s Country Gender Equality Profile cites two separate instances where external institutions found the work done by the Gender Equality Council of the Parliament to be positive, the entity’s work lacks a systemic approach and is often disregarded in the Government’s strategic plans.<sup>20</sup>

The Gender Equality Council of the Parliament of Georgia was established following the 2010 Law of Georgia on Gender Equality. The Council functions as one of the main institutions in the country’s gender policy leadership.<sup>21</sup> Notably, the 2017–2020 Action Plan for the Gender Equality Council placed important attention on WED. The Action Plan included a new methodology for calculating the pay gap—a missing feature in Georgia’s gender policy—and conducting a gender analysis of the state budget.<sup>22</sup> Furthermore, the 2022–2024 Action Plan for the Council aims to spearhead women’s economic empowerment in government policies. Specifically, it plans to support the development of a conceptual plan for women’s economic empowerment, assisting actions that target the economic empowerment of vulnerable and conflict-affected women and upping efforts to study economic violence against women.<sup>23</sup>

A review of specific policy documents finds mixed evidence supporting that WED is a national policy priority. The Government’s official strategy for 2021–2024, “Toward Building a European State”, fails to specifically mention gender aspects in the whole section dedicated to specific policy proposals related to the economy.<sup>24</sup> Similarly, specific policy documents aimed at socioeconomic issues, such as the “Socioeconomic Development Strategy ‘Georgia 2020’”<sup>25</sup> or the “Regional Development Programme of Georgia, 2018–2021”,<sup>26</sup> do not identify WED as a policy priority.

Nonetheless, specific institutions, especially those characterized by policy-driven rather than politics-driven actions, have shown important efforts to address gender disparities and promote women’s economic development. Examples of such policy documents include the MoESD’s SME Development Strategy of 2021–2025.<sup>27</sup>

The MoESD’s SME strategies show progressive and positive attitudes towards WED. The 2016–2020 SME Development Strategy acknowledged that women’s entrepreneurship is necessary to promote inclusive economic growth while discussing the need to create special mechanisms to promote women’s entrepreneurship.<sup>28</sup> However, a gendered assessment of the 2016–2020 strategy commissioned by Europe Foundation argued that the document did not substantively integrate gender into its objectives, activities, budgeting or indicators.<sup>29</sup>

In 2021, building upon the efforts of the SME Development Strategy of 2016–2020 and the ex ante GIA of the strategy,<sup>30</sup> the SME Development Strategy for 2021–2025 brought considerable progress in terms of empowering women entrepreneurs. The Strategy recognized the existing gender gap across SMEs and openly acknowledged inequality in financial access. One of the most profound changes within the new strategy was designating the promotion of women’s entrepreneurship as a priority area in SME development.<sup>31</sup> Specifically, Priority 6 of the Strategy reviewed key challenges for developing women’s

entrepreneurship in Georgia. It highlighted women's low participation in the labour force, noted a significant disparity in the share of women employed in the business sector, and acknowledged the huge gender gap in wages, comprising 37 per cent in 2019. The document highlighted that "the gender pay gap is higher for small enterprises, [at] 43 per cent, while for large enterprises it is 34 per cent".<sup>32</sup>

The Strategy and its Action Plan outline five major policy areas and propose 10 principal activities to advance women's entrepreneurship in Georgia. Three of the policy areas are considered priorities and directly aim at better representing women in state-run programmes: the Strategy lists increasing women's participation in state-run business development programmes, improving gender statistics in government programmes, and increasing the gender sensitivity of state institutions by introducing GIAs into government structures. Other priority areas, such as the popularization of the Women's Empowerment Principles (WEPs) and the improvement of women entrepreneurs' digital skills,<sup>33</sup> also envisage the active participation of state institutions in their implementation. According to the report on the implementation of the Strategy's actions for 2021, all but one of the designated activities were fulfilled.<sup>34</sup> However, the Strategy was not in full alignment with the UN Women recommendations specified in the above-stated GIA report, especially in the area of women's access to finance.

What are the deficiencies of the Strategy? Key informants recognized that the setting of women's entrepreneurship development as a priority was a step forward, and both the Strategy and its Action Plan significantly improved in that direction. However, they noted that the Strategy could have done more in terms of gender mainstreaming and that, while the document was "not gender blind" entirely, it was rather "gender neutral".

Among other institutions, Geostat has taken the lead in addressing the lack of available information regarding gender equality across different sectors, with positive signs regarding the future availability of gender statistics. Since 2013, Geostat has disseminated gender-disaggregated data as part of its annual "Women and Men in Georgia" publication and has set up a dedicated dashboard for gender statistics on its website.<sup>35</sup> Geostat has prioritized gender mainstreaming in strategic documents, including a new strategy for gender statistics. The strategy analyses the organization's own shortcomings and maps actions to respond to those shortcomings. For instance, it acknowledges the lack of information regarding gender equality in the agricultural sector; accordingly, Geostat's National Strategy for 2021–2023<sup>36</sup> will create a set of new indicators and provide sex-disaggregated data on agricultural activities. Importantly, Geostat has partnered with UN Women to implement its initiatives on mainstreaming gender in its strategic documents.<sup>37</sup>

The National Bank of Georgia (NBG) has taken positive steps in terms of policy leadership. The NBG's 2020 Annual Report puts gender equality as a priority for the bank.<sup>38</sup> Additionally, in 2018, the bank passed new regulations for commercial banks, forcing them to have a supervisory board composed of at least 20 per cent women (with a minimum of one woman). In 2020, the NBG launched a financial literacy platform, which, while not specifically targeting women, contributed to expanding financial and business literacy.<sup>39</sup> While the NBG makes available robust financial statistics, still, many indicators are not sex-disaggregated.

However, the policy leadership on gender equality in Georgia is far from consistent. Yet another challenge to having effective policies towards women's economic empowerment is the general lack of enforcement. Almost every source consulted throughout the drafting of this analysis argued that the lack of enforcement is the key obstacle affecting almost every policy advancement. Thus, it is unsurprising that many positive actions towards gender equality have come from the efforts and advocacy of CSOs and international organizations, while government agencies and private businesses just respond to such inquiries.

Most of the interviewed international donor organizations' representatives confirmed these observations. A key informant from this pool of respondents noted that a good policy was not enough; it mattered who was responsible for policy implementation and what policy implementation mechanisms were in place. While the MoESD is the number-one state ministry that should prioritize WED, substantial discrepancies exist in its stated priorities and its implemented programmes in reality.

Another challenge hindering the development of unified and effective WED policies, according to the key interviews, is the lack of a definition for 'women entrepreneurs' or 'women-owned enterprises'. Informally, international donor organizations and private entities consider women-owned enterprises those with a woman chief manager, those with a woman as the major decision maker, or those with half of their shares owned by women. Still, a unified state-endorsed definition would be a good stepping stone towards helping with dedicated pro-women policies, further reducing all unnecessary legislative or regulatory burdens on women entrepreneurs.

### **3.2.2 Subcondition 2.B: Presence of a government focal point for the promotion and coordination of WED and support actions**

Given the fragmented approach to the promotion and coordination of WED, it is challenging to identify a single focal point within the Georgian Government responsible for the promotion of women's entrepreneurship. Structurally, it is safest to assume that the Gender Equality Council of the Parliament of Georgia serves as the key unit responsible for lobbying gender-related issues, including within the Parliament as well as among the central and local governments. The Gender Equality Council works with parliamentary structural units, donors and organizations, vulnerable groups, and others who should be involved in policy leadership and implementation processes. Nonetheless, the Council is a consultative and lobbying body rather than the one tasked with the implementation of policies.

While select initiatives of the Council touch upon women's economic empowerment, they do not specifically focus on WED. Key informants identified the MoESD and its agency, Enterprise Georgia, as key policy institutions staffed with the relevant focal points and dedicated personnel to pursue the development of women's entrepreneurship.

Besides the positive steps in promoting WED support actions, another important aspect of effective policy leadership is the coordination of action among state institutions, donors and other organizations working on the issue. While such a division of labour and coordination efforts among key governmental stakeholders exists informally, it is not effective in many circumstances since there is no single entity tasked with coordinating WED across governmental agencies.

Importantly, there is a need for a coordinated effort from donors and state institutions to communicate project efforts and avoid duplication. As some key informants noted, steering committee meetings with donors and government stakeholders were productive for effective resource allocation. Coordination efforts are also necessary between donor organizations. Two key informants highlighted that the programmatic interests of donors often overlap, leading to the funding of similar projects. For instance, as encouraging women in STEM and other technology jobs becomes popular, many donors design corresponding programmes, while other, more traditional sectors suffer from the lack of funding opportunities.

### 3.2.3 Assessment and scoring of WED Framework Condition 2: Effective policy leadership and coordination for the promotion of WED


This section presents the assessment of WED Condition 2, evaluating the policy component of women’s entrepreneurship in Georgia (Table 3.2). In the first subcondition, WED as a national policy priority, Georgia scores 4 out of 5 points overall. Recent government documents, such as the 2021–2025 SME Development Strategy, identify women as a specific target group in the country’s MSME policies for the coming four years. The Strategy and its Action Plan outline specific policy areas and measures to foster women’s entrepreneurship in Georgia, such as concrete steps to increase women’s participation in state-led business development programmes. Monitoring and evaluation tools are in place to measure the outcomes of the policy.<sup>40</sup>

Still, Georgia has only prioritized WED at the level of MSMEs. There is no dedicated national framework for WED that would have targeted both start-ups and established businesses.

Concerning the second subcondition, the presence of a government focal point for the promotion and coordination of WED, Georgia scores 3 out of 5 points.

The Parliament’s Gender Equality Council might be considered one such focal point institution. While this institution represents the legislative branch of the Government, efforts are made to translate legislative initiatives into viable policies. Separate institutions tasked with WED within the central Government also exist. Nonetheless, greater coordination between different branches is needed to further foster women’s entrepreneurship in Georgia.

**TABLE 3.2**  
Scoring summary for the assessment of WED Framework Condition 2

| WED Framework Condition 2: Effective policy leadership and coordination for the promotion of WED |  |   |   |  |  |
|--|--|---|---|--|---|
| 2.A. WED as a national policy priority   |  |   |   |  |   |
| 1 point  | 2 points   | 3 points  | 4 points  | 5 points   | Score   |
| There is no documented evidence that WED is a national policy priority                           | Women’s enterprise development is stated as one of the priorities in national development plans, gender policies and/or other national economic strategies that is important to the economic and social development of the country, but no specific agenda or action plan has been defined | Women entrepreneurs have been identified as a specific target group in the Government’s MSME policies | Women entrepreneurs have been identified as a specific target group in the Government’s MSME policies, and there are specific measures in MSME policy documents to foster women’s entrepreneurship/enterprise development | There is a national strategic framework for women’s entrepreneurship development, including provisions to both start up and grow their enterprises | 4   |

| <b>2.B. Presence of a government focal point for the promotion and coordination of WED and support actions</b> |  |   |   |  |              |
|--|--|---|---|--|--------------|
| <b>1 point</b>   | <b>2 points</b>  | <b>3 points</b>   | <b>4 points</b>   | <b>5 points</b>  | <b>Score</b> |
| The Government has taken no steps to address the issue of WED policy leadership and coordination               | There are no WED focal points in the Government, but some attention is paid to WED issues in certain ministries/agencies | There are focal points in one or two ministries/ government departments that advocate for or have some promotional activity for WED, but there is no collaboration across ministries/agencies | A national focal point for WED has been established within government, but it is still not functioning properly, is underresourced and has limited opportunities to liaise across ministries/agencies | There is a national focal point for WED within government with a mandate for policy leadership, supported by the budget, resources and interministerial collaboration and cooperation necessary to carry out this mandate; the focal point has developed strong linkages with external stakeholders and actively consults on the policy and programme needs of women entrepreneurs | 3            |
| <b>Overall score for WED Framework Condition 2</b>   |  |   |   |  | <b>3.5</b>   |

**Note:** The scoring is based on the statement that most accurately reflects the situation in Georgia. The shaded cells represent the applicable statements based on the findings of the assessment process.

## **3.3 WED FRAMEWORK CONDITION 3:**

### **ACCESS TO GENDER-SENSITIVE FINANCIAL SERVICES**

The challenges that exist with women's property ownership limit their opportunities for external financing. As real estate or land is often used as collateral to guarantee business loans, the lack of such property ownership is translated into less advantageous procedures and conditions for women borrowers. Secondly, leasing property for enterprises is expensive, weighing heavily on entrepreneurs. Due to such conditions, women entrepreneurs sometimes have to agree to smaller loans that hinder the development of their businesses.

While the Government's policy proposals and action plans underline the need to foster entrepreneurship in Georgia, still, there is an acute need for gender-responsive financing opportunities. Otherwise, due to the obstacles outlined in Section 2.3 women entrepreneurs will remain underrepresented, and their economic potential will be lost.

In this light, WED Framework Condition 3 evaluates women's access to gender-sensitive financial services. First, it looks at women's participation in generic financial programmes. Next, it analyses financing opportunities that specifically target women entrepreneurs.

#### **3.3.1 Subcondition 3.A: Women entrepreneurs' participation in generic financing programmes**

According to the OECD, the nominal amount of loans distributed to Georgian SMEs grew five-fold in recent years, increasing from GEL 1.4 billion in 2010 to GEL 7.105 billion in 2020.<sup>41</sup> Despite staggering growth in the volume of crediting, men likely represent the majority of borrowers. The lack of access to resources for borrowing means that women are more susceptible to private money lenders' services and exploitation.<sup>42</sup>

Key informant interviews provide a better context to understand the problems that women face when trying to access generic financing programmes. The representative of a business consultation company highlighted the discrepancy between the number of loans and grants issued to women and to men. This could be explained by the fact that commercial creditors often look from a stereotypical lens when deciding to lend money to women applicants, despite the fact that key informants from commercial banks indicated that some loan officers have attended trainings on gender-sensitive financing. While women entrepreneurs in the focus groups highlighted the difference in how men and women are treated by financial organizations, they still attribute this bias to women's lack of business experience rather than to sexism.

“Since women are quite new to entrepreneurship and men were more active in this sphere in Georgia, encouraging women’s projects is important. [...] I started a business in a sector I had no experience in, and when you compete with more experienced men, even if your proposal is better, experience seems to be more trusted than my motivation, reliable calculations, etc. [...] Women have always been in agriculture but in the background. [...] If we are not treated equally despite our lack of experience, women will not be able to create anything.”

(Participant 9, urban, owner of a formal business)

Similar rules and procedures for borrowers apply to both women and men. Key informant interviews noted that women are asked to provide the same number and type of documents, as well as collateral. Nonetheless, bank representatives noted that women are usually considered low-risk borrowers by loan officers since they fulfil their obligations better. While lower risks should, in theory, be associated with lower interest rates, banks refrain from offering lower rates to women clients. As per the representative of a donor organization, such circumstances could be a convincing argument to offer better loan conditions to women borrowers.

Age turned out to be an important barrier as well. Focus group participants pointed out that both non-profit donors and financial institutions refrain from providing grants or loans to clients and beneficiaries over a certain age. This represents an obstacle to many women entrepreneurs in the older age brackets. Further challenges include access to information, unfavourable financial arrangements and high interest rates.

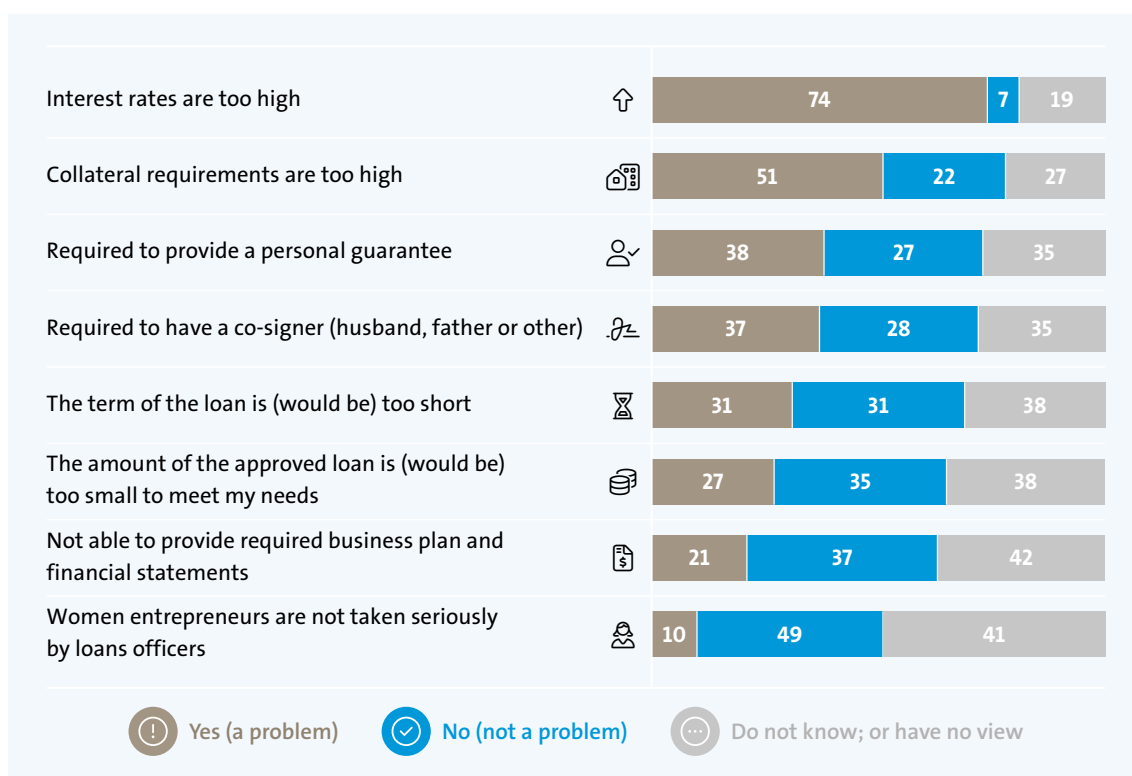
The WES results further corroborate the observation that women entrepreneurs find it challenging to access external financing. Only 24 per cent of the women entrepreneurs reported trying to obtain a business loan during the past year, while 76 per cent did not. When the latter group was asked about their reasons for not trying to get a loan, the majority (74 per cent) said they did not need one, 22 per cent did not want to take on more debt, and roughly 3 per cent said that they did not think their business would qualify for a loan.

Those who did receive a loan either approached a bank (95 per cent) or borrowed from a family member or a friend (12 per cent), while 3 per cent or fewer applied to a government programme, a microfinance organization or an international project or used a pawn shop or a private money lender. Importantly, the majority of respondents who approached banks reported that their application was successful (85 per cent), as was the case for 77 per cent of those who asked their families or friends for a loan.

What are the major obstacles that women entrepreneurs face when trying to access financing? Insights from the WES again confirm the findings of the focus groups—that women entrepreneurs see high interest rates as the most important problem when accessing financing. This factor was named by almost three quarters (74 per cent) of surveyed women entrepreneurs when asked about the major problems in obtaining a loan from a financial institution (Figure 3.3). Slightly more than half (51 per cent) said that collateral requirements are too high, 38 per cent would be required to provide a personal guarantee, and 37 per cent said that a co-signer would be required. Thirty-one per cent said that the loan terms are too short, and 27 per cent said that the amount of the approved loan would be too small to meet their needs. Twenty-one per cent noted that they would not be able to provide the required business plans and financial statements, while only 10 per cent agreed that women entrepreneurs are not taken seriously at banks.

FIGURE 3.3

Women entrepreneurs' views on the major problems in obtaining a loan from a financial institution (percentage)



Source: Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

While there are no dedicated state-run entrepreneurship programmes for women, Enterprise Georgia’s Micro and Small Business (MSB) Support Program<sup>43</sup> prioritizes women-led businesses. At its outset in 2015, the programme had very few women beneficiaries, but by 2022, their share was equal to that of men. According to the key informants, the success of women applicants in previous years motivated others to submit quality proposals. The growth of competition was also noted by focus group participants, who highlighted that while the number of applications has increased over time, there is not enough funding for the programme. Notably, some focus group participants also highlighted the lack of feedback on unsuccessful proposals, which limits their ability to improve them for the next funding cycle.

Enterprise Georgia’s MSB Support Program is an exception rather than a rule in terms of the presence of women. In 2021, women comprised 50 per cent of successful applicants in the MSB Support Program, while only 27 per cent of funded proposals in Enterprise Georgia’s industrial programmes in 2018 were led by women.<sup>44</sup> Moreover, for the five-year period between 2014 and 2019, women represented only 7.6 per cent of the beneficiaries of the Rural Development Agency’s Preferential Agrocredit Programme, one of Georgia’s flagship state support programmes.<sup>45</sup> Notably, the Preferential Agrocredit Programme actually abolished quotas for women on the grounds of not having enough applicants.<sup>46</sup>

Georgia’s Innovation and Technology Agency (GITA) offers state-run, sector-specific financing opportunities; however, focus group participants noted that the grants offered do not necessarily prioritize women.<sup>47</sup> Several focus group participants mentioned either applying for or receiving funding from GITA.



### 3.3.2 Subcondition 3.B: Financing programmes specifically targeted to women-owned enterprises

Currently, funding opportunities that specifically target women entrepreneurs are rather scant. Apart from Enterprise Georgia’s MSB Support Program, in which women-owned businesses are prioritized, only a handful of private lenders or international organizations have similar programmes for women entrepreneurs.

Arguably, the “Women in Business” (WiB) programme by the European Bank for Reconstruction and Development (EBRD) remains the largest targeted initiative to empower women entrepreneurs. Between 2016 and 2021, the EBRD, through implementing partners such as TBC Bank and the Bank of Georgia, loaned EUR 37 million to 2,500 women-led businesses in Georgia. About a quarter of this funding was provided to start-ups and first-time borrowers.<sup>48</sup> As one key informant noted, the involvement of commercial banks in providing loans is an effective base effort to promote women’s entrepreneurial development. Given that entrepreneurs eventually require higher ceilings on the amount they borrow, commercial banks are usually better positioned to finance expanding businesses.<sup>49</sup>

Women entrepreneurs who discussed such funding opportunities in the focus groups noted that such programmes offer loans with interest rates similar to other options that are available on the commercial market. Nonetheless, the benefits of these programmes were also discussed. For instance, large donors served as guarantors to those women who could not provide collateral for securing loans. As suggested by one key informant, the State could also serve as a guarantor for women borrowers, ensuring broader access to loans.

How can the availability of gender-sensitive financing be increased? Key informants suggested both structural and programmatic solutions. Along with specific women-focused financial support initiatives, increasing the number of women in decision-making and on the supervisory boards of financial institutions was suggested as one of the structural shifts. Additionally, respondents suggested borrowing best practices from elsewhere, including conducting segmentation studies and developing financial products on evidence-based suggestions.

### 3.3.3 Assessment and scoring of WED Framework Condition 3: Access to gender-sensitive financial services


Access to gender-sensitive financial services remains a challenge for women entrepreneurs in Georgia. While there is a general lack of financing programmes that specifically target women entrepreneurs, generic financial services are not tailored to women’s needs either. Not surprisingly, this framework condition has been scored as one of the lowest (Table 3.3).

Overall, there is some evidence that mainstream financial institutions, including commercial banks, have started recognizing the potential of the women’s market. Women creditors are generally considered as reliable borrowers, although financial institutions make no specific efforts to proactively reach out to women or offer them tailored products. While some banks have retrained their staff in gender-sensitive financing, loan officers’ unconscious bias must still affect their decision-making logic. Considering the evidence explored above, Georgia scores only 2 out of 5 points in terms of women’s participation in generic financing programmes.

Financing programmes that specifically target women-owned enterprises do exist, although they are spearheaded by the State or by international donors, thus creating the need for a more long-term and institutionalized approach. As the “Women in Business” programme by the EBRD financed women entrepreneurs at different stages of development, currently, the initiative has been discontinued, as is the case for other programmes. Enterprise Georgia’s MSB Support Program, while not being specifically for women, aims for at least the equal representation of women entrepreneurs among its beneficiaries. As loan guarantee programmes for women entrepreneurs still need to be put in place in Georgia, the country scores 3 out of 5 points for this subcondition.

TABLE 3.3

Scoring summary for the assessment of WED Framework Condition 3

| WED Framework Condition 3: Access to gender-sensitive financial services |   |   |  |   |  |
|--|---|---|--|---|---|
| 3.A. Women entrepreneurs’ participation in generic financing programmes  |   |   |  |   |   |
| 1 point  | 2 points  | 3 points  | 4 points   | 5 points  | Score   |
| Passive approach: few WOE/women entrepreneurs as clients                 | Beginning to recognize the potential of the women’s market and implementing gender-sensitive training for loans officers, but not yet actively reaching out to the women entrepreneurs’ market with promotional efforts | Recognition of the potential of the women’s market, implements gender-sensitivity training for loans officers, plus actively reaching out to the women entrepreneurs’ market through promotional activity | Active efforts to reach out to the women entrepreneurs’ market through promotional activity, plus tailor-made loan and financial services products are developed for women entrepreneurs | Tailor-made loan and financial services products are developed for the women entrepreneurs’ market, plus performance targets are generally set for the number of loans earmarked for WOE; the financial system is seen as women-friendly; client data are tracked and reported on a sex-disaggregated basis | 2   |

| <b>3.B. Financing programmes specifically targeted to women-owned enterprises</b> |  |  |   |   |              |
|---|--|--|---|---|--------------|
| <b>1 point</b>  | <b>2 points</b>  | <b>3 points</b>  | <b>4 points</b>   | <b>5 points</b>   | <b>Score</b> |
| There are no specifically targeted financial services for WOE/women entrepreneurs | There is evidence of a few women-focused loan programmes, but they are primarily for women with microenterprises | There are credit programmes targeting WOE of different sizes and at different stages of their development (from start-up to expansion), but they are primarily accessible in only certain parts of the country (i.e. urban centres); no evidence of women-focused equity (seed and venture capital) programmes | Loan guarantee programmes targeting WOE complement credit programmes targeting WOE/women entrepreneurs at different stages of their development (from start-up to expansion), but they are primarily accessible to women entrepreneurs in urban areas | Both women-targeted credit (microfinancing and commercial bank financing) and equity (seed and venture capital) programmes exist and are accessible to women entrepreneurs in urban and rural areas, including through ICT-enabled solutions such as mobile money | 3            |
| <b>Overall score for WED Framework Condition 3</b>                                |  |  |   |   | <b>2.5</b>   |

**Note:** The scoring is based on the statement that most accurately reflects the situation in Georgia. The shaded cells represent the applicable statements based on the findings of the assessment process.

### 3.4 WED FRAMEWORK CONDITION 4: ACCESS TO GENDER-SENSITIVE BUSINESS DEVELOPMENT SUPPORT SERVICES

Along with access to financing, business development support (BDS) services are of high importance for the development of women’s entrepreneurship. BDS includes a variety of support for women entrepreneurs at different stages of their business development, including trainings and consultancy, along with mentoring and coaching. Beneficiaries of such efforts could include women who plan to start a business, actual start-ups and experienced women entrepreneurs trying to expand their businesses and markets. The aim of BDS is to raise entrepreneurs’ awareness on a variety of business operation-related issues, to assist them in increasing their productivity and efficiency and to help them start, grow or enhance their businesses.

As women entrepreneurs generally encounter more obstacles in the start-up and operation of their businesses than men do, they may have specific needs. Obstacles may include a lack of information, the need to balance their time with household duties, travel barriers and so forth. In order to ensure that women entrepreneurs actually benefit from BDS, such efforts should be gender sensitive and tailored to women entrepreneurs' needs and constraints. In Georgia, some BDS providers do not conduct needs assessments that would enable them to tailor their programmes and services to the needs of women entrepreneurs, and some do not recognize the need to develop gender-sensitive services.

Considering this, WED Framework Condition 4 assesses the state of gender-sensitive BDS services in Georgia. Specifically, it evaluates the state of women's access to mainstream BDS services, how such services respond to the needs of women entrepreneurs, and the presence and quality of women-centred BDS services in Georgia.

### 3.4.1 Subcondition 4.A: Women's access to mainstream BDS services

This subcondition describes key BDS services that are available to SMEs in Georgia and examines the involvement and participation of Georgia's women entrepreneurs in such services. Overall, both the focus groups with women entrepreneurs and the WES attest that women entrepreneurs are keen to access BDS services. Notably, both studies pointed to the informal nature of business advice that women entrepreneurs use (or have to use) in Georgia.

Focus group discussions unveiled that women entrepreneurs acknowledge the importance of BDS services. Both formal and informal business owners noted that the existence and service of donor-funded consultation companies or similar platforms are crucial today in Georgia to assist beginner entrepreneurs in the registration and management process. Respondents highlighted that such support is especially crucial when start-ups need to determine the appropriate legal forms for their activity. Still, some participants were unsure about who should lead the effort in terms of BDS services.

“Consultations on small loans [and] small projects for entrepreneurs would have been great, but the question is who should do that. I doubt that the State will take on this responsibility.”

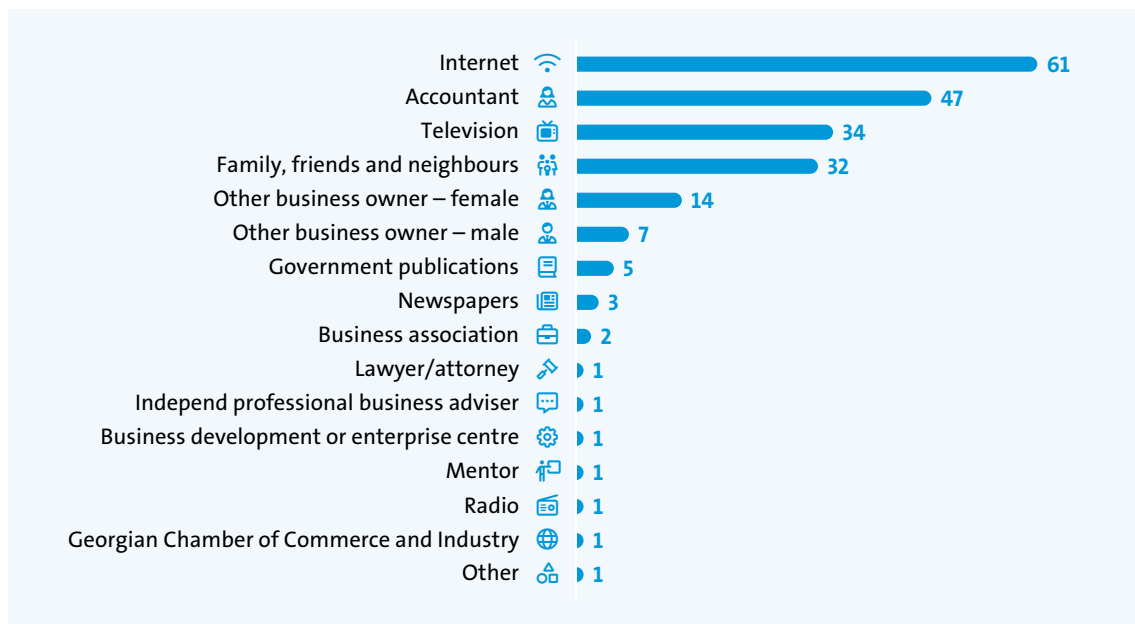
(Participant 3, Tbilisi, owner of a formal business)

Ambiguity regarding the usage of BDS services was confirmed in the WES. Most frequently, women entrepreneurs get advice on their businesses from accountants; this was mentioned by half of the respondents, while advice from other female (19 per cent) and male (13 per cent) business owners ranks a distant second and third. Fewer than 5 per cent of respondents named other options such as lawyers, professional business advisers, and government one-stop shops or business registry offices (that is, from a dedicated BDS service).

Still, access to business-related information is an important factor in the operation and development of a business—and is a significant business support. Most of the respondents (61 per cent) name the Internet as the source from which they normally receive business-related information (Figure 3.4). Importantly, accountants serve not only as advisers on financial matters but sources of business-related information. About one third name television (34 per cent) and word of mouth, such as family, friends and neighbours (32 per cent). Fewer WES respondents name other female (14 per cent) and male business owners (7 per cent) or government publications (5 per cent). A negligible share obtain their information from newspapers and other sources, such as business associations, lawyers, business advisers and the like. In sum, very few women entrepreneurs depend on professional BDS services.

FIGURE 3.4

Main sources of information on business-related matters used by women entrepreneurs (percentage)



Source: Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

The fact that women entrepreneurs depend on non-institutionalized support for business advice was also corroborated by the findings of the focus groups. Respondents relied more on their personal network and the assistance of their friends and family members, rather than other state or non-state institutions, in the process of business registration and management.

What are the mainstream BDS services available to entrepreneurs in Georgia? The main state institutions that work on supporting SMEs in Georgia—Enterprise Georgia and GITA—are mostly focused on financial support programmes (namely grants and co-funding opportunities). Nonetheless, governmental financial support programmes usually incorporate trainings in their grant projects so that grant applicants and beneficiaries go through sets of trainings in financial literacy and other business management skills.

Programmes offered by GITA are more focused on supporting young people and start-ups. The organization supports the “Training Program for Online Teaching” programme, which aims to popularize entrepreneurship among high school students and support them in developing their start-up ideas. The programme covers several regions of Georgia, including Kakheti, Samegrelo-Zemo Svaneti, Shida Kartli and Adjara.<sup>50</sup> GITA’s “Startup Beats” aims to form and develop a Georgian start-up community, ensure effective sharing of information and experience among start-ups, and support networking opportunities. Startup Beats involves a limited mentorship component: successful start-up owners are invited to speak about their path, share their experience and take questions from the interested audience.<sup>51</sup>

A number of BDS services were spearheaded by international organizations. International donors, such as the European Union and the Governments of Norway and Sweden, have supported multiple BDS initiatives. The EU4Business programme offers different BDS services along with partners such as the Government of Sweden and the EBRD. As per their latest report in 2021, EU4Business had helped 15,694 SMEs with BDS services in Georgia (of which 20.35 per cent were women-owned) and almost 3,000 SMEs with access to funding support (43.72 per cent women-owned). More than EUR 100 million were allocated for BDS in Georgia, of which 55 per cent was assigned to consultancy services for MSEs and 36 per cent for capacity-building of business development organizations.<sup>52</sup>

Yet another BDS service was offered by UN Women. The Women's Economic Empowerment (WEE) component of the GG4GEG project, funded by the Government of Norway and implemented by UN Women together with local partners, helped women entrepreneurs operating in the agritourism value chain in 10 regions of Georgia. This programme enabled women entrepreneurs to improve their business skills, develop business plans and receive tailored, individual coaching support through the training programme "How to Develop a Business". The tailored training programme "How to Start a Business" was also provided to aspiring women entrepreneurs in rural Georgia. Women entrepreneurs were equipped with skills related to product/service development, marketing and sales, taxation, finance and other areas. Along with the training, participants developed business plans and benefited from individual advice.

Since 2019, the ILO has been implementing its "Start and Improve Your Business" (SIYB) programme in Georgia, which trains and certifies trainers in business start-up and development modules. Up to 20 individuals were trained to be trainers in such modules as "Generate Your Business Idea", "Start Your Business" and "Improve Your Business".<sup>53</sup> Certified trainers both act as business development consultants and work in state institutions providing advice on different state support programmes.

Other business development services include educational resources by private organizations, such as websites with online trainings<sup>54</sup> or series of meetings with experts and state representatives on specific entrepreneurial issues, which are free and available for anyone to register and join.

How do women entrepreneurs access mainstream BDS services? While the lack of sex-disaggregated data on the statistics limits the ability to discern the genuine participation rate of women in such programmes, still, the WES hints at a low uptake of such services. Only 9 per cent of the women entrepreneurs reported having taken part in entrepreneurship or small business management training programmes. Women who are over the age of 55 are less likely to report participating in such training, while those who have at least obtained vocational education report having taken part in entrepreneurship or small business management training.

Institutional factors, such as the need to register a business to participate in a BDS programme and the lack of information on such initiatives, most probably hinder women's wider involvement. While both formal and informal entrepreneurs are eligible to participate in BDS programmes and services, the legal requirement for registering to apply for funding might push women entrepreneurs to also not consider participating in BDS programmes.

Key informants noted the availability of information on BDS programmes. The main communication channels for spreading information about BDS services are announcements or advertisements on television and online sources as well as social media. Business associations use email communication with their members and also spread information through social media. Some organizations use phone calls to reach potential beneficiaries.

Still, many women entrepreneurs are unsure about the availability of information on BDS programmes and services. While in the WES study less than half (47 per cent) of the respondents said that information about BDS services is widely available, almost the same share (42 per cent) had no opinion, hinting at the ambiguity of such information. Moreover, BDS service providers do not provide ethnic minorities<sup>55</sup> with the information in their native languages, thus in fact barring them from accessing such programmes.

“Ethnic minorities not only differ with their cultural norms: they watch different television channels, listen to different radio stations and use different communication channels. When programme designs are developed, there should be a different approach for regions heavily populated by ethnic minorities.”

(Key informant, business development organization)

### 3.4.2 Subcondition 4.B: Mainstream BDS services respond to the needs of women entrepreneurs

This subcondition assesses whether mainstream BDS services available to women entrepreneurs respond to their needs and are designed or organized in ways that support their participation.

As is the case with the access to financial services, access to gender-sensitive BDS services suffers from deficiencies. As noted in the previous subcondition, the WES results show a low uptake of BDS programmes and trainings among women entrepreneurs (9 per cent), mostly limited to younger and educated women. Moreover, focus group participants noted that the low level of women’s participation in such programmes is associated with cultural norms that underappreciate women’s entrepreneurial potential. Additionally, many women miss training opportunities because they have to fulfil their household ‘obligations’, finding it hard to find time for such endeavours.

The gender insensitivity of many of the support programmes, including BDS services offered by the Government, is most probably one of the reasons for the low uptake of such programmes. The 2019 parliamentary inquiry on women’s participation in state economic programmes noted that unpaid domestic work, gender stereotypes and access to assets are the most prominent structural barriers.<sup>56</sup> Additionally, a 2018 study by the Asian Development Bank highlighted that government programmes aiming to provide new opportunities for women failed to acknowledge structural barriers or provide solutions.<sup>57</sup> Notably, the study suggested a number of solutions, including implementing gender mainstreaming in relevant government agencies, designing interventions to promote women’s entrepreneurship and increasing women’s access to financing, among many others.

### 3.4.3 Subcondition 4.C: Presence of women-focused BDS services

In many countries, state and non-state actors try to address women entrepreneurs’ specific needs when designing BDS programmes. This subsection examines the extent to which BDS programmes and services are designed specifically for women entrepreneurs or women-owned/managed enterprises in Georgia.

Most of the identified women-focused BDS programmes were spearheaded by international donor organizations, whose support was crucial. For instance, Crystal Fund, an investment group in Georgia that operates Microfinance Organization Crystal, has been implementing the “YES-Georgia” programme in partnership with USAID. The programme is aimed at youth and women entrepreneurs, with female applications and participants surpassing that of men. USAID Georgia publicly announced the expansion of YES-Georgia, emphasizing an increased focus on empowering women entrepreneurs and aiming to provide more than 2,500 women with business management training, access to legal and accounting services, and mentoring and networking opportunities through the beginning of 2024.<sup>58</sup> Notably, Crystal also offered other BDS programmes such as Buzz Georgia and Crystal Consulting, specifically aimed at the empowerment of women entrepreneurs.<sup>59</sup>

The EBRD programme “Women in Business” (WiB)<sup>60</sup> offers educational and development opportunities for women entrepreneurs. Support provided by the WiB entails bringing international counsellors on board, providing mentoring and coaching programmes, and offering trainings in such entrepreneurship skills as organizational development, operations management and quality assurance, including pre-certification consultations on quality standard certificates. One of the support products under the WiB programme is the Business Lens platform, which enables women to assess their business based on eight criteria and more than 140 questions. The Business Lens tool helps women diagnose problematic areas within their business structure and identify components that are in need of more financing and investment.<sup>61</sup>

In February 2022, UNDP and the Bank of Georgia started the Women Entrepreneurs’ Programme, a 360-degree BDS programme that helps women identify their best prospects and build effective strategies to achieve their business goals. The programme provides a blueprint for new entrepreneurs, assisting them in gaining theoretical knowledge, learning practical tools, accessing financial resources and building a strong cooperation network. The programme is expected to support more than 200 women-led start-ups and growing companies across the country.<sup>62</sup>

UN Women, with the help of the Norwegian Ministry of Foreign Affairs, initiated a programme promoting the Women’s Empowerment Principles across the private sector by partnering with companies across different sizes and regions. This programme has shown success in increasing the number of women in leadership roles, especially in micro and large companies.<sup>63</sup> While it is not directly connected with women’s entrepreneurship, the programme does highlight positive efforts in utilizing the private sector as a vector to enhance women’s entrepreneurship through the promotion of WED principles.<sup>64</sup>

Other women-focused BDS programmes were mentioned by focus group participants, such as those offered by the Association Rural Development for Future Georgia, the Taso Foundation and the Georgian Farmers’ Association.

A specific yet important type of BDS service was identified by one of the key informants. Women who are incarcerated were able to participate in certain BDS programmes that allowed them to receive vocational education and work in small enterprises at the women’s prison. The beneficiaries of these programmes received information on entrepreneurial development, as well as training in writing a business plan. After release, the programme provided recommendations to former inmates on how they could apply for and secure business loans.



An example of a women-focused support programme was described by the Bank of Georgia commercial bank representative during the key informant interviews. This initiative provided online webinars for women on self-confidence, risk-taking and business communication. As per the bank representative, these webinars were particularly popular and well attended by current and potential women entrepreneurs.

Even though these examples demonstrate the existence of women-focused BDS programmes in Georgia, the WES results suggest low levels of participation in programmes offered specifically for women entrepreneurs, similar to those in the mainstream BDS services. Only 6 per cent of respondents said they participated in a women-centred BDS programme. Among those who did, they used the services provided by women's business support centres, business counselling or mentoring, and a loan programme for women entrepreneurs.

This trend can further be corroborated by the focus group findings. Discussants could hardly recall any opportunities for gender-sensitive business development support. Some of them argue that certain trainings aimed at the empowerment of women entrepreneurs are tailored to the needs of only a small segment of potential beneficiaries. While such support programmes are usually centralized, focus group participants suggested that municipal governments and local non-governmental organizations might be better positioned to offer even rudimentary BDS services.

#### **3.4.4 Assessment and scoring of WED Framework Condition 4: Access to gender-sensitive business development support services**

Georgia scores low in terms of women entrepreneurs' access to gender-sensitive business development support (see Table 3.4). When it comes to women's access to mainstream BDS services, the lack of gender-disaggregated data is apparent, which limits the ability to estimate the extent of women's participation in BDS services. Nonetheless, the WES data indicate a rather low level of women's involvement in generic and women-centred BDS programmes.

The first subcondition, which assesses women's participation in mainstream BDS services, is scored based on the share of women in BDS programmes relative to the proportion of women-led enterprises in the total number of businesses. Since sex-disaggregated data are available only for the participants in the BDS programmes of the EU4Business programme, the latter is used as a baseline for calculations. Overall, the proportion of women-led businesses in the EU4Business BDS programme amounts to 20 per cent, while the share of women-led businesses in Georgia is 33 per cent. Hence, the proportion of women participants in EU4Business is estimated to be 66 per cent of the proportion of women business owners in Georgia. With this in mind, Georgia is given a score of 3 out of 5.

Concerning mainstream BDS services responding to the needs of women entrepreneurs, Georgia scores 2 out of 5 points. Initiatives do offer and invite women entrepreneurs to participate in their services, especially those focused on ICT (for instance, GITA initiatives). Still, there is not much evidence that BDS providers tailor their services to women beneficiaries.

While there is no organized national system of BDS for women entrepreneurs, specific initiatives target women entrepreneurs. Government and international organizations, as well as select financial groups, offer rich BDS programmes to their beneficiaries. Still, the uptake of such programmes remains considerably low, while the dependence on international donors raises questions on the sustainability of such initiatives.

TABLE 3.4

## Scoring summary for the assessment of WED Framework Condition 4

| WED Framework Condition 4: Access to gender-sensitive BDS services   |  |  |   |   |       |
|---|--|--|---|---|-------|
| <b>4.A. Women's access to mainstream BDS services</b>   |  |  |   |   |       |
| 1 point   | 2 points   | 3 points   | 4 points  | 5 points  | Score |
| The proportion of women entrepreneurs among BDS clients/beneficiaries is estimated to be less than 25% of their proportion of business owners (or of the self-employed as a proxy for their business ownership rates) | The proportion of women entrepreneurs among BDS clients/beneficiaries is estimated to be at least 25% of their proportion of business owners (or of the self-employed as a proxy for their business ownership rates) | The proportion of women entrepreneurs among BDS clients/beneficiaries is estimated to be at least 50% of their proportion of business owners (or of the self-employed as a proxy for their business ownership rates) | The proportion of women entrepreneurs among BDS clients/beneficiaries is estimated to be at least 75% of their proportion of business owners (or of the self-employed as a proxy for their business ownership rates)  | The proportion of women entrepreneurs among BDS clients/beneficiaries is estimated to be on a par with or higher than their proportion of business owners (or of the self-employed as a proxy for their business ownership rates) | 3     |
| <b>4.B. Mainstream BDS services respond to the needs of women entrepreneurs</b>   |  |  |   |   |       |
| 1 point   | 2 points   | 3 points   | 4 points  | 5 points  | Score |
| Passive approach of most BDS providers: few women entrepreneurs participating in mainstream programmes/services   | BDS providers beginning to be aware of the low uptake of services by women and questioning the reasons for this  | Initiatives in place to gender sensitize and mainstream BDS organizations and to create broader awareness among women entrepreneurs of their services, including through businesswomen's networks and the use of ICT | BDS providers have modified existing BDS services/offerings to respond to the needs of women entrepreneurs (e.g. approach, scheduling, use of women advisers/counsellors/trainers, use of ICT to expand their delivery reach), and they are actively promoting their services to potential women entrepreneurs and existing WOE's | Mainstream BDS services are perceived as women-friendly; women entrepreneurs are equally as likely as male entrepreneurs to be making use of all types of BDS services  | 2     |

| 4.C. Presence of women-focused BDS services   |  |  |   |  |            |
|---|--|--|---|--|------------|
| 1 point   | 2 points   | 3 points   | 4 points  | 5 points   | Score      |
| There are no BDS services/ programmes specifically targeting women at the moment, but there is growing recognition of the need to reach out to women with more responsive BDS | There are isolated women-targeted BDS services/ programmes but with limited breadth in service offerings and very local in their reach | There are a number of women-targeted BDS programmes, but they focus on a limited range of offerings (e.g. self-employment training for women; BDS for women-owned microenterprises) and are not accessible in all parts of the country | There are a number of women-focused BDS programmes; in addition to meeting the training and development needs of microenterprises, these programmes target women in growth enterprises and support the upgrading and capacity-building of women-owned SMEs; these BDS services are accessible to women in most regions of the country | There is an organized national system of business support for women entrepreneurs (e.g. women's desk in government MSME agencies; women's enterprise or business resource centres; entrepreneurial training programmes for women; etc.), including with access for women entrepreneurs through ICT | 4          |
| <b>Overall score for WED Framework Condition 4</b>  |  |  |   |  | <b>3.0</b> |

**Note:** The scoring is based on the statement that most accurately reflects the situation in Georgia. The shaded cells represent the applicable statements based on the findings of the assessment process.

## 3.5 WED FRAMEWORK CONDITION 5: ACCESS TO MARKETS AND TECHNOLOGY

Women entrepreneurs often face obstacles not only in terms of accessing financing or BDS programmes but also when trying to gain representation in national and international profitable markets, as well as access technologies. The lack of information, skills, resources, production and networks are some of the factors that contribute to those obstacles. In addition, women often have limited access to ICT that could help women entrepreneurs grow. Therefore, supporting women's access to technologies and market opportunities would mean empowering them to develop and grow their businesses.

The following four subconditions are used to assess women entrepreneurs' access to markets and technology in Georgia. First, the text analyses the state of export promotion for women entrepreneurs; next, it evaluates whether government procurement programmes actively target women-owned enterprises. The third subcondition looks at supply chains and linkages that integrate women-owned enterprises; and the fourth subcondition analyses women entrepreneurs' access to ICT and other technology.

### 3.5.1 Subcondition 5.A: Export promotion for women entrepreneurs

The picture with women's access to markets is similar to the situation with the two prior framework conditions. Georgia lacks targeted programmes in this field, and numerous cultural barriers exist that trickle down to the development of a business and women's access to markets. Across the board, women's ownership is lower in companies that trade internationally, a gap that increases with the size of the enterprise.<sup>65</sup>

That said, the presence of export promotion entities is central to improving Georgian entrepreneurs' capacity in developing products that are of an appropriate quality, as well as finding ways of accessing foreign markets. Among other entities, Enterprise Georgia occupies an important niche across governmental institutions that are tasked with supporting and promoting Georgia's exports. Enterprise Georgia's "Export Assistance Programme" provides technical assistance to companies that target foreign markets. The programme helps enterprises in overcoming export barriers, introduces incentives for diversifying export markets and helps with identifying services and products that have high export potential.<sup>66</sup> It also supports Georgian entrepreneurs so they can participate in exhibitions and conferences abroad.

In line with its goal to promote Georgia's exports, Enterprise Georgia operates the website "Trade with Georgia", where companies can register their enterprise in order for foreign companies to learn about them and potentially contact them for future cooperation. Additionally, the organization provides in-house trainings to its beneficiaries as well as connects them to donors that offer similar opportunities. While Enterprise Georgia's programmes are open to both women and men, sex-disaggregated data are not available on the distribution of their participation in the organization's export promotion programmes.

Another example of an export support initiative was described by the representative of the Bank of Georgia, a large commercial bank in Georgia. The programme was designed for companies interested in exploring foreign markets, and its support activities included insuring monetary exchange rates, as well as supporting beneficiaries in order to look more reliable to foreign partners.

Despite certain available options to receive support for exploring new markets and exporting products, the WES study shows that women entrepreneurs still prefer operating within the country. Georgian women entrepreneurs are mostly focused on local markets—that is, on those within their community or area of residence. About 82 per cent said that they sell their products or services in the local area, while 8 per cent work in regional or provincial markets. About 7 per cent focus on national markets, and only very few (3 per cent) have an international presence.

Georgian women entrepreneurs rarely participate in trade fairs or exhibitions, either locally or internationally. Only 8 per cent of the surveyed women entrepreneurs said that they participated in a local, national, regional or international trade fair or exhibition. Expectedly, women from Tbilisi and those with higher education were more likely to have done so. Notably, there are trade fairs available specifically for women entrepreneurs, organized by UN Women.<sup>67</sup>

Admittedly, the availability of information on new markets remains a challenge, with 32 per cent of the surveyed women entrepreneurs saying that it is difficult to find information on new markets, supply chain opportunities, exports and so forth. Notably, this finding is also corroborated by the focus group discussions with women entrepreneurs. Participants could not name any specific programmes to help them with exports, indicating that the lack of information on such opportunities is a major challenge.

Participants in the focus groups further expanded on the needs of women entrepreneurs to expand their capacity for exports. The primary factor is financial support, while other items such as marketing skills are important for entering new markets.

### **3.5.2 Subcondition 5.B: Government procurement programmes actively targeting women-owned enterprises**

Because Georgia represents a small market and women entrepreneurs find it hard to export their goods abroad, government procurement remains an important opportunity for MSMEs.

While some of the key informants highlighted that women's empowerment is a declared national priority for Georgia, they also noted that this prioritization does not always translate into action, particularly when it comes to state procurements targeting women entrepreneurs. While this issue remains underexplored by the study, still, the lack of evidence is also indicative of the absence of women-focused government procurement programmes.

### **3.5.3 Subcondition 5.C: Supply chains and linkages that integrate women-owned enterprises**

While supply chains are a significant opportunity for MSMEs to become the suppliers for larger companies, the issue remains underexplored by the study, as neither the WES nor key informants or focus group participants discussed the issue much. Scant evidence from key informant interviews indicates that neither donors nor the State focus much on enhancing supply chains and or the linkages aspect of business development. A single example of involving women in supply chains came from a representative of the Georgian Association "Women in Business" (GAWB), who noted that the organization linked women from several villages who produced dried fruits to create a common brand.

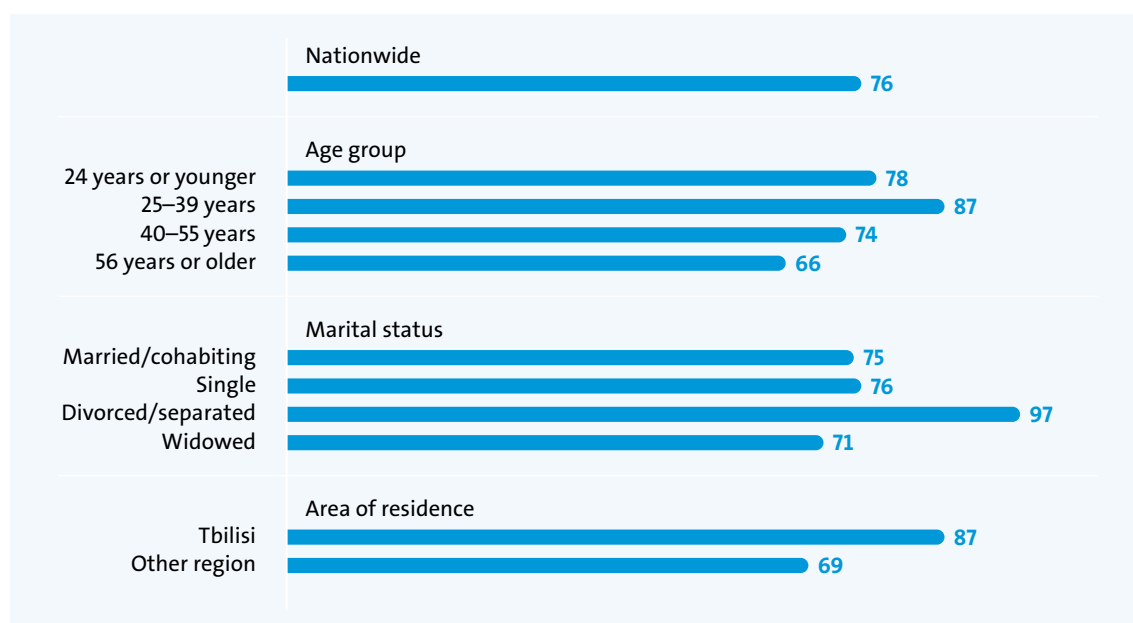
Another example of enhancing Georgian entrepreneurs' involvement in supply chains is the programme offered by Georgia's Rural Development Agency. The organization's efforts incorporate a full value chain of production in their support programmes to enhance farmers' expansion capacity in local and international markets. This involves steps in primary production, food processing and storage. The agency provides technical support and ensures access to all links in the entire value chain. It also assists in the certification, standardization and branding process. Nonetheless, this programme does not specifically target women farmers, an aspect that could be further improved.

### 3.5.4 Subcondition 5.D: Women entrepreneurs' access to ICT and other technology

Where do women entrepreneurs in Georgia stand in terms of their usage of digital and ICT tools? The WES results show that three in four women entrepreneurs use some digital devices to run their businesses, such as smartphones, computers, landline phones or tablet computers (Figure 3.5). Overall, younger women, those who report to be divorced and women entrepreneurs from Tbilisi are more likely to use digital/ICT tools for their businesses than older respondents and women from outside Tbilisi.

FIGURE 3.5

Women entrepreneurs' use of digital tools for business purposes, by age, marital status and area of residence (percentage)



Source: Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

When it comes to the access to specific tools, respondents use smartphones with Internet access (60 per cent), portable or laptop computers (37 per cent), desktop computers (33 per cent), landline phones (12 per cent) or tablets (8 per cent).

Few women entrepreneurs have established an Internet presence for their businesses. Only about 32 per cent of women entrepreneurs said that they have their own website or run a social media profile. About 14 per cent of women entrepreneurs have a business website, while 30 per cent have some type of social media page, such as one on Facebook or Instagram. Close to half of women entrepreneurs from Tbilisi and those with higher education have an online presence for their businesses, while very few outside Tbilisi or with lower educational attainment do so.

As only select women entrepreneurs have set up an online presence for their businesses, few sell their products or services on the Internet. Twenty-three per cent of women entrepreneurs were selling their products either fully or partially online through a web page or on social media. About 6 per cent of women entrepreneurs said that they were selling all of their products fully online via websites, and 4 per cent were doing the same through their social media pages. However, a greater share, 14 per cent, indicated

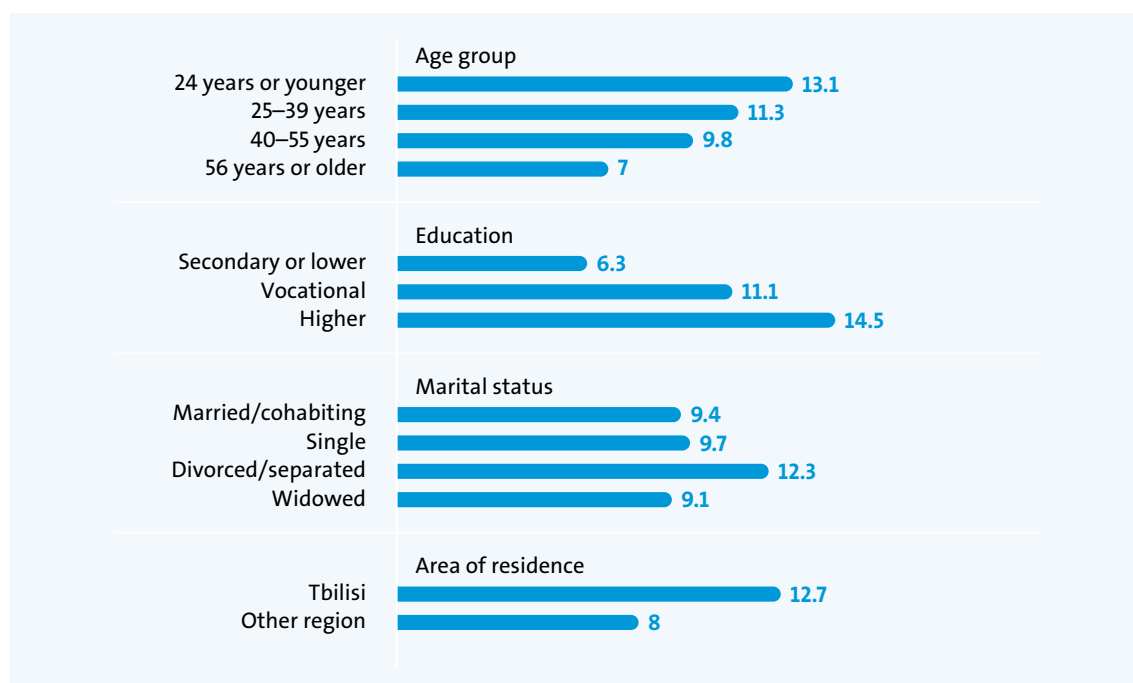
that some (not all) of their products were being sold through dedicated websites, and 10 per cent were selling some services or products using social media pages. Importantly, as in the case of Internet usage, women from the capital and those who obtained more than secondary education were more likely to sell online.

Most women access financial services online, as 54 per cent reported using such services online through a mobile/smartphone device. Women who have obtained higher education and those who come from Tbilisi are more likely to use online financial services.

While the usage of ICT tools might seem ubiquitous among women entrepreneurs, large gaps exist across age, educational attainment, location and marital status. To illustrate these gaps, a compound index was created that summarizes how many ICT tools a respondent uses to run her business and whether or not she has an Internet presence, sells products or services online, and accesses financial services online. The index ranges from 0 (no digitalization) to 38 (complete digitalization), with an average value of 10.2 and a median<sup>68</sup> score of 7.

Overall, young women, those with higher education and those from Tbilisi are more likely to be better positioned in terms of ICT uptake (Figure 3.6). Women who are 24 years old or younger have a higher predicted score in the digitalization index (13.1) than those who are over 55 years of age (7). Those with higher education scored higher in the digitalization index (14.5) than those with vocational (11.1) or secondary education (6.3). Notably, single and divorced women entrepreneurs were more likely to operate a more digitalized enterprise than married or widowed women. Women in Tbilisi scored considerably higher in the index than those outside the capital city.

**FIGURE 3.6**  
**Predicted counts of the digitalization index**



**Source:** Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

How do women entrepreneurs use technologies, such as smartphones or the Internet, in their business activities (Figure 3.7)? Close to two thirds (64 per cent) use technology for communicating with customers or suppliers. More than half (52 per cent) use such tools to find suppliers, while 47 per cent report finding customers using smartphones or the Internet. Forty-three per cent conduct their day-to-day business operations on these devices, and 37 per cent use them to get information that helps with business decisions. Fewer women entrepreneurs report selling (31 per cent) or promoting (27 per cent) products or services, learning skills and participating in training (24 per cent), and networking (19 per cent). Notably, those women entrepreneurs who use technology to solve business-related issues do so using a mobile/smartphone rather than non-mobile Internet or a computer.

**FIGURE 3.7**

**How women entrepreneurs make use of mobile/smartphones, computers or the Internet for business purposes (percentage)**



**Source:** Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

**Note:** Respondent were permitted to choose more than one answer.

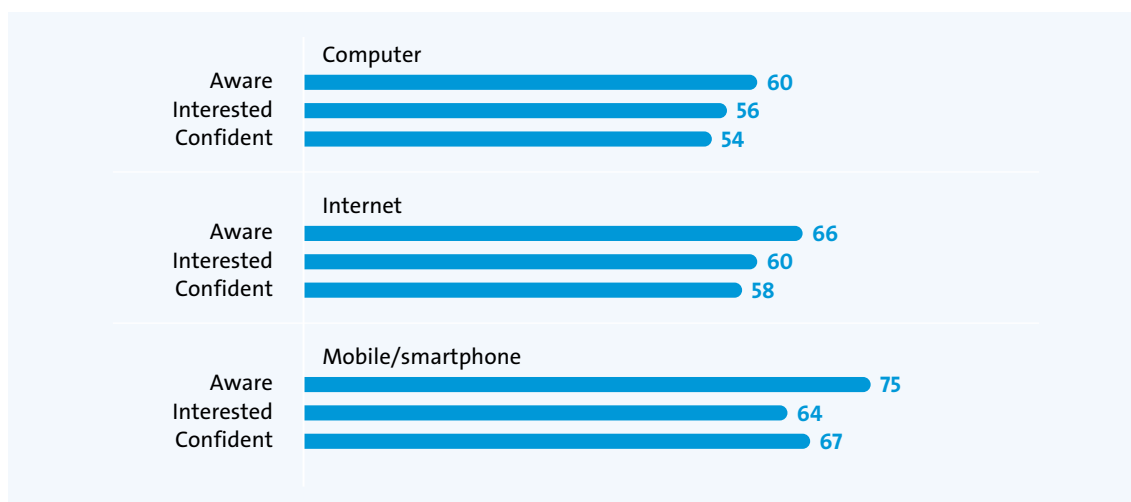
As many women entrepreneurs already use ICT tools, a large proportion are confident and interested in deploying ICT in their businesses. Importantly, many are keen to learn more about such tools, meaning that there is an opportunity for the State, financial institutions and donor organizations to engage with more women entrepreneurs (Figure 3.8). Most respondents are aware, interested in and confident that they will use all of the mentioned tools in their businesses. The largest proportion (75 per cent) is aware of the different ways that mobile phones/smartphones can be used in businesses, followed by those with knowledge of the Internet (66 per cent) and computers (60 per cent) for business purposes.

While the majority of women entrepreneurs are interested in using various ICT tools in their businesses, the largest proportion (64 per cent) would like to learn more skills to use mobile phones/smartphones in their business activities. Fewer said the same about the Internet (60 per cent) and computers (56 per cent). The largest share of women felt confident in their skills with mobile phones/smartphones (67 per cent), followed by the Internet (58 per cent) and computers (54 per cent).



FIGURE 3.8

Respondents' awareness of, interest in and confidence in their usage of various ICT tools (percentage)



Source: Data from the Women Entrepreneurs Survey, collected by Geostat, 2022.

While the WES study shows a relatively high uptake of certain digital services, key informants noted that women are less likely to access ICT and other technology than men. As the WES study found low levels of social media usage, as per the key informants, this could be due to the absence of a website or a social media page, as well as a simple lack of access to the Internet, all of which creates obstacles to social media usage and online sales. While both women and men might find it difficult to use certain software, such as accounting tools, key informants noted that women were more disadvantaged.

Along with ICT, key informants noted the lack of information that women entrepreneurs have on technological advancements and standards that would help them not only increase production and sales in local markets but also open up new markets. Usually, women perceive a lack of knowledge as a barrier and additional burden.

Focus groups with women entrepreneurs reflected the other data obtained through the WES and key informant interviews. With regard to access to technologies such as mobile phones, computers, an Internet connection, software and the like, women entrepreneurs from Tbilisi face no obstacles, while some participants, as mentioned above, require skills development in this direction rather than the provision of technologies. Generally, participants believe that access to IT knowledge and skills is crucial for women entrepreneurs to develop their businesses, and as mentioned above, they use communications technology actively in the marketing and sales of their products. Some of the participants have their own resources to manage communications technology; some, especially older participants, refer to close ones for help; and others argue that certain institutions provide training and support in this regard, although rarely.

Apart from ICT, women entrepreneurs participating in the focus groups stressed the need for access to traditional, larger-scale machinery and equipment that can help accelerate production, with participants referring back to the lack of funding opportunities as the major obstacle in this regard. They argue that such opportunities are rare and that, whenever there are some, they are focused on innovative projects. When it comes to acquiring new technologies, participants claim that bank loans have such

disadvantageous conditions that small business owners prefer to find other ways to fund their activities, which is often difficult when owners want to expand their activities and production, hire more staff and so forth.

What does the landscape of female entrepreneurial support mechanisms look like in Georgia? The primary governmental institution in Georgia tasked with improving women's technological capacity, in line with the goals outlined in the 2021–2025 SME Development Strategy, is Georgia's Innovation and Technology Agency (GITA). The organization works on the technological advancement of both individuals and entrepreneurs and on the promotion of e-commerce, focusing on young people and start-ups in particular. It reports having over 56,000 beneficiaries, among them over 5,000 from outside Tbilisi. However, sex-disaggregated data are not publicly available.

As was the case with BDS services, select private sector companies and international organizations are pushing for gender support concerning ICT and openings to other markets. An example is the Grace Hopper Award, a project of USAID and TBC Bank that aims to promote success stories while supporting women-led efforts in ICT.<sup>69</sup> While the project is relatively new (established in 2021), the award received more than 100 applications across its six categories. The prizes do not constitute direct grants or funding, but they vary depending on the category, ranging from mentoring, educational opportunities, publicity support and other services.

Key informants mentioned trainings and programmes targeting the development of ICT skills among entrepreneurs, with several projects focusing on women entrepreneurs. These include, for instance, EBRD trainings offering digitalization, financial management and leadership modules; trainings offered by the Economic Policy Research Center in social media management; UN Women's programme "500 Women in Tech" and others on computer literacy support; and a programme by the GIZ, "Women in ICT".

The Bank of Georgia spearheaded efforts to involve women entrepreneurs in ICT trainings. Women entrepreneurs were offered classes on using Optimo, a cloud-based software for managing stocks. Additionally, as the software is integrated with the online retailer Extra.ge, trainees were also able to establish their own e-commerce websites. The Bank of Georgia planned to fund 100 women for six months to get on board with Extra.ge. All of the available 100 places were filled, which, according to the bank representative, "means that [women entrepreneurs] are motivated to do things and develop". Additional services offered to women entrepreneurs included access to trainings in accounting systems such as Balance and OneSoft.

### **3.5.5 Assessment and scoring of WED Framework Condition 5: Access to markets and technology**

The scoring results for this framework condition are presented in Table 3.5. Similar to WED Framework Condition 3 (access to financial services), Georgia's entrepreneurial environment scores the lowest in terms of women entrepreneurs' access to markets and technology. While women-led enterprises have access to ICT tools, they still lag behind in terms of e-commerce and establishing an online presence. Few women have export opportunities and enjoy access to government procurements, a gap that needs to be addressed.


Export promotion opportunities do exist in Georgia, promoted both by the State and by international donor organizations. Women-led businesses are represented in international fairs and trade shows. Still, very few women entrepreneurs in Georgia are exporting their products outside the country, while such opportunities are limited to Tbilisi-based companies and businesses operating in narrow sectors. Considering this, Georgia scores 3 out of 5 possible points for this subcondition.

Women entrepreneurs' access to government procurements is the lowest scoring subcondition, with a score of 1 out of 5 points. Nevertheless, the country has a centralized and fully electronic state procurement system, with the information on new procurement opportunities generally transparently disseminated. However, the state procurement regime fails to target women entrepreneurs. Anecdotal evidence from focus group discussions suggests transparency issues in procurement agencies' processes of designing and scoring calls.

Information is scant on supply chains and linkages integrating women entrepreneurs. While separate initiatives exist to involve more Georgian entrepreneurs in supply chains, there is still no evidence on whether women entrepreneurs benefit from such opportunities, nor are they targeted in capacity-building activities. Hence, the subcondition is assessed as scoring only 2 points out of 5.

Notably, women entrepreneurs are considerably well integrated in the ICT ecosystems, and many have the opportunity to be included in programmes that help with technological know-how. While GITA serves as a primary national focal point in programmes for enhancing women entrepreneurs' skills and access to ICT, multiple independent programmes led by international donors and developmental organizations are present. Nonetheless, such programmes are donor driven and often lack consistency, which puts their sustainability into a question. Given these circumstances, Georgia scores 3 out of 5 points for this subcondition.

**TABLE 3.5**  
**Scoring summary for the assessment of WED Framework Condition 5**

| WED Framework Condition 5: Access to markets and technology  |  |   |  |  |       |
|---|--|---|--|--|-------|
| 5.A. Export promotion for women entrepreneurs   |  |   |  |  |       |
| 1 point   | 2 points   | 3 points  | 4 points   | 5 points   | Score |
| No programmes targeting export promotion or development to WOE, with few WOE involved in exporting activities                                     | Some limited efforts to promote export opportunities to WOE through the dissemination of information, but they are generally not represented in government-sponsored trade missions or in export training programmes | Organizations are making active efforts to include WOE in export orientation seminars and workshops; WOE are participating to a minimal degree in government-sponsored trade missions/fairs | Concerted efforts to promote export opportunities to WOE, actively seeking their participation in government-sponsored trade missions/fairs, and making early efforts to ensure that WOE are included in export readiness and capacity-building programmes to improve their product quality and marketing skills | There is a national "Export Promotion for Women Entrepreneurs" programme that is comprehensive in nature | 3     |

| <b>5.B. Government procurement programmes actively targeting women's enterprises</b>   |  |  |  |   |              |
|--|--|--|--|---|--------------|
| <b>1 point</b>   | <b>2 points</b>  | <b>3 points</b>  | <b>4 points</b>  | <b>5 points</b>   | <b>Score</b> |
| Information on public procurement opportunities is made available, but no specific efforts are made to ensure that WOE are informed or to reach out to WOE | Special efforts are made to disseminate information on public procurement opportunities to potential women suppliers, such as through businesswomen's networks and online mechanisms | In addition to general promotional efforts, workshops are offered to women entrepreneurs on how to access public procurement opportunities   | Conducting orientation workshops, plus offering programmes to build the capacity of women's enterprises to meet the requirements to compete for public procurement contracts | There are innovative government procurement programmes targeting women entrepreneurs, such as by allocating a certain percentage of the value of procurement contracts to be awarded to women-owned enterprises | 1            |
| <b>5.C. Supply chains and linkages that integrate women-owned enterprises</b>  |  |  |  |   |              |
| <b>1 point</b>   | <b>2 points</b>  | <b>3 points</b>  | <b>4 points</b>  | <b>5 points</b>   | <b>Score</b> |
| There are no supply chain initiatives that specifically seek to integrate WOE  | There are a few initiatives to integrate WOE into supply chains, but women are not generally informed about them or targeted for capacity-building                                   | Promotional efforts to create awareness of supply chain opportunities for WOE are being made, and development work is under way to build their capacity to become supply chain suppliers | There are some good supply chain/linkages programmes targeting WOE, but they are limited to one or two sectors and/or one or two regions                                     | Supply chain initiatives for WOE are being implemented across many sectors in which WOE are dominant and in different parts of the country  | 2            |

| <b>5.D. Women entrepreneurs' access to ICT and other technology</b>  |   |  |   |  |              |
|--|---|--|---|--|--------------|
| <b>1 point</b>   | <b>2 points</b>   | <b>3 points</b>  | <b>4 points</b>   | <b>5 points</b>  | <b>Score</b> |
| WOEs are generally operating with rudimentary technology, limited in their use of ICT for business development, and no efforts are being made to improve their related know-how and skills | Initial efforts are being made to improve the digital literacy skills of women entrepreneurs through training and to provide them with advice and counselling on updating their use of technology | Initiatives are in place to introduce women entrepreneurs to technological innovations and the opportunities for developing businesses in technology-driven sectors (e.g. ICT, biomedical, environmental and renewable technologies) | WOEs are targeted for inclusion in technology upgrading and modernization programmes and programmes focused on the integration of ICT-enabled solutions (e.g. management information systems, online marketing, e-commerce, etc.); access to financing is available to help them modernize their operations in these areas and to pursue technology innovations | Government grants are available to WOEs to defray the cost of investing in updated and new technologies; WOEs are making use of ICT in many of their business operations; women entrepreneurs are actively encouraged and supported to start businesses in higher-technology and innovative sectors of the economy, including the ICT sector | 3            |
| <b>Overall score for WED Framework Condition 5</b>   |   |  |   |  | <b>3.0</b>   |

**Note:** The scoring is based on the statement that most accurately reflects the situation in Georgia. The shaded cells represent the applicable statements based on the findings of the assessment process.

## **3.6 WED FRAMEWORK CONDITION 6:**

### **REPRESENTATION OF WOMEN**

### **ENTREPRENEURS AND PARTICIPATION IN**

### **POLICY DIALOGUE**

The lack of awareness and low representation of women entrepreneurs in financial services, access to the market and BDS programmes highlighted in previous framework conditions is also reflected in the representation of women entrepreneurs in policy dialogue. The voices of women entrepreneurs are not heard enough in public-private dialogue, which could serve an important role in raising women-specific concerns in the MSME sector.

WED Framework Condition 6 assesses three subconditions. First, it evaluates the representation and ‘voice’ of women in business and sector membership associations. Next, it looks at the presence of women entrepreneurs’ associations and networks. The third subcondition assesses the participation of women entrepreneurs in public-private sector policy dialogue and their influence on outcomes.

#### **3.6.1 Subcondition 6.A: Representation and ‘voice’ of women in business and sector membership associations**

Business and sector membership associations play an important role in the development of the country’s economy and the advancement of the MSME sector. These organizations include chambers of trade and commerce, employers’ organizations, sectoral associations and entrepreneurs’ associations. They help establish links between entrepreneurs, spread information on legal requirements and regulations, promote business development and engage in policy dialogue for an improved entrepreneurship environment.

In Georgia, women’s participation in business and sector associations varies depending on the sector and the specific association. The Business Association of Georgia (BAG), composed of several large enterprises, has no female presence on its supervisory board, although there are several women present on the organization’s executive team. The board of directors of another association, the EU-Georgia Business Council (EUGBC), comprises only one female and five male members. While the Association of Georgian SMEs has a supervisory board with three of its seven members being women, the association does not appear to have conducted any projects related to women’s entrepreneurship. Another large association, the Georgian Employers’ Association (GEA), indicated that 20 per cent of its members are women.

The Georgian Farmers’ Association (GFA) stands out when it comes to women’s involvement in business and sector membership associations. The organization is led by a woman, and women are widely represented in the organization’s management team. Part of its working portfolio is dedicated to promoting women’s entrepreneurship in the sector. About 30 per cent of the association’s members are women. The organization also maintains regional councils headed by a man and a woman entrepreneur to better represent the needs of entrepreneurs outside Tbilisi.

The results of the WES suggest that only a handful of women entrepreneurs are members of business associations. Four per cent of women entrepreneurs report being a member of business-related organizations, such as the chamber of commerce, entrepreneurs' associations, employers' associations and the like. Two per cent or fewer respondents were part of women's business associations, industry associations or some other domain-specific union.

The focus groups confirmed the WES results. Only a few women entrepreneurs participating in the focus groups were members of sectoral or business associations. Several participants stated that they are either active or passive members of associations, including associations of women entrepreneurs. Respondents named groups such as the Georgian Association of Women Winemakers, the Women Farmers' Association, and broader organizations such as the Georgian Farmers' Association (GFA), Association Dairy Georgia, the Georgian Chamber of Commerce and Industry (GCCl) and the Georgian Apparel and Fashion Association (GAFA).

Respondents from the focus groups and in-depth interviews shared that women's membership in particular associations depends on the business sector. For instance, the construction and energy sectors, as well as many agricultural activities, were mostly considered 'men's business'; hence, such organizations had fewer female members. Notably, key informants highlighted that despite women's presence in a number of sectoral groups, their voice is rarely heard when it comes to lobbying or policy dialogue.

Those women entrepreneurs who were not members of any association noted that they either saw no need for membership or the high and unaffordable membership fees prevented them from becoming members of associations in their respective business sectors.

### **3.6.2 Subcondition 6.B: Presence of women entrepreneurs' associations and networks**

In many countries, women entrepreneurs establish membership organizations—businesswomen's associations or women's sectoral associations. These organizations often try to tailor their work to the needs of women entrepreneurs and play significant roles in providing support programmes to its members. In Georgia, there are several main networks/associations of women entrepreneurs: the Georgian Association "Women in Business" (GAWB), uniting more than 600 members;<sup>70</sup> the Georgian Women Business Association;<sup>71</sup> and "Women for Tomorrow".<sup>72</sup>

These associations are mostly non-governmental organizations focused on MSME development. The associations try to involve women in entrepreneurship by providing consultations and training sessions in this field. Additionally, organizations such as GAWB have contributed to the development of regulations and strategies aiming at women's empowerment.

While few women participate in associations, a small share report that they have received support from women's business associations and groups. While the plurality (47 per cent) had no opinion on such support, only 15 per cent agreed that they had lots of support from these groups.

### 3.6.3 Subcondition 6.C: Participation of women entrepreneurs in public-private sector policy dialogue and influence on outcomes

Public-private sector policy dialogue is important for the private sector to make sure that their needs and views are taken into consideration. In countries where women entrepreneurs face barriers in the business environment, it is particularly important to provide opportunities to women entrepreneurs or their representative organizations to inform and influence policymaking.

Georgia is no exception. Policy dialogue usually happens through the direct dialogue of women entrepreneurs with policymaking institutions or through lobbying activities by business associations and unions. The MoESD operates the Women's Entrepreneurship Support Subcouncil, a tool that should allow women entrepreneurs to raise their concerns.<sup>73</sup>

Business associations also participate in policy dialogue by sharing the concerns of their sectors. Still, focus group participants who also happened to be association members noted that more needs to be done in this regard.

“We participate in [formal discussions with the Government]. Of course, they take our contributions into account, although it would be better if they considered more of our ideas, [since we have] very good propositions based on our experience.”

(Participant 2, rural, owner of a formal business)

Key informant interviews indicated that not all voices are heard in government decisions and policymaking processes. Respondents noted that business regulations and laws in Georgia are often drafted and adopted without consulting entrepreneurs, especially those running SMEs. Therefore, new regulations are not tailored to the needs of SMEs; entrepreneurs find out about changes only post factum and thus face difficulties in operation. Key informants suggested that while sectoral and business associations should spearhead efforts to lobby women entrepreneurs' interests, the latter should also be made aware of the existence of such associations.

The findings of the WES study partially supports key informants' criticism towards women's business associations. The WES results show that slightly less than a quarter of women entrepreneurs (24 per cent) agree that women's business associations are influential in terms of policy and decision-making, and only 22 per cent agree that such associations lobby the Government for policies that meet women's needs, while one third of the surveyed women agreed that women's business associations were able to effectively represent women entrepreneurs' interests.

What are the potential avenues to involve women entrepreneurs in policymaking? Key informants indicated that a synergy between local governments and entrepreneurs could be an effective tool, as exemplified by the case of the Lagodekhi Local Action Group (LAG). Local governments could play a more advanced role in both spreading information about legislative and regulatory updates and collecting the concerns and needs of entrepreneurs.

However, key informants also believed that currently, the chances of such cooperation are close to zero since “the political agenda [of local governments] is so corrupt there that no decision is made without consideration of political preferences”. Regrettably, structural problems also persist, due to women entrepreneurs' low visibility and local governments' failure to recognize the interests of women entrepreneurs. As colourfully summarized by one of the key informants:



“When you call [a local government representative] and ask about women farmers, ‘There are no women farmers,’ they say. What do you mean there are no women farmers? Who takes care of the cattle? Who gathers the harvest? Who does the important work on the land? It is all women: women are busy with [the labour].”

(Key informant, business association)

### 3.6.4 Assessment and scoring of WED Framework Condition 6: Representation of women entrepreneurs and participation in policy dialogue

The final WED condition evaluates three subcomponents conducive to women entrepreneurs’ better representation and participation in policy dialogue (Table 3.6). Overall, women’s involvement in policy dialogue remains fairly low. Despite the fact that women are represented in sectoral business associations, and women entrepreneurs’ business associations do exist, only a handful of such groups possess significant clout in terms of policy influence. Still, the interests of women entrepreneurs, especially those operating small and medium-sized businesses, are often overlooked in policy dialogue.


The first subcondition evaluates women entrepreneurs’ participation in business or sectoral membership associations. While in general, women’s membership in such associations remains low, sex-disaggregated data on membership by many business organizations are not available. Still, two major organizations—the Georgian Farmers’ Association and the Georgian Employers’ Association—report that women represent at least one fifth of their members. In this light, Georgia scores 3 out of 5 points for the described subcondition.

The ecosystem of women entrepreneurs’ associations is certainly more diverse. Although women’s business associations have a nationwide presence, their reach and capacity are still limited, as demonstrated in the WES study. Considering this, Georgia scores 4 out of 5 points.

Finally, while major business associations have made an effort to integrate women into management and decision-making positions, the interests of small and medium-sized businesses especially are rarely represented in the policy dialogue process. Hence, Georgia’s standing in terms of women’s participation in public-private sector policy dialogue and their influence on outcomes scores 3 out of 5 points.

TABLE 3.6

## Scoring summary for the assessment of WED Framework Condition 6

| WED Framework Condition 6: Representation of women entrepreneurs and participation in policy dialogue  |  |   |   |   |       |
|---|--|---|---|---|-------|
| 6.A. Representation and 'voice' of women in business and sector membership associations   |  |   |   |   |       |
| 1 point   | 2 points   | 3 points  | 4 points  | 5 points  | Score |
| Businesswomen/women entrepreneurs make up less than 5% of the membership in the major business associations/sector organizations  | Businesswomen/women entrepreneurs make up at least 15% of the membership in the major business associations/sector organizations | Businesswomen/women entrepreneurs make up at least 20% of the membership in the major business associations/sector organizations              | Businesswomen/women entrepreneurs make up at least 30% of the membership in the major business associations/sector organizations  | Businesswomen/women entrepreneurs make up more than 30% of the membership in the major business associations/sector organizations   | 3     |
| 6.B. Presence of women entrepreneurs' associations and networks   |  |   |   |   |       |
| 1 point   | 2 points   | 3 points  | 4 points  | 5 points  | Score |
| There are no businesswomen's or women entrepreneurs' associations   | There are only a few such associations, located mostly in urban centres and with only a small number of members                  | In addition to urban areas, such associations have been formed in a few rural regions of the country, but the membership base is very limited | A number of such associations exist in both urban and rural regions, but they would need to build capacity to broaden their membership reach and perform an advocacy role | Businesswomen's /women entrepreneurs' associations exist in urban areas, as well as most of the rural regions, and they represent a large number of women entrepreneurs as members; they have formed a national federation of such associations | 4     |

**6.C. Participation of women entrepreneurs in public-private sector policy dialogue and influence on outcomes**

| 1 point  | 2 points  | 3 points   | 4 points   | 5 points   | Score       |
|--|---|--|--|--|-------------|
| Public-private policy dialogue mechanisms are not well developed in the country; women's associations and groups are rarely included | Mainstream business associations are not adequately representing the views and concerns of their women members and rarely introduce issues affecting WED in policy dialogue with the Government; the 'voice' of business-women's/women entrepreneurs' associations is very weak | Mainstream business associations have begun to recognize the importance of better integrating the views of women members into their policy advocacy priorities, and women entrepreneurs' associations are developing their advocacy skills and capacity, but these efforts have not yet led to much progress in influencing the Government's policy agenda | Mainstream business associations routinely raise issues of concern to their women members in policy dialogue with the Government; women entrepreneurs' associations have the capacity to play a strong advocacy role for the interests and concerns of WOE and are given the opportunity to provide input to policy documents that are awaiting passage; WOE are included as members of government task forces and advisory committees on business environment reforms | There are a number of concrete examples where the participation of businesswomen/women entrepreneurs in public-private dialogue processes have led to concrete outcomes in terms of improving the environment for WED (e.g. changes to family law, the creation of women's desks in financial institutions, changes to property law, etc.) | 3           |
| <b>Overall score for WED Framework Condition 6</b>   |   |  |  |  | <b>3.33</b> |

**Note:** The scoring is based on the statement that most accurately reflects the situation in Georgia. The shaded cells represent the applicable statements based on the findings of the assessment process.

The background features a large, abstract geometric design. It consists of several overlapping shapes in two main color families: blue and green. The top half is primarily blue, with a lighter blue diagonal shape cutting across it. The bottom half is primarily green, with a lighter green diagonal shape cutting across it. The overall effect is a modern, layered composition.

# CONCLUSIONS AND RECOMMENDED ACTIONS

## 4.1 CONCLUSIONS

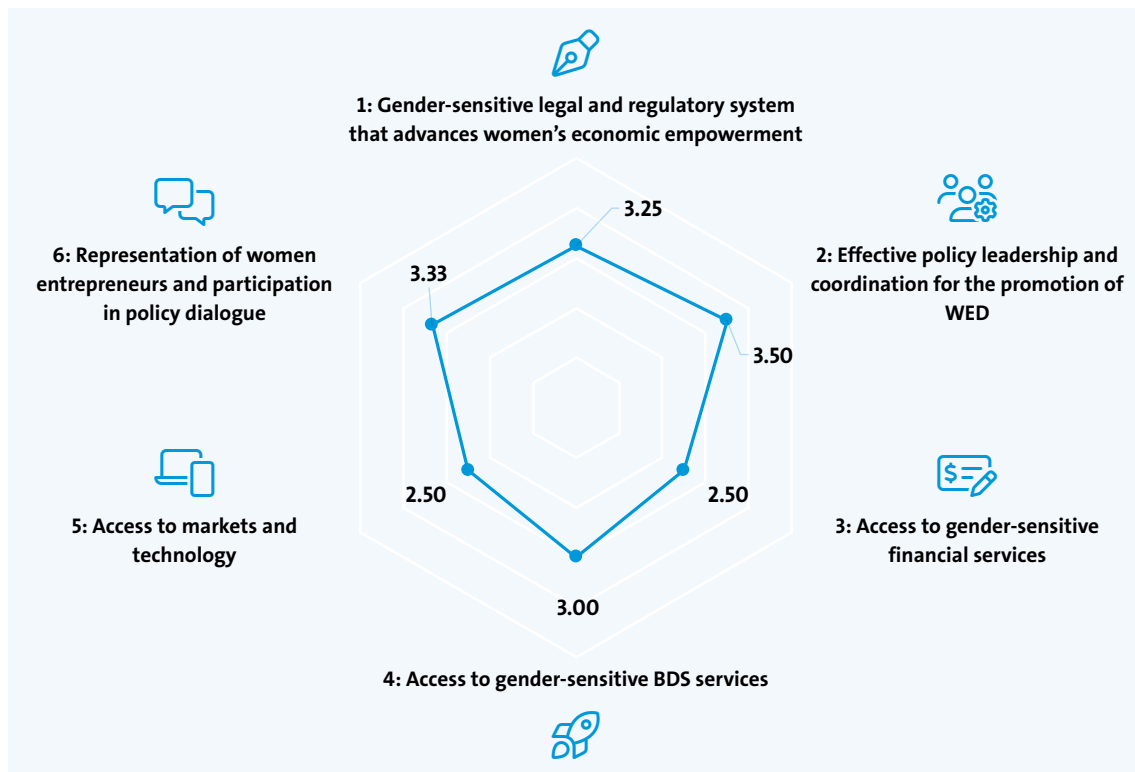
The analysis of the six WED framework conditions shows that overall, none of the WED conditions achieved a score of 4 or 5 in terms of women’s entrepreneurship development conditions (Figure 4.1).<sup>1</sup> The strongest framework condition is effective policy leadership and coordination for the promotion of WED, totalling on average 3.50 points out of a possible 5. Multiple state and non-state actors spearhead efforts to promote WED in Georgia. Nonetheless, the major challenge is the lack of coordinating entities and the absence of a dedicated WED strategy. These factors considerably hinder the development of viable policy solutions for women entrepreneurs in Georgia.

Framework Condition 6, the representation of women entrepreneurs and their participation in policy dialogue, ranks somewhat lower with 3.33 points out of 5. Sectoral and business associations exist in Georgia, and the presence of women in some of them appears to be somewhat satisfactory. Still, their capacity to lobby for legislation that promotes WED is something that might deserve further enhancement. Admittedly, reciprocity from governmental entities is highly anticipated to ensure the success of policy dialogue initiatives that serve the interests of women entrepreneurs.

The average score for Framework Condition 1, a gender-sensitive legal and regulatory system, is scored as 3.25. Georgia’s legal system, despite relatively open and transparent registration procedures and laws that ensure gender equality, regrettably fails to support women exercising their inheritance and property rights. Similarly, no significant efforts could be identified in informing women entrepreneurs on the new laws and regulations that affect their business operations.

FIGURE 4.1

Network diagram of the six WED framework condition scores for Georgia



Framework Condition 4, the access to gender-sensitive BDS services, was scored 3 points out of 5. While certain gender-sensitive BDS programmes exist, the presence of women in generic BDS programmes is not well documented, highlighting the need for comprehensive, sex-disaggregated statistics on participation in such programmes. Yet another challenge is the question of sustainability of women-centred BDS initiatives, as they mostly depend on donor’s programmatic interests and the availability of funds.

Framework Conditions 3 (access to gender-sensitive financial services) and 5 (access to markets and technology) score the lowest, each with 2.5 points out of a possible 5. Access to financing remains a key challenge to many entrepreneurs in Georgia, with women disproportionately suffering from unequal access to credit lines for their businesses. The latter problem is especially exacerbated by biased attitudes from loan officers and the lack of access to loans for women entrepreneurs outside Tbilisi. Importantly, gender-sensitive financing programmes are only funded either by international donors or the State, with no significant input from major commercial institutions.

Finally, when it comes to women’s access to markets and technology, significant gaps exist in terms of the digitalization of women’s businesses across geographies and age groups. Few have an online presence, excluding them from an important e-commerce opportunity. While the majority of women entrepreneurs use ICT tools and many are willing to learn more, such learning opportunities need to become more available, especially outside the capital city. Women’s access to government procurements remains problematic. Evidence of the inclusion of women-led enterprises in supply chains is scant.

**FIGURE 4.2**  
**Scores for the WED framework subconditions**

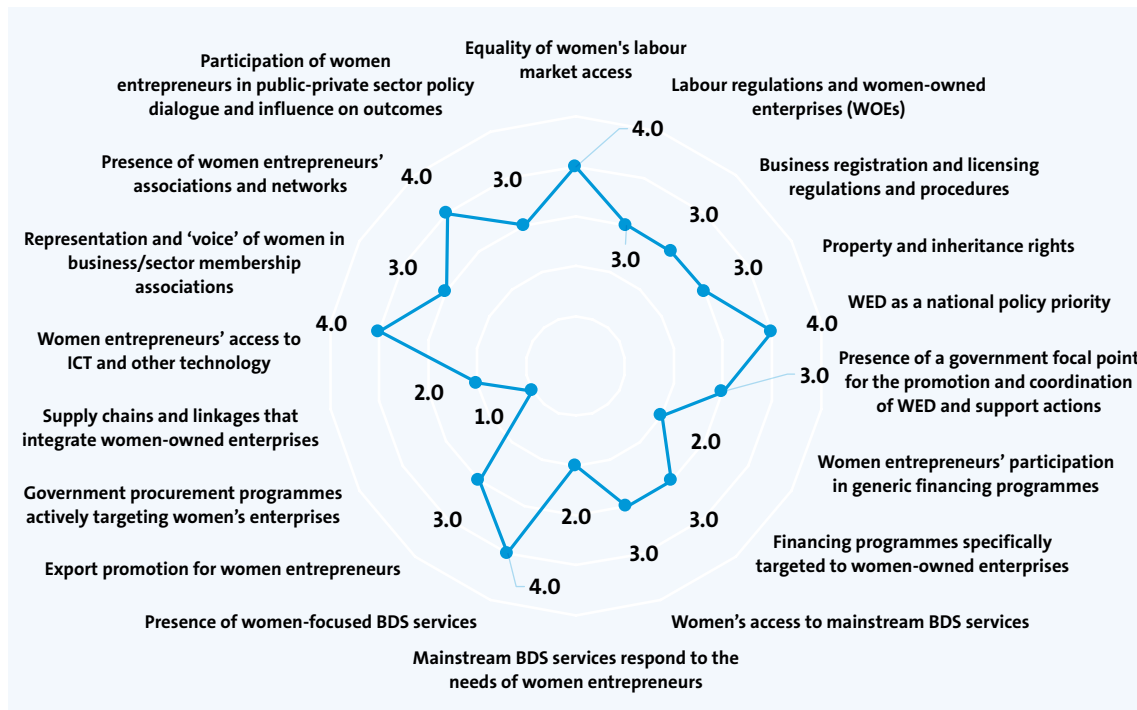


Figure 4.2 shows a more detailed distribution of the scores by subcondition. Overall, none of the subconditions were given a maximum score of 5. Only 5 of the 18 subconditions were assessed as having a score of 4 out of 5 points. Namely:

- ④ Equality of women's labour market access
- ④ WED as a national policy priority
- ④ Presence of women-focused BDS services
- ④ Women entrepreneurs' access to ICT and other technology
- ④ Presence of women entrepreneurs' associations and networks

Half of the subconditions were assessed with a score of 3 out of 5:

- ③ Labour regulations and women-owned enterprises (WOEs)
- ③ Business registration and licensing regulations and procedures
- ③ Property and inheritance rights
- ③ Presence of a government focal point for the promotion and coordination of WED and support actions
- ③ Financing programmes specifically targeted to women-owned enterprises
- ③ Women's access to mainstream BDS services
- ③ Export promotion for women entrepreneurs
- ③ Representation and 'voice' of women in business/sector membership associations
- ③ Participation of women entrepreneurs in public-private sector policy dialogue and influence on outcomes

As for the remaining four subconditions, they were scored as either a 2 (women entrepreneurs' participation in generic financing programmes; mainstream BDS services respond to the needs of women entrepreneurs; supply chains and linkages that integrate women-owned enterprises) or only a 1 (government procurement programmes actively targeting women's enterprises) out of 5 points.

## 4.2 RECOMMENDATIONS

### 4.2.1 General recommendations

One of the major identified gaps was the lack of a consistent and coordinated policy approach towards WED in Georgia. While governmental institutions are supposed to be primarily responsible for devising policies that support WED, it is imperative that WED programmes be designed and implemented by both state and non-state actors, be well coordinated and be based on rigorous needs assessment studies. It is recommended that (a) a WED focal point exist at, for example, the MoESD and/or the ministry taking up the leadership in terms of coordinating the implementation of WED programmes; and that (b) the Gender Equality Council take a more active role in spearheading legislative initiatives directed towards the popularization of WED in Georgia.

An official definition of ‘women-owned enterprise’ (and certifying criteria) should be adopted and used to confirm the ownership of women-owned enterprises as specific policy targets in the context of special financing programmes, procurement programmes and so forth.

There is a need for the collection of sex-disaggregated data, particularly at the programme level, to monitor the number/share of women-owned enterprises and women entrepreneurs in the various generic financing and BDS programmes and initiatives, especially the ones offered by government institutions.

Stigma and existing social norms are major impediments for many women when it comes to engaging in business and accessing financial resources. It is essential that such stereotypes be eradicated, particularly by appropriate communications efforts and through educational programmes, including at schools.

Access to financial resources unequally affects women. Therefore, financial institutions should provide gender-sensitive credit lines and ensure that loan officers have gender-sensitivity training.

While a donor-centred approach to funding and training opportunities remains a major lifeline for initiatives, more sustainable options should be considered.

More training should be made available to women to improve their access to business information and business literacy. State, private and donor organizations are encouraged to spearhead these efforts.

### 4.2.2 Specific recommendations

#### **WED Condition 1: Gender-sensitive legal and regulatory system**

While the legal and regulatory system in Georgia theoretically ensures the equality of women and men, gaps in legislation might need to be addressed. Specifically, Article 6 of the Law on Gender Equality might provide some clarity with regard to equal opportunities for employment.

Together with addressing the gaps in legislation, it is imperative to ensure the enforcement of regulations on labour rules and gender equality, including those that recognize women’s economic rights, including on inheritance and property ownership.

Although information on rules and regulations are readily available online, they are not written in accessible language for many entrepreneurs. Supplying women entrepreneurs with information written in a simple and clear language is recommended. It is important that such information also be provided in minority languages.



Respondents mentioned that the lack of information on identifying the most appropriate legal forms for their specific business prior to registering their business represents a challenge. It is recommended that business registration offices and local governments provide information as to which legal requirements are bound to specific legal statuses of businesses.

While women have the same property and inheritance rights as men, they are generally unaware of their rights. Therefore, all institutions involved in property registration, such as NAPR and notary publics, should ensure that women are not denied their rights when changes to a property's status are being made. Additionally, trainings on gender sensitivity should be made available to the employees of these institutions.

Information campaigns directed towards the general population should raise people's awareness on women's rights in terms of landownership, property and inheritance rights.

### **WED Condition 2: Policy leadership and coordination for the promotion of WED**

Despite considerable efforts, policy approaches directed towards gender equality and WED are far from consistent. An additional challenge to having effective WED policies is the general lack of enforcement of such policies. While the new SME strategy of Georgia acknowledges the importance of WED, still, no unified national strategy on WED exists. It is recommended that Georgia develop a national WED strategy, with viable action plans and realistically enforceable and measurable outcomes.

While the Gender Equality Council could be considered a focal point for lobbying for WED, it lacks executive power in terms of leading policy actions across government ministries and agencies. Therefore, it is recommended that (a) either a separate institution or (b) an inter-institutional coordinating body be created that is tasked with promoting WED. As outlined in the general recommendations, this focal point might be placed at the MoESD.

### **WED Condition 3: Gender-sensitive financial services**

SME programmes that prioritize women entrepreneurs might be manipulated by men so that they have access to resources earmarked for women. Therefore, a viable monitoring and evaluation mechanism should be put in place to avoid such cases, along with establishing the definition of women-owned enterprises, as noted in the general recommendations.

Commercial banks and microfinance institutions lack separate credit lines for women entrepreneurs despite the fact that women have a better history of loan repayment than men. Therefore, financial institutions might consider diversifying their products and giving gender-sensitivity trainings to loan officers. As already recommended by major international financial institutions, it is imperative that more women have access to financing.

Major loan programmes by international organizations often serve as guarantors to women who cannot provide collateral. Since a loan guarantee programme could help many start-ups, efforts need to be made to design a similar programme for women entrepreneurs. Organizations like Enterprise Georgia might spearhead such initiatives.

#### **WED Condition 4: Gender-sensitive business development support services**

When assessing access to gender-sensitive BDS, it is important to mention the lack of official statistics regarding the level of engagement with such services. State-sponsored services, such as those provided by Enterprise Georgia and GITA, do not have readily available sex-disaggregated statistics regarding participation in some of their programmes. Therefore, it is recommended that these institutions collect sex-disaggregated data on programme participation and uptake.

Women entrepreneurs' awareness on the BDS programmes available to them should be increased. This could be done either through a dedicated website or via popular job search portals. Additionally, such information should be disseminated through more than one communication channel and in multiple languages to reach women in rural areas and ethnic minority women.

State, private and donor organizations that provide BDS services should consider diversifying their portfolio. These activities should better target women entrepreneurs and be designed to respond to their constraints and needs. Apart from trainings, BDS services should include consultations, mentoring and peer assistance. Importantly, conducting initial needs assessment studies prior to designing programmes is highly recommended.

As accountants serve as the main advisers for many women entrepreneurs and are the main sources of information on business development, BDS providers should target them as information messengers.

Motivational and psychological support should not be ignored when providing BDS programmes, since many women feel discouraged when dealing with stigma and stereotypes.

BDS programmes should take into consideration cultural and social obstacles that women face when participating in such programmes; namely, sessions should be scheduled accordingly, allow remote participation and resolve any infrastructural issues, such as providing transportation and accommodation to beneficiaries. Potential participants should be told how BDS programmes specifically could help their businesses, thereby encouraging more women to get involved.

BDS programmes should be designed and executed to be women oriented. Evidence shows that a 'one-size-fits-all' approach is often counterproductive since women entrepreneurs often face very unique problems.

Local governments and CSOs from outside Tbilisi should be involved in the provision of BDS. Local governments should put effort into attracting funding opportunities, establishing organizational groups and seeking partnerships with other cities and villages.

#### **WED Condition 5: Access to markets and technology**

The lack of information about new markets, including the export and technology markets, was named as a problematic issue. BDS trainings and information campaigns should focus on informing women on how to look for such information. Notably, such help should be made available to rural women and ethnic minorities.

State and quasi-state organizations should focus on increasing the number of women entrepreneurs in international fairs and exhibitions. These organizations should encourage women entrepreneurs to participate in any forum or platform where they can meet with potential partners abroad.

Women, especially those living in rural areas, often cannot travel beyond their local markets due to the lack of proper and regular transportation to larger urban areas. Therefore, efforts need to be made to help rural women have more physical access to markets outside their communities. Potential avenues for doing so include adopting online capabilities, such as introducing e-commerce platforms.

Government procurement programmes should prioritize women entrepreneurs, which in turn will support the formation of supply chains. One of the potential avenues is the State Procurement Agency, which makes an effort to proactively reach out to potential women suppliers and helps build their capacity to meet supplier requirements.

Both state and non-state actors should support the establishment and formation of supply chains and link women-owned MSMEs. This can be achieved by supporting networking, using training modules and sharing success stories.

Women should continue to be encouraged to gain more ICT and STEM skills. This could include scaling up already existing programmes by international organizations and GITA.

Continued support should be provided to women entrepreneurs to engage in e-commerce and establish an online presence to increase sales. Such activities could be spearheaded by GITA, international donor organizations and other stakeholders.

### **WED Condition 6: Representation of women entrepreneurs and participation in policy dialogue**

Major business associations should be encouraged to increase the number of their women members. This could be done by actively reaching out to prospective members or perhaps by waiving membership fees for women-owned SMEs. Together with building up a gender-sensitive orientation for business associations, they should show success cases and convince potential members that their voices might truly matter in policy design and negotiation processes.

Women entrepreneurs' awareness should be raised on the benefits of associations.

Better support should be provided to women entrepreneurs' associations. Women entrepreneurs should be encouraged, including through financial means, to form sectoral associations or regional associations and enter into dialogue formats. Large-scale public-private policy dialogue formats should be encouraged to involve women's associations and SMEs in the policy input process.

Government entities should consider establishing viable mechanisms, such as subcouncils and local focal points, for women entrepreneurs to gather input on their needs and provide policy recommendations.

Women entrepreneurs, especially women-owned SMEs, should be involved in consultations starting at the policy design stage. This would help government policies be more responsive to the needs of women entrepreneurs and SMEs.

## ANNEXES

### Annex A – List of key informant organizations interviewed

| Organization   | Type                             | Number of representatives |
|--|----------------------------------|---------------------------|
| Rural Development Agency (Preferential Agrocredit Programme) | State/quasi-state                | 1                         |
| Gender Equality Council of the Parliament of Georgia         | State/quasi-state                | 1                         |
| Ministry of Economy and Sustainable Development              | State/quasi-state                | 1                         |
| Enterprise Georgia   | State/quasi-state                | 1                         |
| Georgia's Innovation and Technology Agency (GITA)            | State/quasi-state                | 1                         |
| State Employment Support Agency (SESA)                       | State/quasi-state                | 1                         |
| Georgian Farmers' Association                                | NGO                              | 2                         |
| Georgian Women Business Association                          | NGO                              | 1                         |
| Georgian Employers' Association (GEA)                        | NGO                              | 1                         |
| Economic Policy Research Center (EPRC)                       | NGO                              | 1                         |
| ISET Policy Institute  | NGO                              | 1                         |
| Bank of Georgia  | Private                          | 1                         |
| TBC Bank   | Private                          | 1                         |
| Start - Business Solutions                                   | Private                          | 1                         |
| GEC Systemic Business Consulting                             | Private                          | 1                         |
| International Labour Organization (ILO)                      | Donor/international organization | 2                         |
| UN Women   | Donor/international organization | 3                         |
| European Union's Delegation to Georgia                       | Donor/international organization | 1                         |
| European Bank for Reconstruction and Development (EBRD)      | Donor/international organization | 3                         |
| German Agency for International Cooperation (GIZ)            | Donor/international organization | 2                         |

## Annex B – Focus group participants

### Focus Group 1: Women entrepreneurs from Tbilisi

| Assigned number | Age | Education | City    | Sphere/sector  | Years in business                                | Number of employees  |
|-----------------|-----|-----------|---------|--|--|--|
| 1               | 36  | Tertiary  | Tbilisi | Strategic human resources management consultation      | 2  | 12 (2 full-time, 10 part-time)                                       |
| 2               | 50  | Tertiary  | Tbilisi | Import of cosmetic goods and other medical supplies    | 1  | 3 (full-time)  |
| 3               | 31  | Tertiary  | Tbilisi | Marketing  | 5  | 1 (full-time)  |
| 4               | 33  | Tertiary  | Tbilisi | Production and sale of clothing, accessories and gifts | 3  | 7 (2 full-time, 3 part-time, 2 unpaid family members)                |
| 5               | 40  | Tertiary  | Tbilisi | Organization of events/branding                        | 6  | 4 full-time (may hire up to 250 temporary workers based on projects) |
| 6               | 30  | Tertiary  | Tbilisi | Dance/fitness studio                                   | 1  | 7 (6 part-time, 1 unpaid family member)                              |
| 7               | 40  | Tertiary  | Tbilisi | Production and sale of children's clothing             | 6  | 6 (part-time)  |
| 8               | 31  | Tertiary  | Tbilisi | Provision/sale of computer hardware and software       | 25 (took over the family business six years ago) | 8 (7 full-time, 1 unpaid family member)                              |
| 9               | 45  | Tertiary  | Tbilisi | Production and sale of dried fruit and sweets          | 8  | 25 (20 full-time, 5 unpaid family members)                           |

### Focus Group 2: Women entrepreneurs from other cities

| Assigned number | Age | Education  | City/town/village | Sphere/sector                  | Years in business | Number of employees                      |
|-----------------|-----|------------|-------------------|--------------------------------|-------------------|--|
| 1               | 69  | Tertiary   | Mtskheta          | Production of protective seals | 13                | 4 (full-time)                            |
| 2               | 56  | Tertiary   | Kutaisi           | Table design; catering service | 16                | 11 (4 full-time, 7 part-time)            |
| 3               | 33  | Vocational | Khashuri          | Second-hand clothing shop      | 1                 | 2 (unpaid family members)                |
| 4               | 50  | Tertiary   | Khashuri          | Mixed goods shop               | 10                | 2 (part-time)                            |
| 5               | 32  | Tertiary   | Gori              | Pharmacy                       | 5                 | 3 (full-time)                            |
| 6               | 38  | Tertiary   | Sagarejo          | Poultry farming                | 12                | 5 (1 full-time, 4 unpaid family members) |
| 7               | 55  | Tertiary   | Zugdidi           | Guest house                    | 16                | 3 (unpaid family members)                |
| 8               | 72  | Tertiary   | Akhmeta           | Guest house                    | 3                 | 5 (unpaid family members)                |
| 9               | 37  | Tertiary   | Gurjaani          | Wine production                | 4                 | 3 (unpaid family members)                |

### Focus Group 3: Women entrepreneurs from rural areas

| Assigned number | Age | Education | Village              | Sphere/sector  | Years in business | Number of employees                     |
|-----------------|-----|-----------|----------------------|--|-------------------|---|
| 1               | 75  | Tertiary  | Tetrtsklebi (Telavi) | Production and sale of potatoes                            | 5                 | 5 (unpaid family members)               |
| 2               | 64  | Tertiary  | Santa (Tsalka)       | Dairy production   | 25                | 60 (30 full-time, 30 seasonal)          |
| 3               | 35  | Tertiary  | Tsinandali (Telavi)  | Bio farming  | 3                 | 3 (unpaid family members)               |
| 4               | 53  | Tertiary  | Tianeti              | Guest house  | 5                 | 2 (1 full-time, 1 unpaid family member) |
| 5               | 41  | Tertiary  | Saniore (Telavi)     | Production of <i>churchkhela</i> (a sweet), wine and vodka | 9                 | 3 (unpaid family members)               |
| 6               | 59  | Tertiary  | Kakabeti (Sagarejo)  | Pharmacy   | 15                | 5 (full-time)                           |

#### Focus Group 4: Young women entrepreneurs (under the age of 30)

| Assigned number | Age | Education             | City/town/village | Sphere/sector                    | Years in business | Number of employees           |
|-----------------|-----|-----------------------|-------------------|----------------------------------|-------------------|-------------------------------|
| 1               | 29  | Tertiary              | Tbilisi           | Sale of rare food products       | 2                 | 12 (8 full-time, 4 part-time) |
| 2               | 26  | Tertiary (incomplete) | Zugdidi           | Flower shop                      | 4                 | 4 (unpaid family members)     |
| 3               | 28  | Tertiary              | Telavi            | Wine production                  | 2                 | 4 (unpaid family members)     |
| 4               | 26  | Tertiary (incomplete) | Tbilisi           | International freight expedition | 1                 | 2 (1 full-time, 1 part-time)  |
| 5               | 27  | Tertiary              | Tbilisi           | Fitness                          | 1                 | 2 (part-time)                 |

#### Focus Group 5: Women entrepreneurs with informal businesses

| Assigned number | Age | Education             | City/town/village | Sphere/sector                            | Years in business | Number of employees                     |
|-----------------|-----|-----------------------|-------------------|--|-------------------|---|
| 1               | 33  | Tertiary              | Tbilisi           | Online shop selling handmade accessories | 2                 | 2 (1 full-time, 1 unpaid family member) |
| 2               | 39  | Tertiary              | Tbilisi           | Renting out apartments                   | 7                 | 1 (unpaid family member)                |
| 3               | 31  | Tertiary              | Tbilisi           | Artist; sale of paintings                | 2                 | 1 (part-time)                           |
| 4               | 53  | Vocational            | Stepantsminda     | Guest house in Stepantsminda             | 6                 | 4 (unpaid family members)               |
| 5               | 24  | Tertiary (incomplete) | Tbilisi           | Production and sale of handbags          | Less than a year  | 1 (part-time)                           |
| 6               | 56  | Tertiary              | Tbilisi           | Teaching English to private students     | 2                 | 1 (full-time)                           |
| 7               | 36  | Tertiary              | Tbilisi           | Fitness instruction                      | 14                | 1 (full-time)                           |
| 8               | 44  | Secondary             | Tbilisi           | Manicures/pedicures at home              | 2                 | 1 (full-time)                           |

## Annex C – Methodology of the Women Entrepreneurs Survey

The Women Entrepreneurs Survey was designed and administered by the National Statistics Office of Georgia (Geostat). The survey instrument was based on a standardized questionnaire for the International Labour Organization's Women Entrepreneurs Surveys. The questionnaire was adapted to the Georgian context, translated and piloted by Geostat. Overall, 20 pilot interviews were administered online and over the phone.

The sampling universe of the study comprised those enterprises that either have a female owner or, in the case of multiple owners, have women as the major shareholders, owning 50 per cent or more of company shares. Geographically, the survey covered the full territory of Georgia currently controlled by the Georgian authorities (that is, with the exception of Abkhazia and the Tskhinvali region/South Ossetia). Additionally, business entities whose major sector of activities are financial and insurance activities (section K of NACE Revision 2) and real estate activities (section L) were not included in the sampling universe.

Businesses were drawn from Geostat's national business registry. Geostat sampled only active businesses that operated for more than 12 months prior to the fieldwork and had a financial turnover within this time frame. Businesses were drawn using a stratified simple random sample. Businesses were stratified by settlement type (Tbilisi, outside the capital city), the age of the enterprise (less than 5 years, 5 to 10 years, older than 10 years), and the type of economic activities (top-level NACE Revision 2 codes, where codes A, B, D, E and R were grouped together due to the small number of businesses within these categories).

The fieldwork was administered online, using a special web-based form designed by Geostat. Interviews were administered between 27 May and 22 June 2022. Overall, Geostat collected 2,000 completed interviews by contacting 2,964 businesses. In non-response cases, new businesses were drawn from the same strata.

The data were weighted to reflect the characteristics of the sampling universe and stratification patterns.

The data were analysed by CRRG Georgia. CRRG Georgia used inferential statistical tools to identify differences between major groups of women entrepreneurs. Namely, the organization established a baseline model that includes key demographic characteristics (respondent's age, education, marital status, settlement type) and ran appropriate regression models with survey settings to check whether women entrepreneurs differed across major sociodemographic groups. If not explicitly mentioned, all reported differences were identified and checked using regression models.



# ENDNOTES

## Executive summary

- 1 Pal et al. 2022.
- 2 Geostat 2021d.
- 3 Ibid.
- 4 Geostat 2022a.
- 5 Diakonidze 2019.
- 6 CRRC Georgia 2020.

## Chapter 1

- 1 Stevenson and St-Onge 2013.
- 2 ILO 2022b.
- 3 A detailed methodological note on data collection is included in Annex C of this report.

## Chapter 2

- 1 MoESD 2020. The previous SME Development Strategy (2016–2020) claimed that small enterprises employ up to 20 employees and have an annual turnover of GEL 500,000, while medium-sized enterprises employ up to 100 persons and have a turnover of up to GEL 1.5 million annually.
- 2 Revenue Service 2020a.
- 3 MoESD 2015.
- 4 For instance, this includes activities that involve licensing, carrying out foreign exchange, medical, architectural, legal or consulting services, etc.
- 5 Revenue Service 2020b.
- 6 Geostat 2022b.
- 7 Geostat 2020.
- 8 Needless to say, mean values are rather imperfect measures of earnings.
- 9 Geostat 2021a.
- 10 Geostat 2021d.
- 11 Geostat 2021b.
- 12 Geostat 2021d.
- 13 Geostat 2021c.
- 14 Diamond and Jenkins 2018.
- 15 Geostat 2022b.
- 16 FAO 2018.
- 17 Rakshit and LevtoV 2020.
- 18 Guerrero 2022.
- 19 Margvelashvili et al. 2021.
- 20 ISET Policy Institute 2020.

## Chapter 3

- 1 Lemmon and Vogelstein 2017.
- 2 Parliament of Georgia 1995.
- 3 UN Women 2018a.
- 4 For a database to explore Georgia's ILO ratifications, please refer to [https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200\\_COUNTRY\\_ID:102639](https://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102639).
- 5 UN Women 2021.
- 6 Parliament of Georgia 2010b.
- 7 Tchanturidze 2021.
- 8 Parliament of Georgia 2010a.
- 9 UN Women 2021.
- 10 CRRC Georgia 2018b.
- 11 CRRC Georgia 2018a.
- 12 CRRC Georgia 2018c.
- 13 World Bank 2020. It is worth mentioning that the Doing Business index has since been discontinued.
- 14 Business Ombudsman of Georgia 2022.
- 15 Rakshit and LevtoV 2020.
- 16 Asian Development Bank 2018.
- 17 UN Women 2018b.
- 18 Personal communication with NAPR, following the validation workshop.
- 19 European Commission and OECD 2017.
- 20 UN Women 2021.
- 21 Ibid.
- 22 Margvelashvili et al. 2021.
- 23 Parliament of Georgia 2021.
- 24 Government of Georgia 2020.
- 25 Government of Georgia 2014.
- 26 MRDI 2017.
- 27 MoESD 2020.
- 28 MoESD 2015.
- 29 Nordic Consulting Group 2018.
- 30 The GIA document is confidential and is only available to MoESD personnel or to UN Women for review.
- 31 MoESD 2020
- 32 Ibid.
- 33 Ibid.
- 34 MoESD 2022.
- 35 Geostat 2018.

- 36 Geostat 2019.
- 37 Personal communications following the validation workshop of the report.
- 38 National Bank of Georgia 2018.
- 39 National Bank of Georgia 2022.
- 40 MoESD 2022.
- 41 OECD 2022.
- 42 Chubabria 2020.
- 43 Grants are available for more than 300 economic activities. The maximum award per grant is GEL 30,000. Co-funding of 15–25 per cent is required. Women, persons with disabilities and other vulnerable groups are prioritized.
- 44 Personal communication with Enterprise Georgia following the validation workshop; Margvelashvili et al. 2021.
- 45 UN Women 2021.
- 46 Diakonidze 2019.
- 47 GITA 2022.
- 48 EBRD 2021.
- 49 EIB and EBRD 2021.
- 50 GITA 2020.
- 51 GITA 2018.
- 52 European Union 2022.
- 53 ILO 2022a.
- 54 One such example is the web portal <https://www.businesscourse.ge/>, which provides short educative videos and other related materials for people who want to start a business or who are new to business.
- 55 According to the 2014 census in Georgia, ethnic minorities comprise about 13 per cent of Georgia's population.
- 56 Diakonidze 2019.
- 57 Asian Development Bank 2018.
- 58 U.S. Embassy Tbilisi 2020.
- 59 Crystal Fund 2020.
- 60 EBRD 2015.
- 61 More information on the Business Lens programme is available at <https://ebrdwomeninbusiness.com/home.xhtml?country=GE&language=en>.
- 62 UNDP 2022.
- 63 PwC 2021.
- 64 Ibid.
- 65 Tsekvava 2021.
- 66 Enterprise Georgia 2022.
- 67 UN Women 2022.
- 68 The median characterizes the mid-point of a distribution and is especially informative when outliers—that is, extreme values—affect average scores.
- 69 More information is available at <https://www.ICTwomen.ge/>.
- 70 Georgian Association “Women in Business” 2022.
- 71 Georgian Women Business Association 2022.
- 72 Women for Tomorrow 2022.
- 73 While such an institution exists, there is not much information about the actual work done by the Subcouncil.

#### Chapter 4

- 1 The procedure followed the scoring convention developed in the ILO WED Assessors' Guide (ILO 2022b).

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UN Women supports UN Member States as they set global standards for achieving gender equality, and works with governments and civil society to design laws, policies, programmes and services needed to ensure that the standards are effectively implemented and truly benefit women and girls worldwide. It works globally to make the vision of the Sustainable Development Goals a reality for women and girls and stands behind women's equal participation in all aspects of life, focusing on four strategic priorities: Women lead, participate in and benefit equally from governance systems; women have income security, decent work and economic autonomy; All women and girls live a life free from all forms of violence; women and girls contribute to and have greater influence in building sustainable peace and resilience, and benefit equally from the prevention of natural disasters and conflicts and humanitarian action. UN Women also coordinates and promotes the UN system's work in advancing gender equality.

The International Labour Organization (ILO) is the United Nations agency for the world of work. It brings together governments, employers and workers representatives of 187 member States, to set labour standards, develop policies and devise programmes promoting decent work for all women and men. Its unique tripartite structure gives an equal voice to workers, employers and governments to ensure that the views of the social partners are closely reflected in labour standards and in shaping policies and programmes. The main aims of the ILO are to promote rights at work, encourage decent employment opportunities, enhance social protection and strengthen dialogue on work-related issues.



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