

GEORGIA

WOMEN ENTREPRENEURS

April 2021

Overview of Women Entrepreneurs and Entrepreneurship

In 2020, Georgia was ranked 74 out of 153 countries in the [World Economic Forum Gender Gap Report](#). According to a recent Nordic Consulting Group gender assessment of small and medium sized enterprises (SMEs) in Georgia, women represent 55 percent of those with higher education, and 57 percent of those who attend vocational training. However, women's participation in the labor force in Georgia is significantly lower than men. Roughly 79 percent of men participate in the labor force, but only half of all women do, according to a [UN Women informal sector study](#).

The [age-related gender gap in employment](#) is driven by pregnancy, child-rearing, and unpaid domestic work at home. In fact, the time spent by women on unpaid domestic work is three times higher (45 hours) than time spent by men (15 hours).



According to a 2015 gender and entrepreneurship study by the Asian Development Bank and [GEOSTAT](#), 6.5 percent of men and 2.6 percent of women in Georgia engage in entrepreneurship as their main activity. [The leading sectors for women entrepreneurs](#) are agriculture (40.6 percent), education (16.2 percent) and health (7.1 percent). The National Statis-

tical Office of Georgia indicates that almost 60 percent of women-owned businesses are located in Tbilisi and Imereti. Only 20 percent of SMEs are headed by women, according to the most recent Nordic Consulting Group gender assessment. The gender pay gap of 35.8 percent per month indicates significant inequality among employed women and men. Women constitute the minority of state grant recipients, and larger grants are less likely to benefit women. Consequently, the rate of land ownership is also higher for men. An [ADB Gender Assessment Report](#) cites a 2014 Georgia agriculture census that shows that 70 percent of total agricultural holdings were operated by men.

In March 2010, the Georgia Law on Gender Equality was passed, which prohibits gender-related discrimination and includes provisions to guarantee gender equality. The National Gender Equality Council was established within Georgia's Parliament in 2004 to ensure systematic and coordinated governmental processes on gender equality issues, including overseeing the implementation of the Gender Equality Law.

The challenges that women entrepreneurs face include the significant time they must spend on unpaid care and domestic work, along with inadequate gender-responsive budgeting and policies, according to the [UN Women Country Gender Equality Profile of Georgia](#). The [Lack of access to finance and business skills](#) is also a hindrance, as are cultural barriers for women who work in male-dominated fields.

Women entrepreneurs in Georgia: What the data shows

According to a [2020 assessment by the National Statistics Office of Georgia](#), of the enterprises established in 2019,



were established
by men,

whereas only

were established
by women.

Approximately 23 percent of the population is engaged in informal employment. Forty-five percent of women and 45 percent of men are likely to be engaged in informal employment. People in rural areas are significantly more likely to have informal work than people in urban ones.

In Georgia, women make 42 percent less pay per year on average when in informal work, compared with formal employment. Moreover, they live in households with a [32 percent lower income](#).

[Almost 60 percent of women-owned businesses](#) are located in Tbilisi and Imereti.

Women own roughly 40 percent of businesses in the trade sector, which accounts for the largest number of businesses across all economic sectors. A relatively small number of women owners are found in mining, construction, transport and storage, and agriculture. On the other hand, [women owners outnumber men owners](#) in such areas as education, health care and social work, as well as other types of services. Women spend three times more hours than men on unpaid domestic work, which leaves them less time for business management and capacity development, which often forces them out of their businesses.

[Access to finance for women entrepreneurs](#) is limited because it is dependent on credit history or property held in their name. Financial institutions perceive businesses headed by women as less viable and riskier.

[Training opportunities in ICT](#) for women are only sporadically offered by local and international non-governmental organiza-

tions, rarely reach rural areas, and have no systematic means for informing women about available courses. However, training is provided to women entrepreneurs and start-ups through Enterprise Georgia and GITA.

Due to gender stereotypes within their own families, women often find it difficult to start a business. Despite the fact that 30 percent of breadwinners are women, a [UN study on social attitudes](#) in Georgia cited perceptions that “a woman should obey her husband and let him be a leader in different spheres,” which restricts women’s roles from the start.

According to [ITU 2019 data](#), 61.2 percent of women and 64.5 percent of men use the internet in Georgia. According to the [National Statistics Office](#), 44 percent of men and 48 percent of women indicate that they have no basic computer skills, and only three percent of the rural population have advanced computer skills. As of March 2021, there were 82 companies in Georgia that signed on to the Women Empowerment Principles.

The impact of COVID-19 on women entrepreneurs

The economic downturn caused by COVID-19 has specifically affected SMEs, and consequently women, as they are more [likely to own micro-businesses](#). Half of women entrepreneurs have seen revenues drop by at least 50 percent, according to a Europe Foundation report on the impact of coronavirus on women entrepreneurs.

[A UN Women study](#) indicates that 42 percent of women and 35 percent of men increased their involvement in unpaid care work due to the pandemic. The evaluation suggests that, compared to male respondents, a higher share of female survey participants changed their work patterns and switched to remote work, and were left with less time to manage and develop their business.

Key opportunities for private sector and business investors to support empowerment and business advancement of women entrepreneurs

- Support women entrepreneurs by setting targets for sourcing goods and services from female-led business
- Support women entrepreneur training in financial literacy and digital skills
- Offer tailored corporate financial products and services that eliminate women’s barriers to finance
- Increase funding to women entrepreneurs and female-led start-ups

Key opportunities for government and other entities to support empowerment and business advancement of women entrepreneurs

- Government could offer economic stimulus packages through amendments to the Micro and Small Business Support Program and Credit Guarantee mechanisms of Enterprise Georgia
- Government could invest in business digitalization to increase women’s digital literacy and e-commerce
- Donors could increase support for capacity-building aimed at boosting women entrepreneurship in Georgia
- Civil society could advocate for policy change using evidence-based data on women and entrepreneurship
- Civil society could improve women’s financial literacy and entrepreneurial skills by connecting those who need support with institutions that have the requisite know-how

Resources on skills development, business growth and funds, available for women entrepreneurs in the country

Enterprise Georgia <http://www.enterprisegeorgia.gov.ge/ka>
 Georgia Innovation and Technology Agency <https://grants.gov.ge/ka>
 Rural Development Agency <http://www.rda.gov.ge/>
 State Programs <https://programs.gov.ge/ka>
 EU4Business <https://eu4business.ge/access-to-finance/>
 US Embassy in Tbilisi <https://ge.usembassy.gov/ka/education-culture-ka/grant-programs-ka/>
 Yes-Georgia funded by USAID and implemented by Crystal MFO <https://crystal.ge/ka/254/yes-georgia>
 GFA <https://gfa.org.ge/grants/>
 Initiatives.ge <https://initiatives.ge/grants.php>
 Projects.org.ge <https://projects.org.ge/>

Networks and associations available for women entrepreneurs in the country

Business Leader’s Federation Women for Tomorrow <https://www.w4t.online/>
 Georgian Chamber of Commerce and Industry <http://www.gcci.ge/>
 Georgian Farmers Association <https://gfa.org.ge/>
 Union of Business Ladies <http://ubl.ge/ka>
 Georgian Women Business Association <http://gwba.org.ge/>
 Women Business Council in Georgia <http://wbcg.ge/>
 Georgian Employers Association <http://www.employer.ge/>
 Business Association of Georgia <https://bag.ge/> <https://bag.ge/>
 Georgian Small and Medium Enterprises Association <http://www.gsmea.ge/>