



# Impact of the Coronavirus Pandemic on Women Entrepreneurs 2020

The survey was commissioned by Europe Foundation and conducted by CRRC Georgia. It has been generously supported by the Swedish International Development Cooperation Agency (Sida) and the Danish International Development Cooperation (Danida). The views and opinions expressed herein do not necessarily reflect those of Sida or Danida.



All rights are reserved and belong to Europe Foundation  
Copyright © Europe Foundation, December 2020



## Contents

Overview of the survey .....	4
Introduction.....	5
Methodology.....	7
Survey Results .....	7
Issues related to business activity of women .....	7
Legal form and sector of activity .....	7
The size of business entities owned by women .....	11
Business startup and the use of finances .....	13
Impact of coronavirus on women entrepreneurs in Georgia.....	18
Results of the pandemic .....	18
Coping with the results of the pandemic.....	22
State assistance.....	24
Future plans of women entrepreneurs .....	28
Gender issues .....	30
Gender aspects of business activity .....	30
Conclusions and Recommendations .....	37
References.....	39

## Figures

Figure 1. Distribution of respondents by regions.....	8
Figure 2. Distribution of key sectors.....	9
Figure 3. Distribution of sectors by settlement type. ....	10
Figure 4. Distribution of sectors by marital status. ....	10
Figure 5. Distribution of sectors by education obtained by owners.....	11
Figure 6. Financial turnover in 2019.....	12
Figure 7. How have women started their business?.....	14
Figure 8. Practice of obtaining start-up capital. ....	15
Figure 9. Remuneration from the business. ....	16
Figure 10. Decision making regarding the use of profit .....	18
Figure 11. Impact of the coronavirus pandemic on businesses.....	19
Figure 12. Problems that businesses faced because of the pandemic. ....	20
Figure 13. Impact of the pandemic on business revenues, by settlements.....	21
Figure 14. Measures undertaken by business to cope with results of the pandemic, by types of settlement. .....	23
Figure 15. Measures undertaken by business to cope with results of the pandemic, by age. ....	24
Figure 16. Various targeted assistance received by business.....	25
Figure 17. Assessment of targeted state assistance by business, by types of settlement. ....	26
Figure 18. Desired form of assistance.....	27
Figure 19. Future plans of women entrepreneurs, by settlement types.....	29
Figure 20. Situation in terms of doing business from gender perspective. ....	31
Figure 21. Obstacles faced by women entrepreneurs in Georgia.....	32
Figure 22. Properties necessary for managing business.....	36

## Overview of the survey

This report presents the results of a survey conducted among small and medium size women entrepreneurs operating in Georgia. The survey was conducted for Europe Foundation by CRRC-Georgia. The survey's key findings are provided below:

- Differences among women entrepreneurs are observed by three primary indicators: the level of education attained, geography and marital status. Women with higher education are more heavily engaged in the service and manufacturing spheres, whereas women without a higher education are mainly engaged in trade.
- The picture is similar in terms of geography and marital status: women who live in Tbilisi and who are not married operate in the service sphere, while respondents living in the regions own relatively lower-income, smaller sized trade entities.
- Women entrepreneurs from Tbilisi show a higher degree of independence. For example, the majority of the Tbilisi-based respondents started their businesses themselves, while in the regions this percentage stands at a little more than one third. Furthermore, those respondents who have attained a higher level of education are more independent than respondents with secondary or vocational educations.
- A similar trend is also seen in terms of financial independence: the majority of the unmarried respondents who live in Tbilisi, and who also have a higher education make financial decisions independently. The situation differs in the regions where the partners and family members of women entrepreneurs are more heavily involved in business operations.
- Women mainly rely on their savings for start-up capital. The majority of respondents finances further business development from the revenues created by their own enterprises, while around 40% apply to banks or microfinance organizations for this purpose.
- The adverse economic consequences of the coronavirus pandemic have hit women entrepreneurs hard. An absolute majority of them have seen a decrease in revenues while half have experienced a decrease of at least 50%. The first wave of the pandemic especially affected businesses operating in Tbilisi.
- The number of full-time employees decreased while that of half-time employees increased. An insignificant increase is seen in the number of enterprises that had zero employment in 2020.
- As it has transpired, a little more than half of these businesses have used the benefits offered by the state. The core of the respondents evaluated these measures as either partially or fully effective.
- In the opinion of these women entrepreneurs, the benefits introduced by the state should include monetary assistance, social benefits for employees, personal protection means and price control.
- Domestic labor is the main obstacle to business activity faced by respondents. Activities related to motherhood, a lack of support from family and unpaid care work are seen as the main impediments.
- Gender discrimination and negative stereotypical attitudes towards women remain a problem in Georgia. This is especially visible in relations with male business partners.
- Women do not regard themselves as being inferior to men with regard to entrepreneurial skills. Quite the contrary: a substantial segment of respondents believe that certain skills that are necessary in business, such as so-called “soft skills”, are more successfully applied by women in their businesses.

The following recommendations are provided on the bases of the above listed findings:

- The survey has shown that the situations of respondents differs based on geography, level of education attained and marital status. It is therefore important to empower women who live in the regions and who are married, when planning relevant measures.
- It is crucial to consider women’s voices when developing programs for alleviating the economic consequences of the coronavirus pandemic. As regards concrete interventions, monetary assistance and the implementation of social assistance programs for employees will be especially important for small and medium businesses.
- The survey has shown, once again, that women continue to face negative and stereotypical attitudes from society, especially those women entrepreneurs operating outside of Tbilisi. Consequently, additional efforts must be taken to eliminate such attitudes. Measures to this end must first and foremost be carried out in the regions.

## Introduction

As of early December 2020, tens of millions of people have become ill and more than one and a half million have died across the world as a result of the outbreak of the novel coronavirus. The impact of the virus on humanity is of an unprecedented scale. The impact of this pandemic on every aspect of public life will be felt for many years to come, but its negative effect on the development of the global economy, resulting from the closure of borders, social distancing guidelines and the massive shift to online activities, is already apparent.

Entrepreneurs represent one of those groups that have been severely affected by the pandemic. Many businesses operating in various economic sectors have closed down or were forced to move to new modes of operation. The impact of the pandemic is enormous on all groups, but it is disproportionately strong on certain vulnerable groups – women, the youth and persons with disabilities.

Women entrepreneurs in Georgia are faced with deep structural problems that further aggravate the damage caused by the pandemic. The main cause of the economic exclusion of women is unpaid domestic work. According to UN Women, the time spent by women on unpaid domestic work is three times higher than the time spent by men and therefore, the share of young women (aged 15-44) in the labor structure of the country is significantly lower compared to that of men.<sup>1</sup>

According to a 2019 assessment made by the National Statistics Office of Georgia, women were less represented in business and received much lower pay than men.<sup>2</sup> Furthermore, poverty is endemic<sup>3</sup>

---

<sup>1</sup> UN Women, ‘Country Gender Equality Profile of Georgia’ (Tbilisi: UN Women Country Office in Georgia, 2020), <https://www2.unwomen.org/-/media/field%20office%20georgia/attachments/publications/2020/country%20gender%20equality%20profile%20of%20georgia.pdf?la=ka&vs=1415>.

<sup>2</sup> National Statistics Office of Georgia, Women and Men in Georgia (Tbilisi, National Statistics Office of Georgia, 2019), [https://www.geostat.ge/media/27546/W%26M-ENG\\_2019.pdf](https://www.geostat.ge/media/27546/W%26M-ENG_2019.pdf).

<sup>3</sup> Association of Young Economists of Georgia, Women’s Economic Opportunities and Challenges, (Tbilisi, Women’s Information Center, 2014), <http://www.economists.ge/storage/uploads/publication/141222051546a791.pdf>

especially among rural women.<sup>4</sup> Due to gender stereotypes, women often find it difficult to start a business and encounter huge obstacles to doing so, especially within their own families.<sup>5</sup>

Although Georgia implements a number of state programs and strategies to support business development, none of these is tailored specifically to women's needs<sup>6</sup> or considers the particular structural problems faced by women.<sup>7</sup> It should be noted that projects designed for the economic empowerment of women are implemented only by international donors and the nongovernmental sector.<sup>8</sup>

In addition to these endemic problems, the economic situation of women has become more difficult due to the redistribution of household responsibilities as a result of the coronavirus pandemic. Restrictive measures undertaken in response to the first wave of the pandemic in Georgia made the burden of unpaid domestic work even heavier.<sup>9</sup> Presumably, in these conditions, many had to cease their economic activity. The situation is further aggravated by the fact that the state social and economic assistance programs aimed at the population affected by the pandemic are insignificant and do not envisage the gender peculiarities of economic activity.<sup>10</sup>

This document has been prepared for Europe Foundation by CRRC-Georgia. The conclusions provided in the report represent a joint effort. This survey is one of the first attempts to assess the economic impact of the pandemic on small and medium business from a gender perspective. To provide a broader context, the report also describes general problems faced by women entrepreneurs in Georgia.

The report aims to:

- Assess the impact of the COVID-19 pandemic on entrepreneurial entities founded by women. In particular, it studies the impact of the pandemic on financial, operational and other activities;
- Identify the main obstacles to participating fully in business activities which women entrepreneurs encountered as well as their standing in Georgian society before the outbreak of the pandemic.

The report starts with the overview of the methodology and the limitations thereof. The findings of the survey are structured as follows: a description of business entities owned and/or operated by women entrepreneurs is followed by detailed overview of the impact of the coronavirus on these businesses. The findings section ends with a review of the problems faced by women entrepreneurs because of their gender. The final part of the report is dedicated to conclusions and policy recommendations.

---

<sup>4</sup> Association of Young Economists of Georgia, Economic Needs of Rural Women (Tbilisi, Women's Information Center, 2014), <http://www.parliament.ge/uploads/other/75/75680.pdf>.

<sup>5</sup> Commersant, "The UN survey: one in five unemployed woman says her husband doesn't want her to work", 11 October 2018, <https://commersant.ge/ge/post/gaeros-kvleva-saqartveloshi-xutidan-erti-umushevari-qali-ambobs-meugles-ar-surs-rom-mushaobdes>.

<sup>6</sup> Nordic Consulting Group, Gendered Assessment of SME Development Strategy of Georgia 2016-2020 (Tbilisi, Europe Foundation, 2018), [http://www.epfound.ge/wp-content/uploads/2018/10/SME-Gender-Assessment\\_GEO-1.pdf](http://www.epfound.ge/wp-content/uploads/2018/10/SME-Gender-Assessment_GEO-1.pdf)

<sup>7</sup> Ana Diakonidze, Women's Participation in State Economic Programs (Tbilisi, Parliament of Georgia, 2019), <http://bit.ly/parliamentdiakonidze>.

<sup>8</sup> Christine Margvelashvili, Women's Economic Empowerment in Georgia 9 (Tbilisi, Union Sapari, 2017), <http://www.parliament.ge/uploads/other/86/86671.pdf>.

<sup>9</sup> CRRC-Georgia, Rapid Gender Assessment of the COVID-19 Situation in Georgia, (Tbilisi, UN Women, 2020), <https://www2.unwomen.org/-/media/field%20office%20georgia/attachments/publications/2020/rga%20unw-geo.pdf?la=ka&vs=0>.

<sup>10</sup> Ibid.

## Methodology

The empirical data needed for this survey was collected in three stages. The first stage involved five in-depth interviews, which was followed by a mass representative phone survey of women entrepreneurs, which was conducted by CRRC-Georgia. At the final stage of data collection, the information collected within the scope of the survey was contextualized by means of focus groups involving women entrepreneurs. Field work was carried out in August and September of 2020.

Qualitative information about the impact of the pandemic on business entities founded by women was collected through in-depth interviews. The research tool covered the following issues: the suspension of business operations, decreases in manufacturing volume, problems in supply, the restriction of sales markets, decreases in demand for products/services, difficulties in accessing financial resources, other operational and logistical problems, assistance programs implemented by the state and various donors, and problems in accessing them. A total of five in-depth, semi-structured interviews were conducted. The sampling was purposive, and respondents were chosen from women entrepreneurs operating in Tbilisi and regions.

The second stage of the survey involved 277 interviews with the representatives of business entities founded by women. The focus of the survey was small and medium sized enterprises that were founded by women. Consequently, the sample excluded individual entrepreneurs. Yet another criterion applied to the sampling was whether the respondents ran the business themselves. To this end, the research tool was expanded to include a so-called “screening question” which helped to ensure that interviews were conducted only with practicing women entrepreneurs.

Clearly, the conducted qualitative survey has its limitations. First, the collected data is of a descriptive nature and does not allow for the identification of causality. Furthermore, given the design, the results are representative only for small and medium size business entities, excluding individual entrepreneurs. Results may be generalized only for large demographic and geographic sections. Finally, due to obvious reasons, the effects of only the first wave of the pandemic were explored.

To clarify and contextualize the results of the survey, four focus groups were conducted online with women entrepreneurs. Two of them were conducted with enterprises registered in Tbilisi while the other two were conducted with enterprises registered in the regions. More than twenty business entities in total took part in the focus groups.

## Survey Results

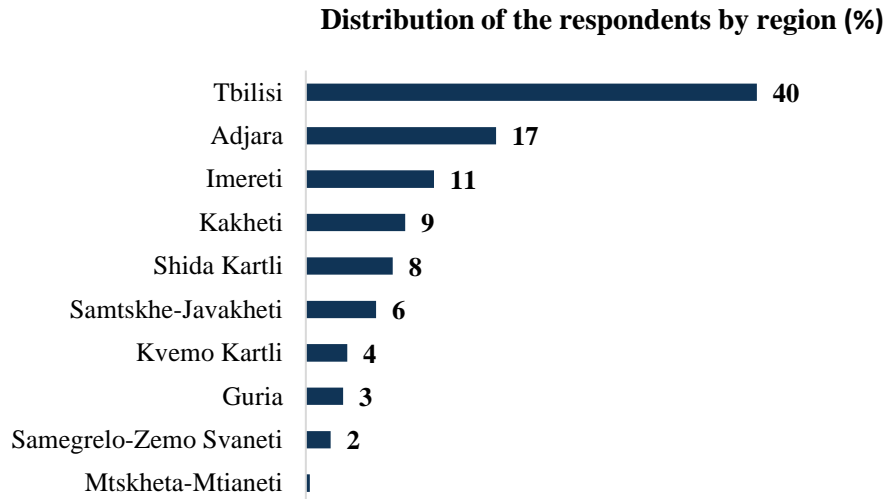
### Issues related to business activity of women

#### Legal form and sector of activity

This chapter provides descriptive characteristics of the surveyed businesses. It discusses the distribution of enterprises by activities, geography and amount of manufacturing. It also describes the peculiarities faced by women who start and run their own businesses.



A total of 277 women entrepreneurs participated in the study’s quantitative component – a telephone survey. The vast majority of these businesses (97%) are registered as limited liability companies (see Table 1). Respondents represented almost all regions of Georgia, although a relatively larger segment of respondents are from Tbilisi (40%). The second most represented region, by number of respondents, is Adjara, followed by Imereti (see, Figure 1). The regions were almost equally represented in in-depth interviews and focus groups.



*Figure 1. Distribution of respondents by regions*

As the below table indicates, legal forms of only a very small share of registered small and medium size enterprises selected for the survey (around 3% in total) were unlimited partnership, joint stock company or cooperative.

All the respondents interviewed for the quantitative survey were officially registered business entities. Although informal business activity accounts for a substantial share of the Georgian economy, women entrepreneurs tend to believe that operating a registered business has significant advantages. As noted by focus group participants, the registration of an enterprise/service is one of key preconditions for obtaining grants:

---

*“... When you aim at something big and large-scale you either have to be in a cooperative or officially registered or have partners....”*  
*(A focus group participant from a region)*

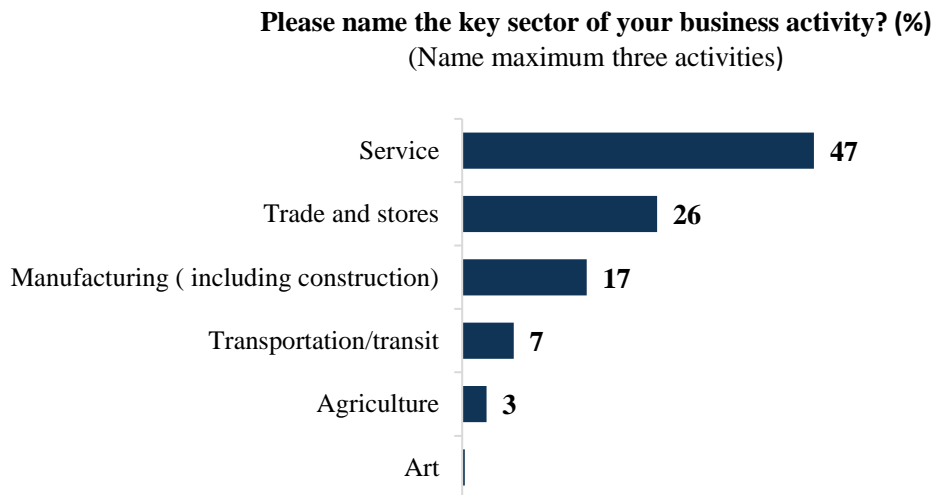
---

The list of sectors in which women entrepreneurs operate is diverse. During the interviews, respondents were allowed to name up to three business activities. The final list consists of up to 100 various activities, including retail and wholesale trade, tourism, education, health care, etc.

	Frequency
Limited liability company (LLC)	269
Cooperative	3
Joint Stock Company (JSC)	2
Unlimited partnership (UP)	1
Refuse to answer	2
Total	277

*Table 1. Distribution of surveyed business entities by legal forms.*

For the purposes of the analysis, activity fields were grouped into larger categories: service, manufacturing (including construction), trade, transportation/transit, agriculture and art. Most of the subjects' business entities operate in the sphere of service (see Figure 2); the second and third most frequently named fields are retail/wholesale trade and manufacturing. The share of respondents engaged in activities related to agriculture and art is the smallest.



*Figure 2. Distribution of key sectors.*

The number of women entrepreneurs operating in the service sphere is higher in the capital city than in the regions (see Figure 3). In the regions, women entrepreneurs are more heavily engaged in trade and sales (32%) than in the capital city where almost twice as few women operate in this sphere (17%). In other activities, however, the shares of businesses in the regions and the capital were almost equal. Only 2% of women entrepreneurs in the regions named agriculture as a key activity.

### Distribution of sectors by settlement type (%)

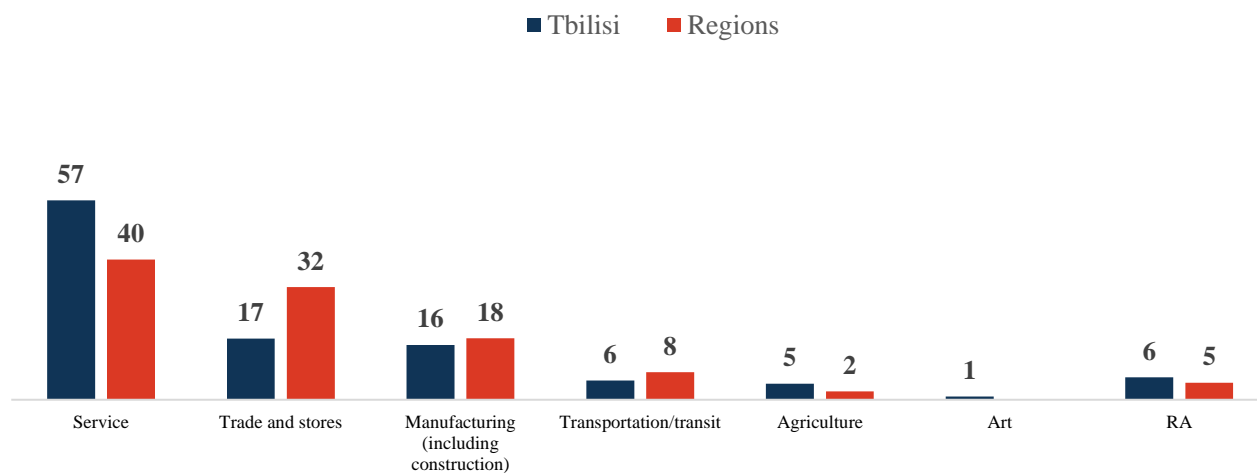


Figure 3. Distribution of sectors by settlement type.

Marital status is a significant indicator in the type of business activity named. As many as 62% of married women are engaged in the service sphere while the corresponding indicator among unmarried woman is 42% (see Figure 4). As for trade, 28% of women engaged in this sphere are married and 19% unmarried.

### Distribution of sectors by marital status (%)

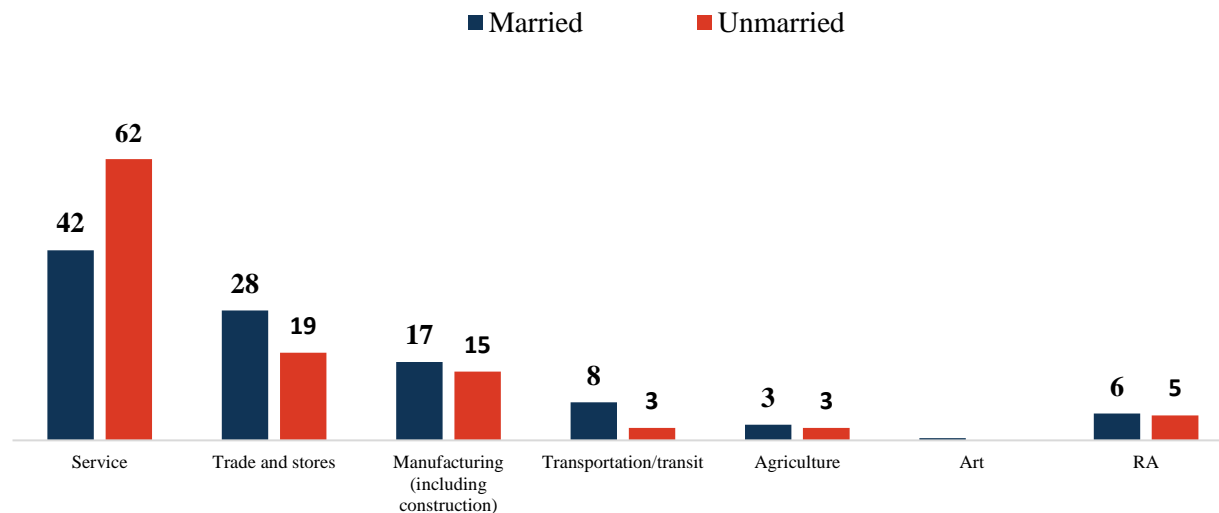


Figure 4. Distribution of sectors by marital status.

Along with settlement type and marital status, sectors of activity can also be differentiated by the indicator of the level of education attained by the respondents. For the purposes of the analysis, respondents were asked to identify with one of the two following categories: those having obtained higher education and those having not obtained higher education.

### Distribution of sectors by level of education attained (%)

■ doesn't have higher education ■ has higher education

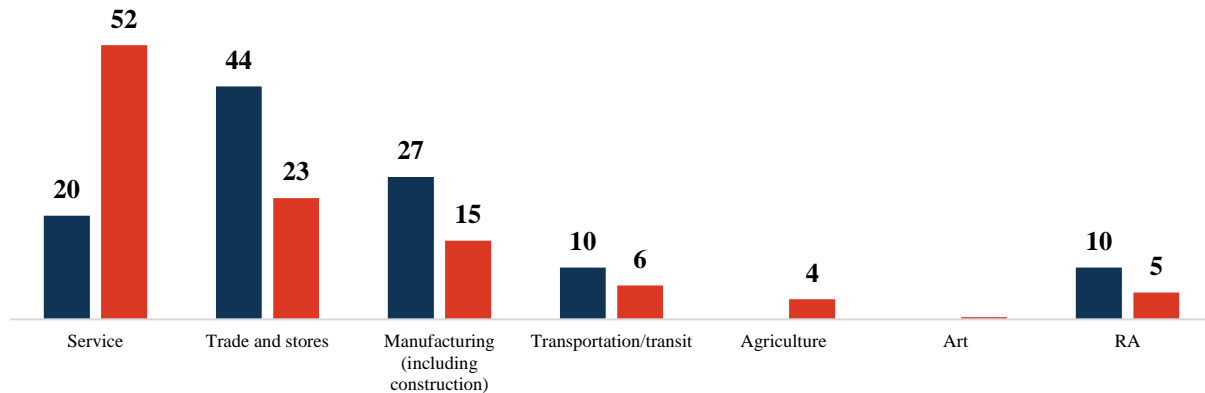


Figure 5. Distribution of sectors by education obtained by owners.

A little more than half (52%) of the respondents who have received higher education run businesses in the service sphere, whereas one fifth of those women entrepreneurs without higher education operate in the service sphere. A difference is apparent in the sphere of trade and stores as well: almost twice as many women entrepreneurs engaged in this sphere have a higher education (44%) as compared to women entrepreneurs without a higher education (23%). A higher number of women without higher education are engaged in manufacturing (27%) than women entrepreneurs with a higher education (15%).

In summary, it may be said that women entrepreneurs operating in the service sphere are more likely to have had a higher education, live in the capital city and be unmarried. Women entrepreneurs operating in the sphere of trade and stores, on the other hand, are more likely to live in one of the regions and not have attained a higher level of education. It is worth noting that no significant differences are revealed by marital status.

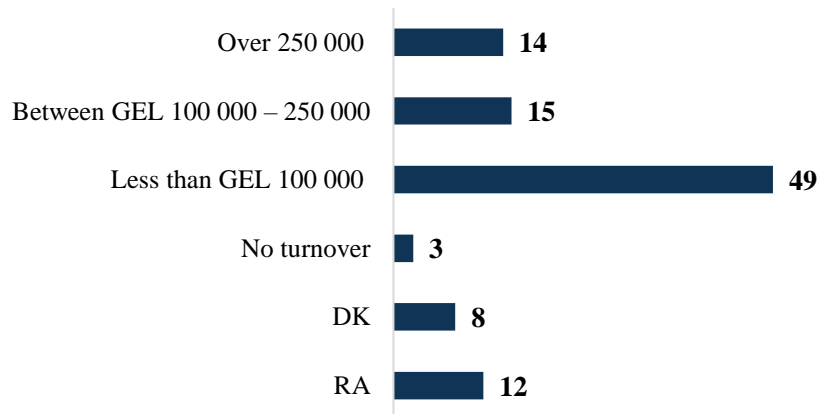
The in-depth interview respondents run businesses such as guesthouses, winemaking, shoe manufacturing and various trade enterprises. The business activities of focus group participants are also diverse. In the case of the latter, the most frequently named activities were also from the service, manufacturing and sales sectors. However, several agricultural activities were also identified in the focus groups, especially bee keeping. Manufacturing sector participants named activities such as the production of ceramic items, food products (including dried fruit and churchkhela), tea, soap, clothing and other types of products.

### The size of business entities owned by women

Business size was assessed by two indicators. In the quantitative component of the survey, women entrepreneurs were asked about financial turnover and number of employees.

The respondents were asked to report their turnover for the entire 2019 fiscal year. For the purposes of the analysis, this data was grouped into six, large categories. The chart below shows the distribution of respondents according to financial turnover.

**What was an approximate annual turnover of your company for the fiscal year of 2019 (%)**



*Figure 6. Financial turnover in 2019.*

The majority of the surveyed business entities (49%) reported a financial turnover for 2019 that did not exceed GEL 100 000. The indicator of this category was three times higher than the indicators of the second and the third most frequently named categories. An almost equal number of companies had a turnover of between GEL 100 000 and GEL 250 000 (15%) and above GEL 250 000 (14%). Three percent of respondents did not have any turnover in 2019. One fifth of respondents did not provide a clear answer: 8% found it difficult to quote any figure while 12% refused to answer.

The second criterion used to assess business size was the number of employees in a company. To this end, the respondents were asked to provide the current as well as the previous year's data on female and male employees working part-time and full-time in their companies.

In 2020, the surveyed businesses employed an average of 8.2 full-time workers, a decrease of 1.45 as compared to the corresponding 2019 indicator. Conversely, an upward trend is observed in the number of part-time workers. In 2020, the surveyed business entities employed six part-time workers, on average, an increase of 0.4 compared to the previous year's corresponding indicator.

Furthermore, the total number of enterprises which say that they do not employ any full-time workers has increased significantly. In 2019 there were seven such enterprises (3%), while in 2020 as many as 40 enterprises (16%) report that they no longer employ any full-time workers.

From the perspective of gender, the number of female employees has decreased: in 2019, the average number of full-time female employees stood at 6.75 in the surveyed business entities. The median, i.e. the middle number of this indicator, was 3. In 2020, however, the average number of female employees and the median decreased to 5.88 and 2, respectively.

It is worth noting that the surveyed business entities employ a higher share of full-time female workers than full-time male workers. In 2020, some 44% of the surveyed companies (121 companies) did not have any

male employees, as compared to 35% (96 companies) in 2019. The average and median indicators also differ: in 2020, the surveyed companies employed an average of 2.32 men, with the median comprising 1.

Around two thirds of those businesses that answered the question about the number of people employed (90% of the total number of surveyed businesses) reported that there has been no decrease in the number of female employees. Around 27% of these businesses reported having fewer female employees in 2020 than in 2019. Only 5% of the surveyed businesses saw an increase in female employees.

The situation regarding male employees is similar. Although 75% of those businesses that answered the question about the number people employed (90% of the total number of surveyed businesses) reported that the number of male employees has remained the same, and around 18% employed a higher number of male workers in 2019 than in 2020. Only 7% of the businesses saw an increase in the number of male employees. As regards part-time workers, in 2020 the businesses employed, on average, 4.2 women and 0.4 men. It is significant that notable changes can be observed in comparison to 2019: in 2019, the surveyed businesses employed 0.9 women and 0.35 men, on average.

The above data reveals the following trends: compared to 2019, the number of full-time employees has decreased, whereas the number of part-time workers has increased. An insignificant increase is seen in the number of businesses which report that they currently do not have any hired employees. A triangulation of the above findings based on qualitative data attributes these trends to the impact of the pandemic. A segment of focus group participants noted that the pandemic has forced them to temporarily lay off employees. Such steps were more frequently taken by those companies that are engaged in activities related to event management, studios and amusement centers.

### **Business startup and the use of finances**

This subchapter discusses two key issues. The first concerns the inquiry into how women started their businesses and the second is how they run these enterprises. This topic was studied within the scope of the survey as well as through in-depth interviews and focus groups.

The majority of the respondents (41%) reported that they started their business independently, without support from others. A fourth of them said that they started their business together with a family member, while 21% started it with a partner. A small share of the respondents (2%) report that they inherited the business or received it as a gift. A tenth of the respondents refused to answer the question (see Figure 7).

### Talking about your business, you...

by settlement type, marital status and level of education attained (%)

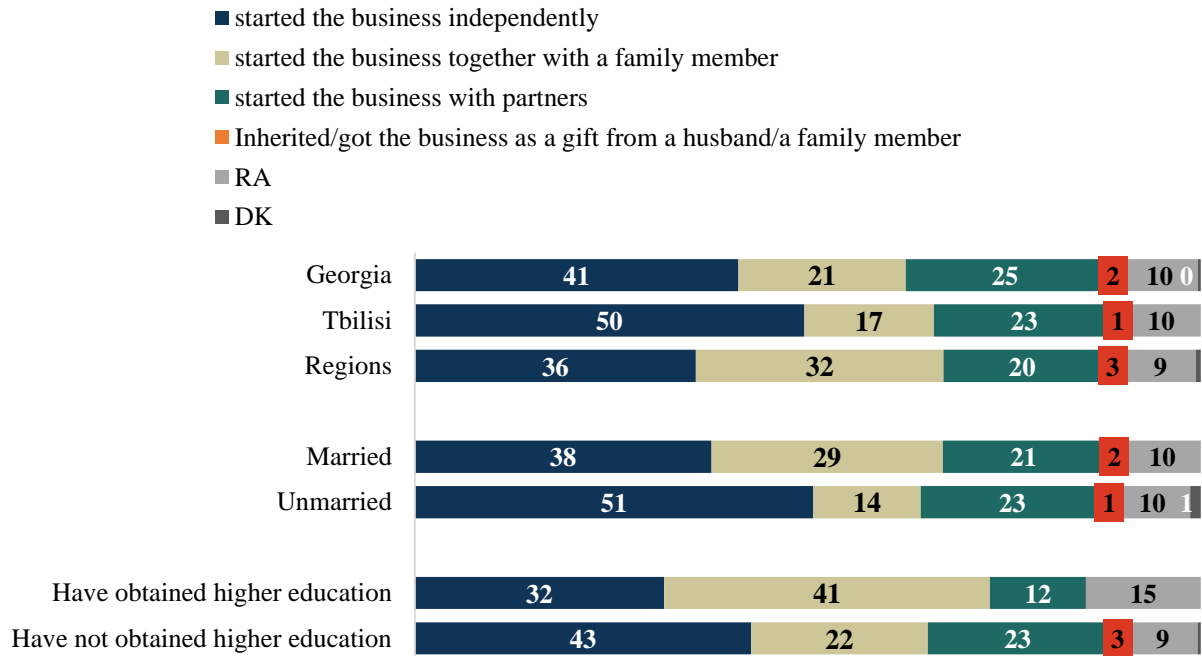


Figure 7. How have women started their business

As the data in the above figure indicates, more than half of the women in the capital city started their business independently as compared to 36% of women entrepreneurs in regions. Almost a third of the women in the regions started their business together with family members. The majority of both married and unmarried women started their business independently. Business entities were founded by 51% of married women entrepreneurs and 36% of unmarried women entrepreneurs. The share of those who started their business together with family members was also higher among married women entrepreneurs.

The level of education attained is an important indicator for the way in which these businesses were started. The share of women who independently started their business was higher among women entrepreneurs with higher education (43%) as compared to those without higher education. In the latter group, almost equal shares of women started their business with family members (22%) and partners (23%).

Respondents talked more extensively about the motivation to start a business and other relevant issues in the qualitative part of the study.

*“The sphere of my business is bee keeping. My husband’s family was engaged in this activity and my husband worked in this area. They did not have ambitious goals back then and opportunities to expand – such as grants – were limited. [...] With the grant we purchased modern machinery, reequipped our enterprise, [and purchased other] equipment such as a modern strainer, etc.”*

*(A 41-year-old focus group participant from Guria)*

A number of factors that nudged women to start their businesses were named during the in-depth interviews and focus groups. A desire to transform and expand existing resources, realize knowledge and improve social standing was revealed. National or international grants were named as a significant source of support by focus group participants in starting businesses.

One of the motivations to start a business was the desire to receive financial benefits. Social problems were also named as a motivator.

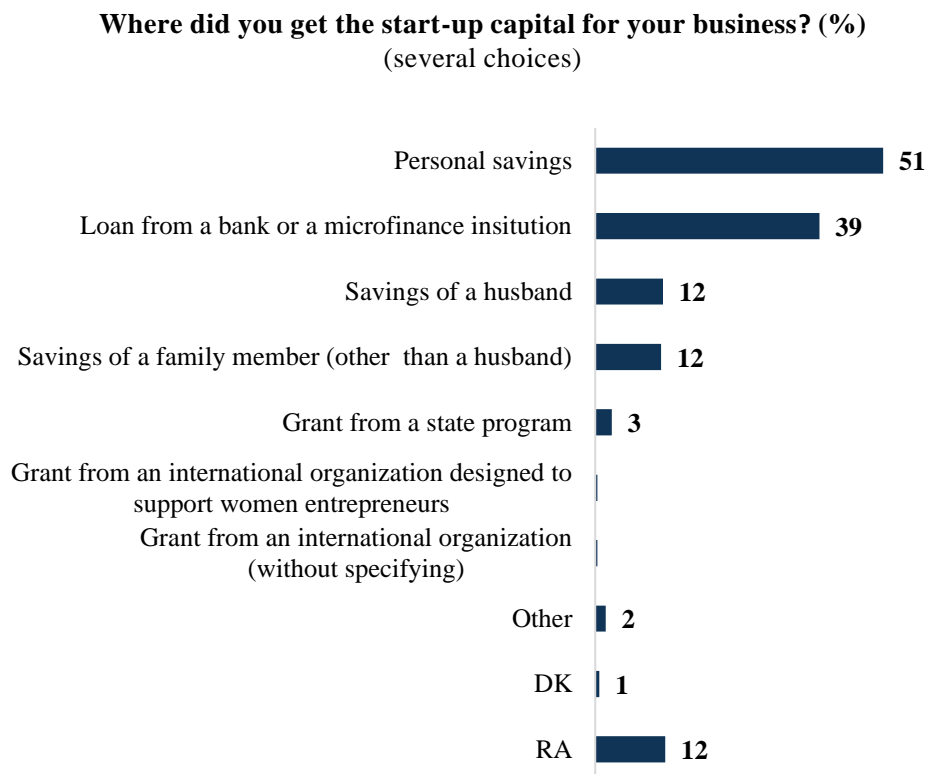
---

*“I have been making churchkheldas for 12 years now. My husband died and I was left alone with five children and had no idea what to do. Since I had a plot of land planted with walnut and nut trees, I decided to make churchkheldas. I wanted to do this in order to be able to provide my children with education and to earn a living. I secured places in Batumi, Tbilisi, Kutaisi, Poti – at present my churchkheldas are sold everywhere.”*

*(A 55-year-old focus group participant from Guria).*

---

A majority of women entrepreneurs (51%) used personal savings as the start-up capital for their business ventures (Figure 8). The second most common practice was borrowing from banks and microfinance institutions (39%).



*Figure 8. Practice of obtaining start-up capital.*

How do women entrepreneurs manage to further develop their businesses? Both the quantitative data and the qualitative study show that the most common way of obtaining the capital needed for the development of a business is the use of the revenues from that business itself. This sort of reinvestment has been done



by 47% of the surveyed businesses. Some 40% of the respondents approached banks and microfinance institutions to this end. It is worth noting that, in contrast to starting a business, only a small share of the respondents (17%) report using personal savings for further business development.

**Do you personally get remuneration from the business? (%)**

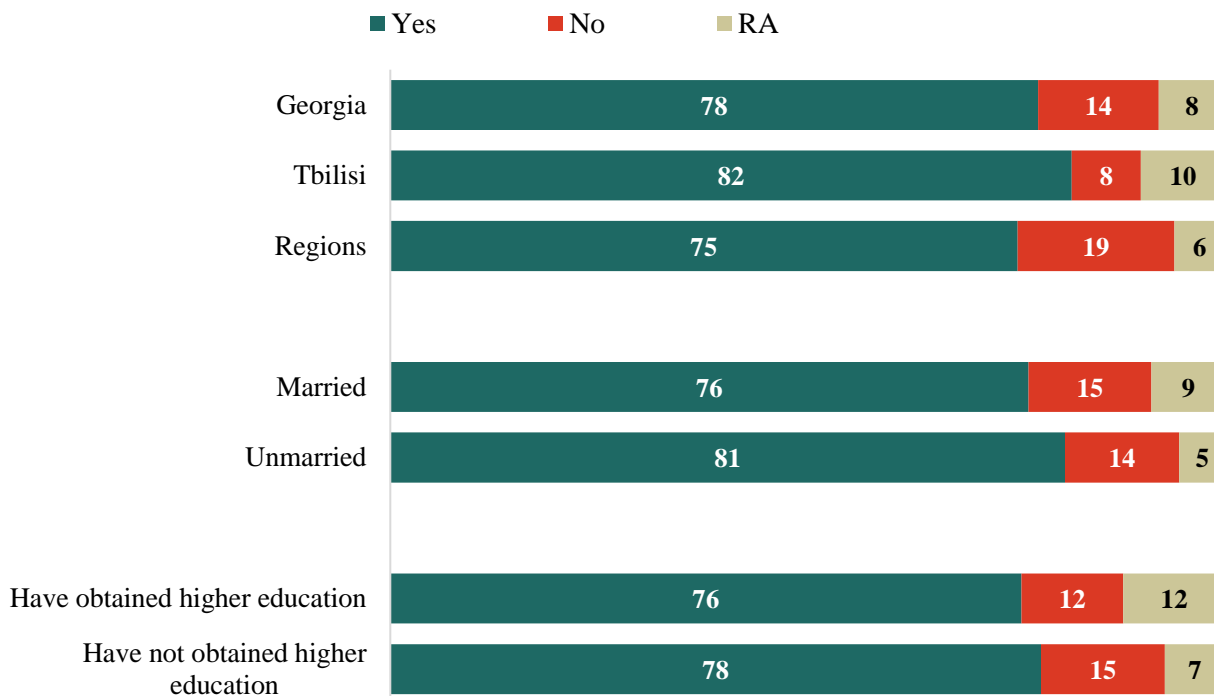


Figure 9. Remuneration from the business.

The majority of the surveyed women entrepreneurs used personal revenue to start their business. As they explain, most can hardly recall a woman entrepreneur who started her business with the help of a grant or any other financial program. For them, the savings they had accumulated from remuneration for work performed before starting the business represented substantial capital. Later, any grants received were used to further develop the business. Participants have pointed out that grants are generally allocated for specific activities, rendering many women entrepreneurs ineligible for grant competitions.

---

*“I do not know even a single person who started a business with a grant.”*

*(A 36-year-old focus group participant from Tbilisi).*

---

*“We started our business without start-up capital or anything else. Our capital and investment were the experience we had accumulated, which we combined and consolidated. [Our business] is mainly the result of intellectual work.”*

*(A 46-year-old focus group participant from Tbilisi).*

---

Several focus group participants felt that obtaining a grant was similar to taking out a loan because these funding sources required from businesses co-participation and the coverage of a certain amount of financing.

---

*“A grant is not for starting a business. Once you start to truly understand how grants work, you realize that, they, by their conditions [are loans]... I know full well that there is no grant provided for starting up a business at this stage. A business can only be started with loans.”*

*(A 38-year-old focus group participant from Tbilisi).*

---

The majority of the women participating in the focus group discussion in Tbilisi have applied for grant competitions. Several respondents recalled that it was difficult to win in grant competitions and then to use those amounts in a targeted and rational way, because the grantmaking organization set certain preconditions and require progress reports.

Women entrepreneurs tend to use grants to promote their products to a larger audience and to make preparations for export production. It is precisely with the help of such grants that they take their products to international fairs where they manage to secure future orders. Sometimes granters help women entrepreneurs who are just starting out to overcome problems, and they also provide consultation and training in accounting and how to do business.

As regards the reception and use of financial resources, the survey results indicate that the majority of women entrepreneurs have personally received income from the business. As the above figure shows, 78% of women entrepreneurs receive remuneration from their business. Some 14% reported that they did not receive remuneration personally. It is noteworthy that virtually no difference was revealed in terms of demographic variables. In the regions, 19% of women entrepreneurs reported that they did not receive remuneration, against 8% of such women entrepreneurs in Tbilisi.

According to most women entrepreneurs, they themselves manage the bulk of the business revenues. Nearly half of the respondents reported doing this (48%). Respondents less frequently indicated that they made decisions on the use of funds together with a husband (17%) or a business partner (16%). Seven percent of the respondents reported consulting about the use of money with other family members. The share of women entrepreneurs who do not participate in this process is very small (3%).

As the data in the figure below shows, the independent use of financial resources is more common among respondents operating in Tbilisi. As many as 56% of women entrepreneurs from Tbilisi decide themselves what to do with financial profits. Although the majority of women entrepreneurs (44%) from the regions make decisions independently, more than a fifth of them, in contrast to women entrepreneurs from Tbilisi (8%), consult with their husbands on how profits should be used.

### As a rule, who makes a decision on managing the profits gained from business?

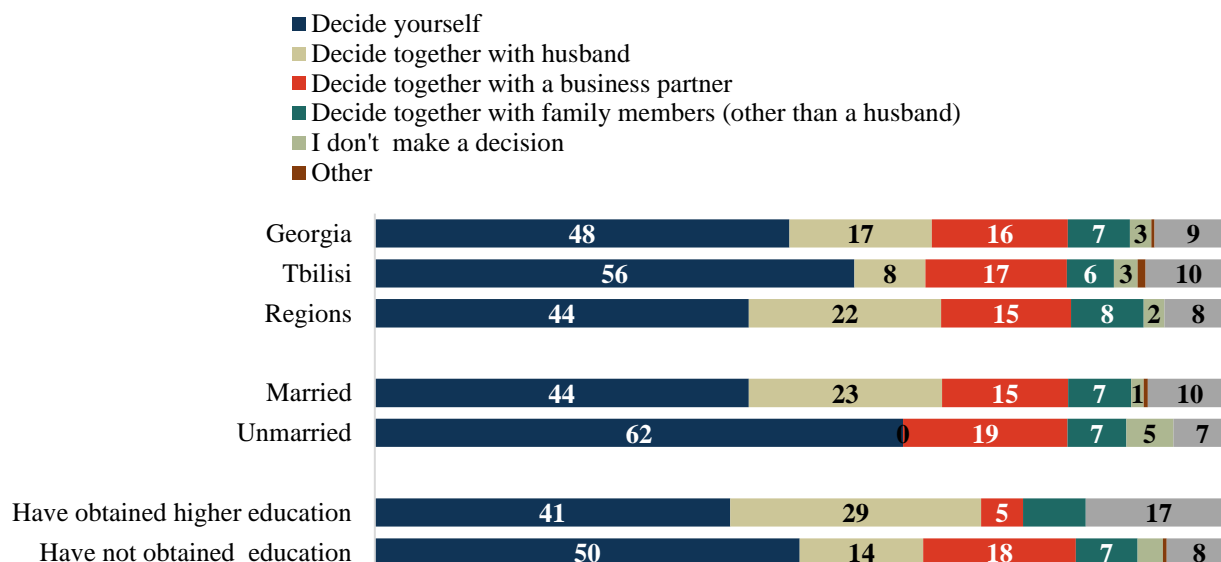


Figure 10. Decision making regarding the use of profit

Trends in decision-making differ based on the respondents' marital status and level of education attained. Respondents who are unmarried and have had higher education act more independently in using financial resources. Some 23% of married respondents reported making decisions jointly with their husband. As many as 62% of unmarried respondents reported making decisions independently. Proportionally a slightly higher number of respondents with higher education noted that they make decisions themselves. A higher share of respondents without higher education (29%) reported making decisions together with their husbands than those respondents with higher education (14%).

### Impact of coronavirus on women entrepreneurs in Georgia

Within the scope of the study, CRRC-Georgia also studied the impact of coronavirus on women entrepreneurs and their activities in Georgia. In this chapter, the results of the quantitative and qualitative studies are summed up in the following sections: (1) Results of the pandemic, (2) Coping with the results of the pandemic, (3) State assistance, and (4) Future plans of women entrepreneurs.

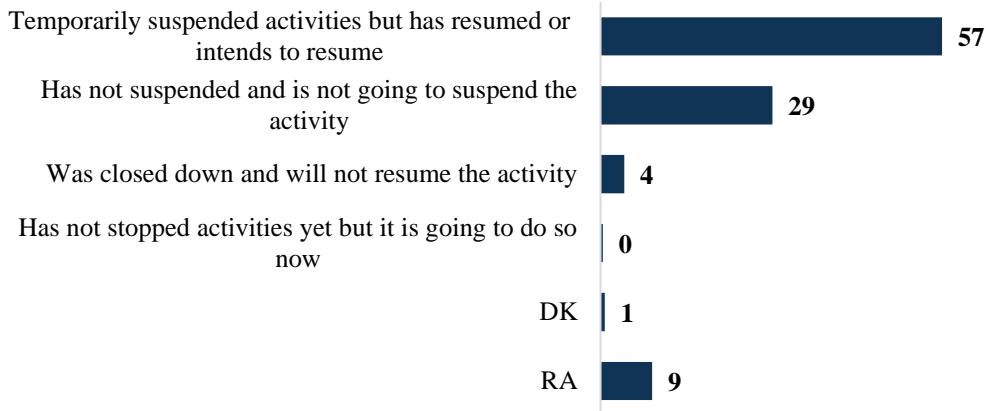
#### Results of the pandemic

The results of the quantitative and qualitative surveys conducted within the framework of the project show that women entrepreneurs have encountered a number of difficulties due to the spread of the coronavirus. However, according to the majority of the respondents, it has not caused the termination of their activities.

According to the survey results, 57% of the respondents temporarily suspended their activities, though they have already resumed or intend to resume them. 29% of the respondents have not suspended their activities and do not intend to do so. Only 4% of the respondents said that they have closed down their businesses but intended to resume their activities at some point. It is worth noting that only one respondent from Tbilisi

reported that she has closed down her business and has no plans to reopen it, as compared to 10 regional respondents who said the same.

**Which of the statements is relevant to your business?  
Due to the pandemic, your business... (%)**



*Figure 11. Impact of the coronavirus pandemic on businesses.*

In the qualitative part of the study, respondents talked about their business activities during the pandemic. None of the respondents who participated in the in-depth interviews has suspended their business activity. Nevertheless, several sectors have faced severe setbacks. Representatives of the tourism sector as well as women entrepreneurs operating in the areas of amusement centers and event management have been particularly hard hit by the pandemic. These difficulties have largely resulted from the closure of borders and the ban on the holding of events.

---

*“Lots of things have changed. Reservations were cancelled, and no new reservations were made. Although reservations have been made for the year 2021, in 2020, not a single was booked over a quite a long period of time. At present, our guests are only Georgians as internal tourism has stepped up somewhat. I also have Georgians in the hotel right now.”*

*(An in-depth interview respondent from the regions)*

---

*“I sustained 100% damage. I have suspended all activity for eight months now. I have a birthday party center and am prohibited from conducting any activities. I have also laid off employees. However, I have been keeping the venue; they [the landlords] have gave me some discount and so far, I manage to keep it.”*

*(A 50-year-old focus group participant from Tbilisi)*

---

The majority of those (81%) who temporarily or permanently suspended business activity, name government regulations as the main cause. A decrease in sales as a factor for the suspension of business was named by 37%, while depletion of financial resources was named by 12% of the respondents as the cause for the temporary suspension or closure of business activity. According to a focus-group participant,

significant time was required to understand the implications of the new government regulations and they were often difficult for the business to implement.

---

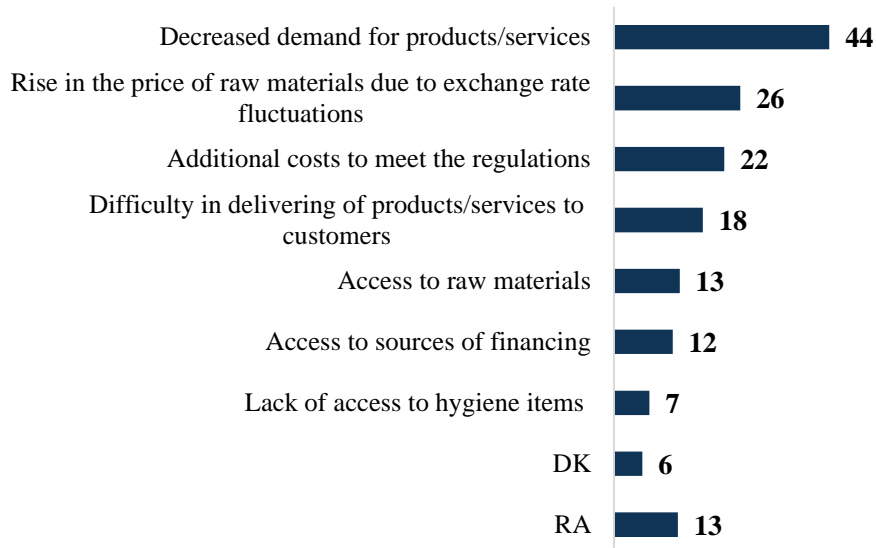
*“I and my lawyers were sitting all day long, listening to representatives of the government administration, and trying to understand what this person implied when drawing up the regulations. It was very difficult to adapt to those regulations.”*

*(A 40-year-old focus group participant from Tbilisi)*

---

According to the respondents, businesses came to face a number of problems during the pandemic. The most frequently named problems were: a decreased demand for products/services; a rise in the price of raw materials due to exchange rate fluctuations; the additional costs incurred in meeting the new government regulations, and; difficulty in delivering products/services to clients.

**Has your business come to face the following problems? (%)**  
(Several answers)



*Figure 12. Problems that businesses faced because of the pandemic.*

As in the case of the survey, the respondents of in-depth interviews and the focus group participants primarily named the costs incurred in meeting the regulations and the increased prices of raw materials due to the devaluation of the national currency as major problems. These problems resulted in additional expenditures for some of the women entrepreneurs. of a segment of women entrepreneurs. A e

---

*“It cost me around GEL 1000 to open the hotel and make it safe for holidaymakers. I have already obtained a permit to continue operations.”*

*(An in-depth interview respondent from a region)*

---



---

*“Access to materials became difficult when the borders were closed. However, we had some amount of supply and experienced no need for additional materials during that period. When the borders were closed, we were unable to send fulfilled*

---

*orders to other countries. As for other additional costs – the price of materials increased mainly due to the instability of the exchange rate.”*

*(An in-depth interview respondent from Tbilisi)*

According to the survey respondents, the coronavirus pandemic had an adverse effect on the revenues of the majority of businesses. Only 3% of respondents said that their revenues increased, while 7% said that the pandemic did not affect their revenues. Around one third of surveyed businesses said that their revenues decreased by 50%-100% (31%). Almost the same number of respondents (35%) claimed a 25%-50% decrease in revenues, while 16% of the women entrepreneurs said that their revenues decreased by 0%-25%. Some 41% of Tbilisi businesses (45 respondents) indicated a decrease in revenues by 50%-100% due to the pandemic, while 39% of regional businesses (65 respondents) indicated the decrease in revenues by 25%-50%.

**In general, to what extent did the coronavirus pandemic affect the revenues of your business? (%) By settlement type**

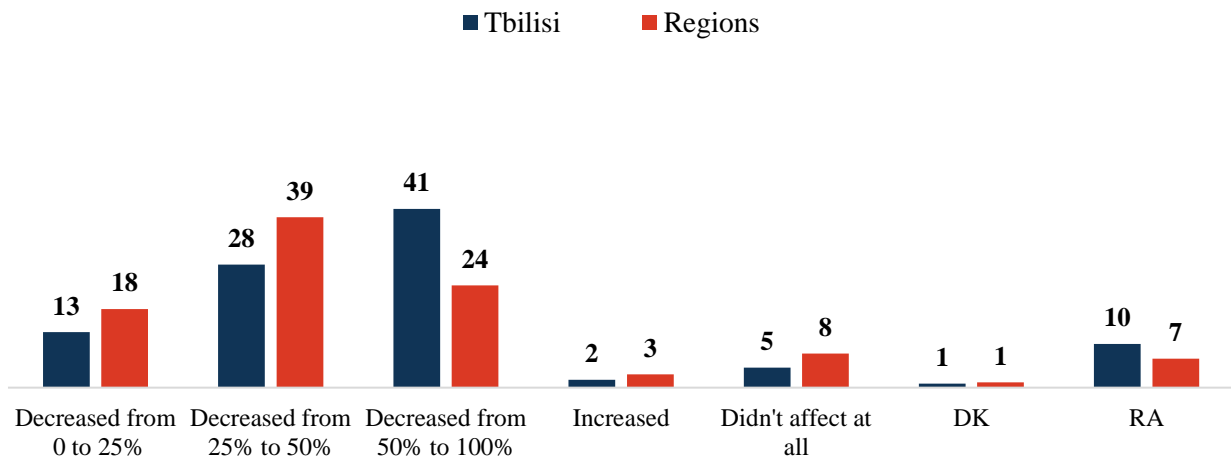


Figure 13. Impact of the pandemic on business revenues, by settlements.

During the focus group discussions, the majority of participants said that the pandemic had dealt a serious blow to revenues and to the realization of their business. Some of them had to suspend activities for a certain period of time. A step-up in online sales, however, offered a certain relief for women entrepreneurs during the pandemic.

*“We have had a 95% drop in operational income, which is a rather serious problem.”*

*(A 46-year-old focus group participant from Tbilisi)*

*“In March, once the quarantine was declared, I was contacted by stores in Tbilisi and asked to withdraw my products. Therefore, I had to announce a discount offer. That helped a little and there were also online sales in small amounts. However, the fact that the festival was cancelled and tourists did not arrive, was a serious blow for me.”*

*(A 44-year-old focus group participant from the regions)*

The coronavirus pandemic led to a notable decrease in the revenues of women entrepreneurs. The situation is somewhat similar in terms of employment. In total, 29% of businesses indicated a decrease in the number of employees due to the pandemic. Some 13% of the respondents decreased their number of employees by

0%-25%, while 10% were forced to decrease by 50%-100%. Only two women entrepreneurs indicated an increase in the number of employees during this period. The majority of women entrepreneurs (58%) said that the pandemic had had no effect on the number of workers employed in their businesses. No difference was observed in this area between Tbilisi and the regions.

Respondents of in-depth interviews said that they did not need to release employees because of the pandemic. A large segment of respondents managed to pay salaries during those months when revenues were reduced from the resources that had been previously accumulated by the business. Another segment practiced only seasonal employment and therefore did not face this problem. Focus group participants had to lay off several employees, but all of them said that they helped those employees in preparing the documents required to receive a GEL 200 assistance from the state over the period of six months. In some cases, the downsize in employment was caused by the closure of points of sale.

---

*“We did not undertake any changes, I did not cut the salary of any employee, nor did I ask anyone to take unpaid leave. The company has some resources and we used these to bridge the gap in those two months.”*

*(An in-depth interview respondent from Tbilisi)*

---

---

*“We hire people seasonally. We do not have permanent employees and, in contrast to large hotels, we are lucky in this regard. In other words, we are in a better position than they are.”*

*(An in-depth interview respondent from a region)*

---

---

*“We had to release five employees who had been working as consultants and, simultaneously, performing the function of entertainers. However, in these cases, let me say that we registered all of them for the GEL 200 state aid.”*

*(A 33-year-old focus group participant from Tbilisi)*

---

The future expectations of the surveyed women entrepreneurs for the end of 2020 are rather pessimistic. Some 65% of the respondents expect a further decrease in revenue. However, the majority of respondents (61%) believe that they will probably not have to lay off employees.

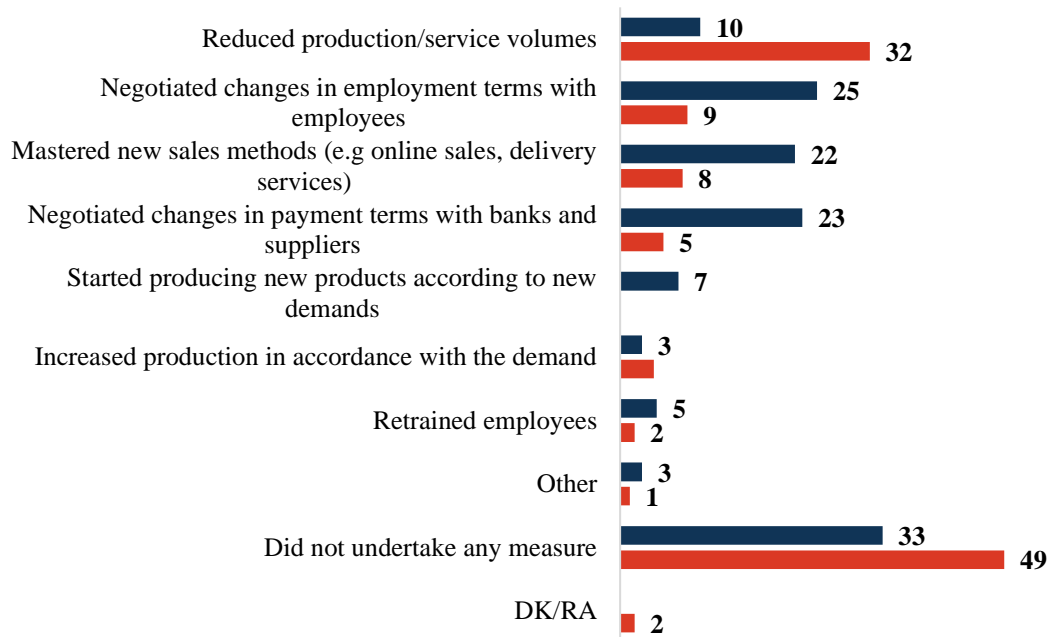
## **Coping with the results of the pandemic**

Under the existing challenges, it is interesting to note how women entrepreneurs coped with the fallout from the pandemic. Around 42% of the respondents did not undertake any special measures to counteract the results of the pandemic. Almost a quarter of business owners (23%) responded to the coronavirus by reducing production/services. Some 15% of the respondents negotiated changes in employment terms with their workers while 14% mastered new sales methods such as online sales or delivery services. Some 12% of respondents negotiated changes in payment terms with banks and suppliers. Other options were named by less than 5% of the respondents.

**From several measures undertaken by businesses in Georgia to cope with the results of the pandemic, which of the statements corresponds to your business? By settlement type**

(% , several answers)

■ Tbilisi ■ Regions



*Figure 14. Measures undertaken by business to cope with results of the pandemic, by types of settlement.*

Some differences between Tbilisi and the regions can be observed. Almost half of the women entrepreneurs outside Tbilisi (49%) did not take any special measures to cope with the results of the pandemic. The corresponding indicator among women operating in Tbilisi was 33%.

Production volumes were reduced by 32% of the surveyed women entrepreneurs in the regions, compared to 10% in Tbilisi. Changes in employment terms were negotiated by nearly one fourth of the women entrepreneurs in Tbilisi and one tenth (9%) of regional women entrepreneurs. Almost one fourth (23%) of Tbilisi women entrepreneurs negotiated changes to payment terms with banks and suppliers while the same was done by 5% of the regional women entrepreneurs.

It is worth noting that only Tbilisi respondents (7%) said that they have started manufacturing new products according to new demands. Presumably, enterprises in the regions found it more difficult to adjust their activities to the new reality and demands. New sales methods (for example, online sales and delivery services) were more frequently named in Tbilisi (22%) than in the regions (8%). This variable also indicates differences by indicators of age and education. The development and use of new sales methods as a response to the coronavirus pandemic was more frequently named by younger respondents. This answer was selected by 15% in the 18-35 age group and by 17% in the 36-55 age group as compared to 5% of respondents who are over 55. Also, a higher number of respondents with higher education (15%) said that they mastered new sales methods compared to 7% of respondents without higher education.



**From several measures undertaken by businesses in Georgia to cope with the results of the pandemic, which of the statements corresponds to your business? By age**  
(%, several answers)

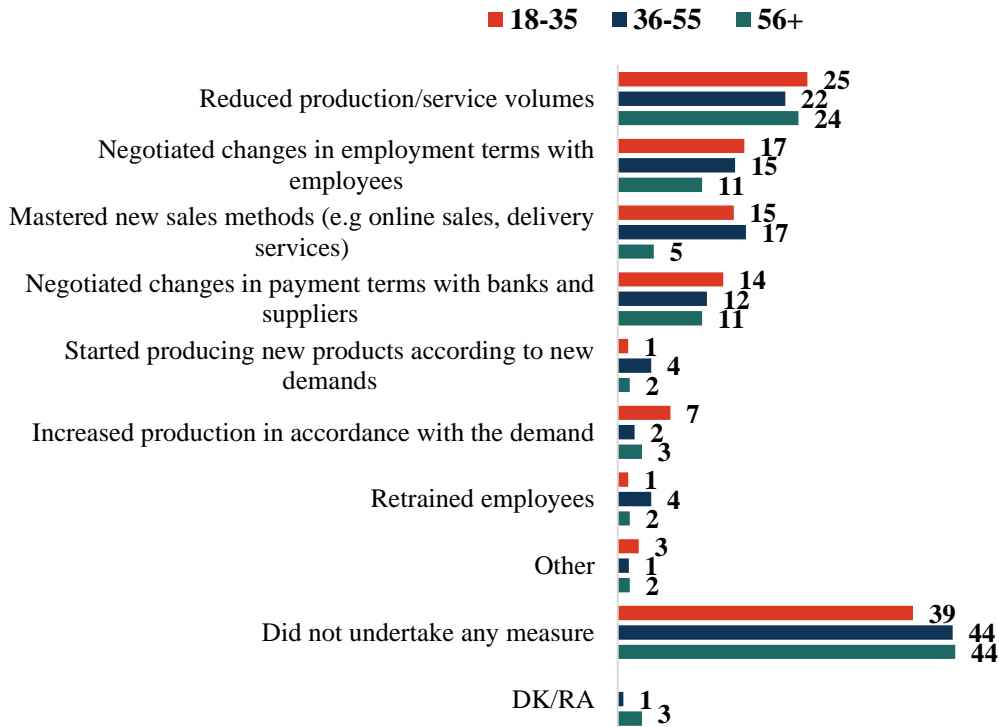


Figure 15. Measures undertaken by business to cope with results of the pandemic, by age.

The contextualization of the quantitative study results shows that those businesses that managed to diversify production and delivery, were able to cope with the results of the pandemic more easily. One focus group participant said that, in order to save costs, she moved her entire business online and that her customers also got used to this method. Some businesses started to manufacture new products relevant to the prevention of coronavirus transmission and also explored alternative areas of their businesses that allowed for.

---

*“Due to the pandemic we had to close the business and move sales online. We started manufacturing multiple-use face masks and [our product] was sold on Amazon’ UK site. Then we started sewing face masks for Georgian customers, which we continue producing to date. I think that we were the only company to produce face masks for children.”*

---

*(A 38-year-old focus group participant from Tbilisi)*

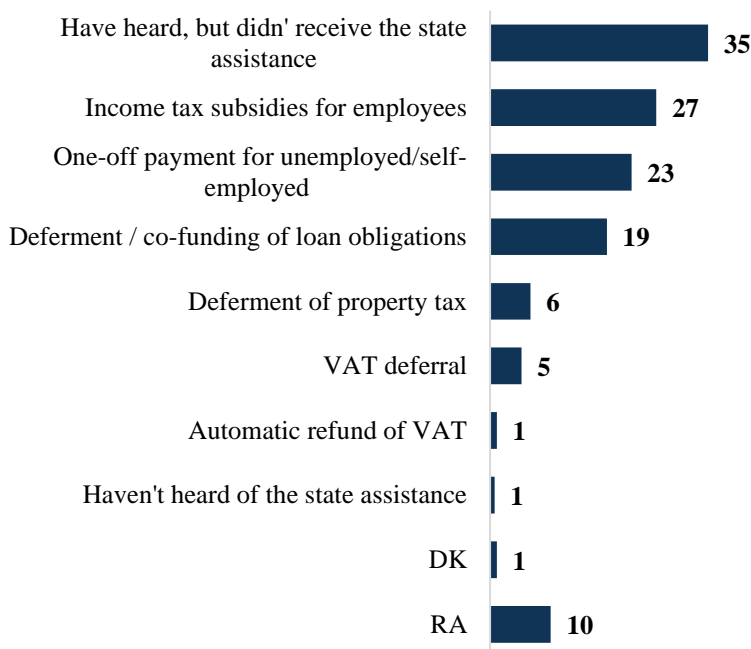
---

## State assistance

The survey also studied how women entrepreneurs used aid from the state in their response to the pandemic. According to the results of the quantitative survey, more than one third (35%) of the respondents were aware of the assistance being offered by the state, but did not actually receive it themselves. Only 1% had

not heard about this assistance at all. This indicates that the business owners were well-informed about the targeted assistance. The most frequently used types of state assistance were as follows: tax subsidies (27%); one-off aid payments to those who were left without a job/self-employed (23%), and; the deferment/co-funding of loan liabilities (19%).

**Have you received the following types of targeted state assistance ? (%)**



*Figure 16. Various targeted assistance received by business.*

Income tax subsidies for employees were used by 29% of the respondents with higher education and 15% of respondents without higher education. A higher share of surveyed women entrepreneurs in Tbilisi (37%) received this assistance, compared to one fifth (20%) of regional respondents.

Those women entrepreneurs who had heard about or used targeted state assistance were also asked to evaluate its effectiveness: half of the respondents (50%) evaluated the state assistance as partially effective while 15% believed it to be fully effective. A total of 21% evaluated the state assistance as partially or fully ineffective, while 14% were unable to answer the question.

As the figure provided below shows, 41% of the women entrepreneurs surveyed in Tbilisi assessed the state assistance as partially effective, compared to 56% of the respondents from the regions. The assistance was considered partially ineffective by one fifth of the businesses that operate in Tbilisi and that had heard about or received this assistance. The state assistance was evaluated as partially ineffective by 2% of regional businesses.

**How effective or ineffective was targeted state aid for business?  
By settlement type (% of those who have heard or used the aid)**

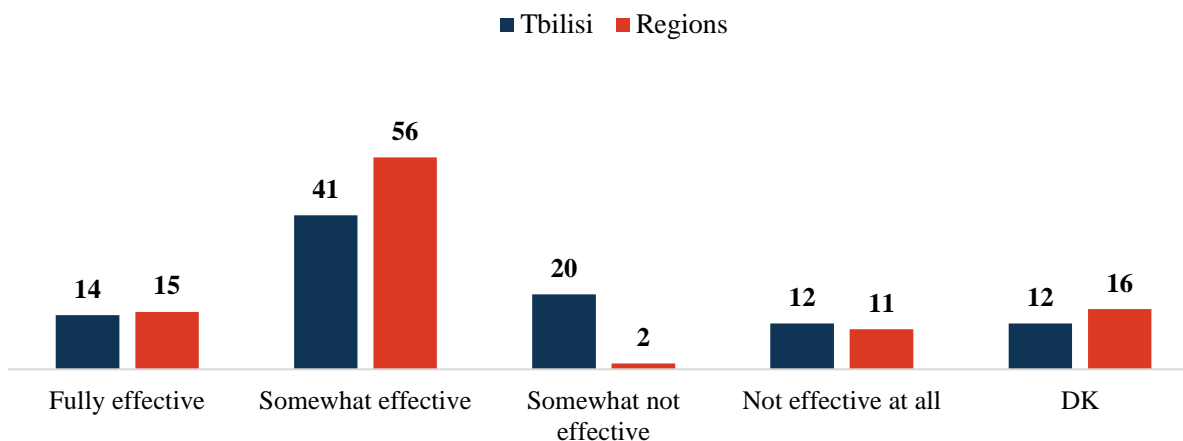


Figure 17. Assessment of targeted state assistance by business, by types of settlement.

Of those women entrepreneurs who said that they received targeted state assistance during the pandemic, 40% said that the assistance was a help, 39% said that it was not a great help, 11% said that it was no help at all and 9% said that it was a great help. Answers to this question did not show a substantial difference between women entrepreneurs from Tbilisi and the regions.

Both the focus group discussions and the in-depth interviews revealed a certain degree of dissatisfaction with the allocated targeted assistance. According to one respondent, the one-off assistance payment of GEL 300 from the state covered only the cost of a non-contact thermometer, whereas a number of other items were required to be in compliance with the new health and safety standards. As regards the income tax exemption, respondents noted that this measure applied only to those with a very low salary, provided that they were not employed anywhere else. Therefore, this assistance was less effective.

---

*“I got a one-off assistance payment of GEL 300 which I used to pay for a non-contact thermometer.”*

*(An in-depth interview respondent from a region)*

---

*“It was such an insignificant amount of assistance that it actually had no real effect; it applied to only the incomes of very small salaries.”*

*(A 40-year-old focus-group participant from Tbilisi)*

---

*“It made no sense for me. I even refused it when I was contacted and asked to fill in the application. I felt offended – it has been eight months since I have had to suspended my business activity so how can only GEL 300 worth of assistance help me?”*

*(A 39-year-old focus-group participant from a region)*

---

We also tried to find out what type of assistance, in the women entrepreneurs’ opinions, the state should provide to help them cope with the results of the coronavirus. The most frequently mentioned form of

assistance was short-term monetary aid, which was named by 49% of the respondents. Some 46% named the payment or postponement of utilities fees. 36% named the extension of social benefits for employees and the provision of personal protection means such as face masks, disinfection mats, etc. A third of the respondents (33%) named the control of product prices. Some 15% (40 respondents) said that the state must make information about any new regulations more intelligible, while 13% (35 respondents) said it must provide more information about the spread of the disease.

**In your opinion, what kind of assistance should the state provide to businesses to cope with the results of the coronavirus? (%)**

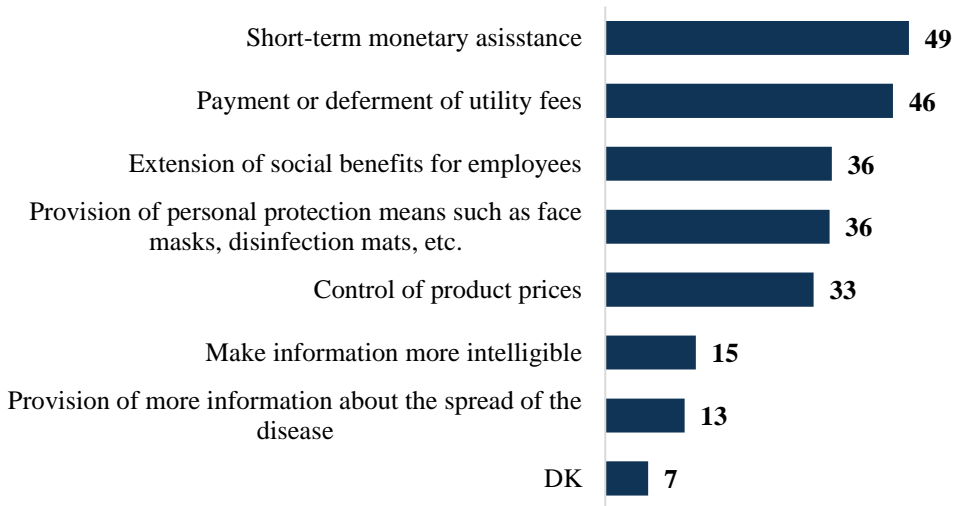


Figure 18. Desired form of assistance.

During the in-depth interviews, respondents emphasized the importance of tax cuts. Focus group participants noted that assistance in meeting the health and safety standards is vitally important. Furthermore, the reopening of borders and the reception of tourists, in accordance with the regulations, were named as significant challenges. Furthermore, respondents mentioned a longer-term grace period and a partial income tax refund by the state.

---

*“The state must take efforts to ensure that the pressure is not so severe. It must gradually relieve the restrictions, within reasonable limits, and support business, like many successful European countries have done. Let them maintain controls, but without entirely closing the borders for tourists. Businesses need to survive.”*

*(An in-depth interview respondent from a region).*

---

*“It would be good to provide assistance in the form of a grant, even in non-monetary form – initial packages that would be enough to meet the regulations, for example: face masks, means of disinfection, etc.”*

*(A 55-year-old focus group participant from a region).*

---

*“When I operate, I pay GEL 1000-15000 in income tax monthly. When an entrepreneur pays such a large sum, this is recorded, isn't it? It is not a secret. Then*

---

---

*why not refund half of it to the payer during those months when you prohibited them from working, when you stopped them. This was what the state should have done.”*

*(A 39-year-old focus group participant from a region).*

---

## **Future plans of women entrepreneurs**

Those women entrepreneurs who have continued their activities were asked about their future plans. Considering the existing situation, it is not surprising that a large segment of these women entrepreneurs (43%) were unable to talk about future plans and limited themselves to answering “Don’t know.” Such uncertainty is more conspicuous among those businesses that have a turnover of less than GEL 100 000 and operate in the regions. Half of these regional women entrepreneurs (51%) were unable to speak about any plans for the next year, while a little more than one third (34%) of Tbilisi women entrepreneurs did not know what they would do next year. Some 5% of respondents said that they expect their businesses to stop operating.

This uncertainty factor was also emphasized by an in-depth interview respondent, who attributed it to the perceived unreliability of plans announced by the government. According to her, such uncertainty on the part of the government made it difficult to make any future business plans.

---

*“There is total uncertainty in the tourism sector, as they do not know when activities will be resumed. Consequently, we cannot make any plans. There is a lot of doubt. When it was announced that [borders] would open from 1 July, the government should have opened the borders, because many people were awaiting 1 July. Now, that the opening has been postponed to 1 August, people no longer trust the government. Consequently, we cannot plan anything.”*

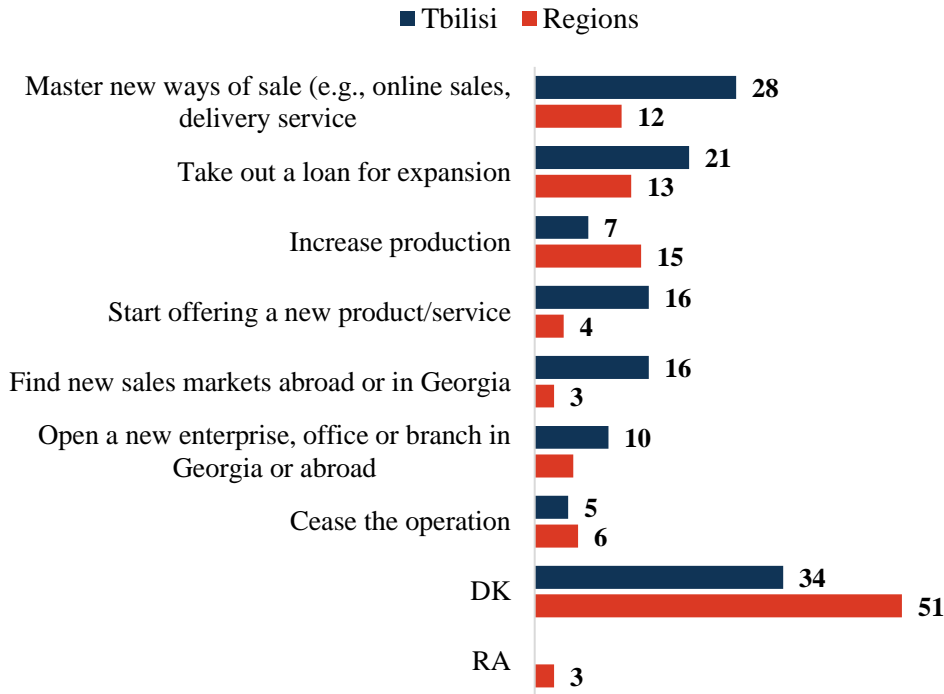
*(An in-depth interview respondent from a region).*

---

Around one fifth of women entrepreneurs (19%) have noted that next year they intend to master new sales methods (for example, online sales and delivery services). The second answer, by frequency, was the plan to take out a loan to expand business (16%). A little more than a tenth of respondents (11%) expect their business to increase production while 9% intend to offer new products/services.

**Do you expect that during the next year your business will do the following? By settlement type.**

(% of those who said that they did not stop or only temporarily suspended the activity and have already resumed or intend to resume it)



*Figure 19. Future plans of women entrepreneurs, by settlement types.*

The above figure shows that a relatively larger share of women entrepreneurs from the regions plan to expand their business next year than those women entrepreneurs operating in the capital city (7%). Other answer options were named by a larger share of women entrepreneurs from Tbilisi than from the regions.

The differences were especially striking in several cases: more than one fourth of the women entrepreneurs operating in Tbilisi (28%) expect that their business will master new plans of sale next year as compared to 12% of regional respondents. Also, 16% of Tbilisi women entrepreneurs intend to find new sales markets compared with only 3% of regional women entrepreneurs. Based on this data, one may say that, compared to the regions, women entrepreneurs in Tbilisi were, to a greater extent, thinking about alternative ways of carrying on their activities, be it offering a new product, mastering new methods of sale or finding new markets.

In-depth interview respondents also noted that they were in the process of developing strategies for future activities. A segment of them said that they were wary of future uncertainty and therefore had to be more cautious in taking further steps. Another segment changed target group because of the pandemic and became more oriented on the local market. This is especially true for those businesses that offer accommodation services to customers. A segment of the participants used the pandemic period to work intensively on the development of new services and marketing.

---

*“There is a fear about how things would go in case of the reintroduction of the lockdown, and how this would affect our operations. We are, of course, fearful of an uncertain future.”*

*(An in-depth interview respondent of from Tbilisi).*

---

*“We use this period to get prepared in terms of marketing. We are preparing for services, delivery, and PR. We have invited a blogger as well.”*

*(An in-depth interview respondent from a region).*

---

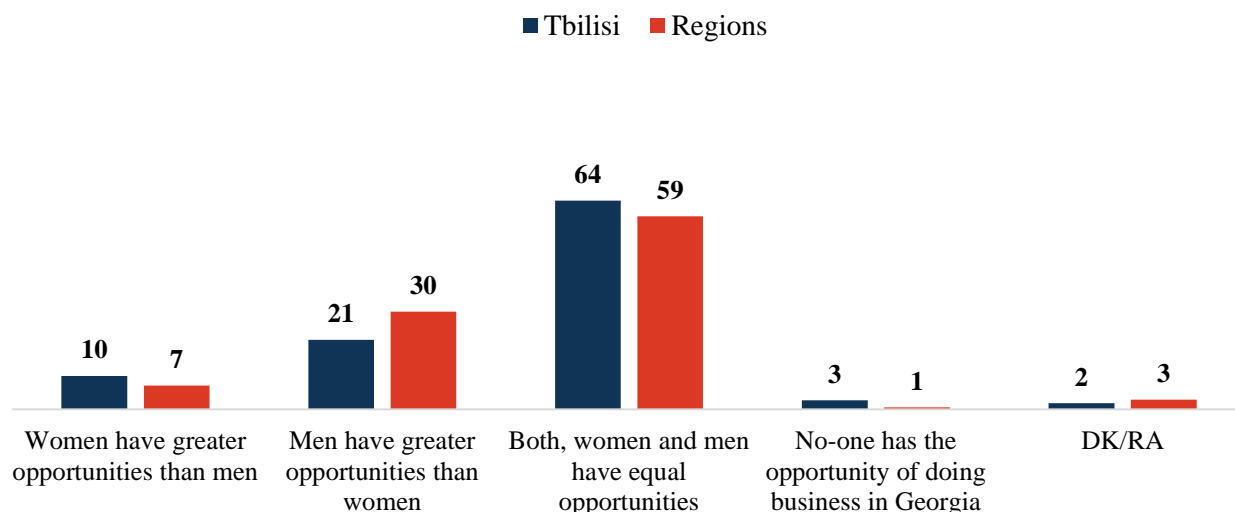
## **Gender issues**

One of major survey objectives was to study the gender aspects of entrepreneurship in Georgia. Towards this objective, participants in the survey’s quantitative and qualitative studies answered questions about the following issues: challenges faced by women in business activities due to their gender; access to financial resources; skills of women entrepreneurs, etc. This section of the report discusses the answers to these questions.

### **Gender aspects of business activity**

How do the respondents view inequality between women and men in terms of doing business? To a question as to which of the two – women or men – have greater opportunities for doing business in Georgia, the majority of respondents said that the opportunities are equal (61%). One fourth of respondents (26%) think that men have greater opportunities for doing business in Georgia as compared to only 8% who said the same but in favor of women. Only 1% of respondents believe that there are no opportunities for anybody to do business in Georgia. A similar distribution of answers is seen when the capital city and the regions are compared. As many as 64% of women entrepreneurs from Tbilisi and 59% from the regions believe that both women and men have equal opportunities to do business in the country. The share of those who said that opportunities are greater for men was higher among regional respondents than Tbilisi respondents, standing at 30% and 21%, respectively.

**In your opinion, which of the statements corresponds to the situation in terms of doing business in Georgia? By settlement type (%)**



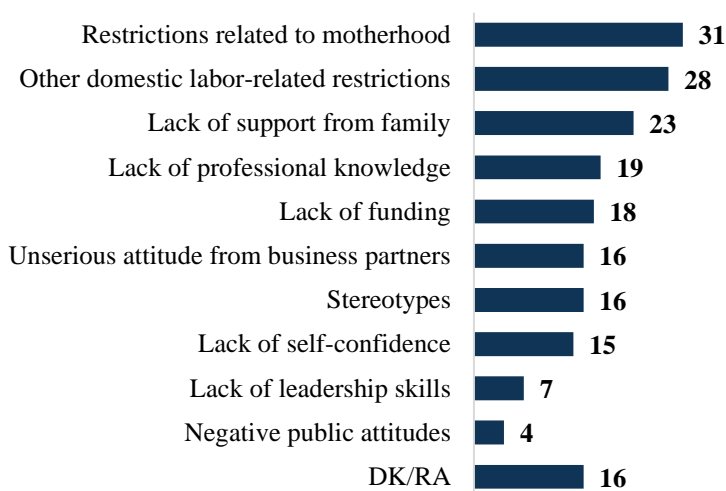
*Figure 20. Situation in terms of doing business from gender perspective.*

Three quarters of the surveyed respondents noted that public attitudes towards women in business are positive, as compared to 3% who said the opposite. In the opinion of 23% of the respondents, public attitudes are neutral. These attitudes differ by geography. As many as 87% of Tbilisi women entrepreneurs think that society has positive attitudes towards women entrepreneurs. The same opinion was expressed by 66% of regional women entrepreneurs, while 31% said public attitudes were neutral. Only 2% of women entrepreneurs from the regions believe that the attitudes are negative as compared to 5% of women entrepreneurs in Tbilisi.

Within the scope of the quantitative survey, respondents were asked about their opinions on the challenges faced by women entrepreneurs in Georgia (see Figure 21). The largest impediment, in this regard, is domestic labor. In the respondents' opinion, women entrepreneurs face obstacles related to motherhood (31%) and domestic labor (28%). Almost one fourth (23%) named a lack of support from their families.



**In your opinion, do female entrepreneurs in Georgia face the following obstacles? (%)**



*Figure 21. Obstacles faced by women entrepreneurs in Georgia.*

Apart from obstacles in the family, other serious problems include lack of education (19%), financial problems (18%), unserious attitudes from business partners, and stereotypes about women (16%-16%). Only a small share of respondents (4%) named negative public attitudes as an obstacle.

It is worth noting that women entrepreneurs in both Tbilisi and the regions have similar opinions about domestic labor. However, differences were revealed in their relationships with business partners. Some 29% of regional women entrepreneurs named an unserious attitude from business partners as a significant impediment, compared to 7% of women entrepreneurs in Tbilisi. Furthermore, 25% of Tbilisi women entrepreneurs think that a lack of professional knowledge is an impediment to doing business, as compared to 15% of women from the regions.

Differences were also seen by sectors of activity. For example, 44% of those women entrepreneurs engaged in manufacturing name other domestic labor-related restrictions as a serious problem. This problem is more frequently indicated by women engaged in the transportation (30%) and trade (27%) sectors. The largest impediments for 30% of the women engaged in the service sphere are restrictions related to motherhood, while for 32% of the women engaged in agriculture, it is a lack of family support.

Thus, women entrepreneurs encounter impediments in many ways. The most significant, perhaps, is the unpaid domestic labor which they perform in parallel with doing business. The qualitative part of the survey provides an interesting contextualization of this issue. Focus group participants said that in conjunction with running a business and dealing with related problems, they also have to perform family and care work. For some, this represents an obstacle while others said that women still manage to cope with this challenge successfully.

In-depth interview respondents found it difficult to name concrete problems. They think that attitudes have changed and that women and men enjoy equal conditions on the market, while other obstacles have also decreased. In the respondents' views, they have not faced problems in doing business from either society

or family. However, in addition to managing the business, women also have to do household work, which is something that women are obligated to do, according to entrenched societal opinions.

Stereotypes about domestic labor still linger in Georgia. Focus group participants recalled instances in which an employer, when hiring an employee, gave preference to a man over a woman because of the perception that domestic labor may pose a problem to women in future and even force her to leave the job:

---

*"In general, when attending a board [meeting] or being somewhere else, I have witnessed such situations: they say it would be better to hire a boy for this position because if they hire a girl, she will get married, give birth to a child, have an interruption in her career and then they will have to hire someone else. If we want to invest in an employee, train him and send him abroad for education, it's better to hire a boy... we will know that he will stay."*

---

*(A 43-year-old woman from Tbilisi).*

---

Overall, both the quantitative and qualitative surveys showed that the most serious impediment for women in business is domestic labor – be it related to motherhood, lack of family support or other types of domestic work.

As in the quantitative survey, the in-depth interviews also revealed the lack of professional education opportunities to be a problem. Women entrepreneurs emphasized the lack of special retraining programs in Georgia. They believe that education is important for managing a business, but that the country either lacks vocational educational institutions or the population lacks information about them.

One focus group participant said that the education she obtained at a higher educational institution is not sufficient for business activity.

---

*"Compared to the education I acquired at the Academy of Arts, I acquired much more knowledge myself, by working on my own development. Therefore, I and my partners were able to retrain employees we had hired ourselves."*

---

*(A 28-year-old woman from Tbilisi).*

---

Women entrepreneurs believe that one cannot run a business without proper education. If a person lacks the relevant education, she cannot learn new information and skills and therefore it is necessary for everyone to have access to specialized education. Education helps women entrepreneurs not only in starting, but also in managing a business. It is therefore important to have, in addition to special retraining courses, consulting trainings for small entrepreneurs. In the respondents' view, such programs may be implemented with the active involvement of the state.

---

*"Women must also be aware of their rights. If they do not start reading books and have no knowledge, they will be ignorant of their rights. A woman must be strong, and strength comes from knowledge. They say that women lack self-confidence. Self-confidence also comes from knowledge. Education is the source of everything."*

---

*(A 40-year-old woman from Tbilisi).*

---

The quantitative survey made it clear that women still fight against various gender stereotypes entrenched in society. Women entrepreneurs, especially in the regions, encounter various obstacles and challenges in their daily lives due to their gender identity. The qualitative component of the survey provided specifics on this issue.

In the opinion of the in-depth interview respondents, the biggest impediment for women in starting a business could be a lack of courage. Some believe that they need someone else's advice and do not dare to take any decisive steps.

---

*“Women entrepreneurs face the challenge of not seeing themselves as strong. They think they will fail in doing business and need someone else's help, advice from men, etc. This is not true, in reality.”*

*(An in-depth interview respondent from a region)*

---

At the same time, a segment of respondents mentioned the problem of gender discrimination and negative stereotypical attitude towards women. According to the respondents, such attitudes are more prevalent in the regions than in the capital city.

One of the important problems identified by focus group participants is the unserious attitude taken by business partners and society in general.

---

*“People have a very unserious perception of women entrepreneurs. Sometimes, I have the feeling that people think I am a little girl and need some help. In reality, however, you may have a perfect education and be more capable of doing business than they are. Such an attitude is somewhat unacceptable for me.”*

*(A 36-year-old woman from Tbilisi)*

---

Participants noted that they often have to hear unpleasant comments from business partners. Sometimes, business partners prefer to conduct negotiations with men rather than women, which is offensive for and discriminatory against women entrepreneurs.

Despite these problems, women entrepreneurs still think that attitudes towards women entrepreneurs have been changing for the better in Georgia, as the number of women entrepreneurs has been increasing and they are more actively engaged in public life.

---

*“Public attitudes have very much improved of late. This is also because the number of women entrepreneurs has notably increased. Women even own companies and work more intensely. When, over the course of several years, I came to know my business partners better and we managed to find a common language, they also realized that we are not just girls toying with business, but that we treat business seriously. Consequently, we turned out to be a major supplier for many partners. This also led to a change in attitude. Now, we no longer encounter such problems. This is also a common achievement by women engaged in our sphere of activity.”*

*(A 46-year-old woman from Tbilisi)*

---

According to a segment of respondents, women and men do not have different problems and their business environment is similar. Access to financial resources is a problem for all businesses and women are no exception in this regard. There are many international and local grant programs. Competitions tailored to specific regions are announced in order to engage women living in those regions in entrepreneurial activity.

Along with international organizations, grant programs for women have also been announced by the government and by large companies operating in the country. According to focus-group participants, special loan terms are offered to women entrepreneurs by banks. Furthermore, special state programs have been implemented for specific sectors and activities, which stimulate the development of those sectors.

According to respondents, none of them have encountered problems applying for grant programs or seeking other types of financial support. However, there are also respondents who say that these empowerment programs are ineffective:

---

*“Most irritating for me are these purported empowerment programs which do not actually support women.”*

*(A 38-year-old woman from Tbilisi)*

---

Despite a general positive attitude, the attitude of some respondents was the opposite. A segment of respondents believe that men have better access to financial resources because cooperation with them is perceived as being less risky. Furthermore, some respondents think that sometimes women entrepreneurs have businesses registered in the names of their husbands or other male family members, which implies that financing is directly linked to men, not women.

---

*“In terms of finances, I think men have better access to concrete investments and concrete funds than women. For example, [investors] consider women to be greater risks than men.”*

*(A 33-year-old woman from Tbilisi).*

---

There are particular areas that are dominated by women entrepreneurs and, therefore, they have to communicate and cooperate only with women. It was also said that businessmen have a far broader network than women and it is easier for them to secure funds and partners.

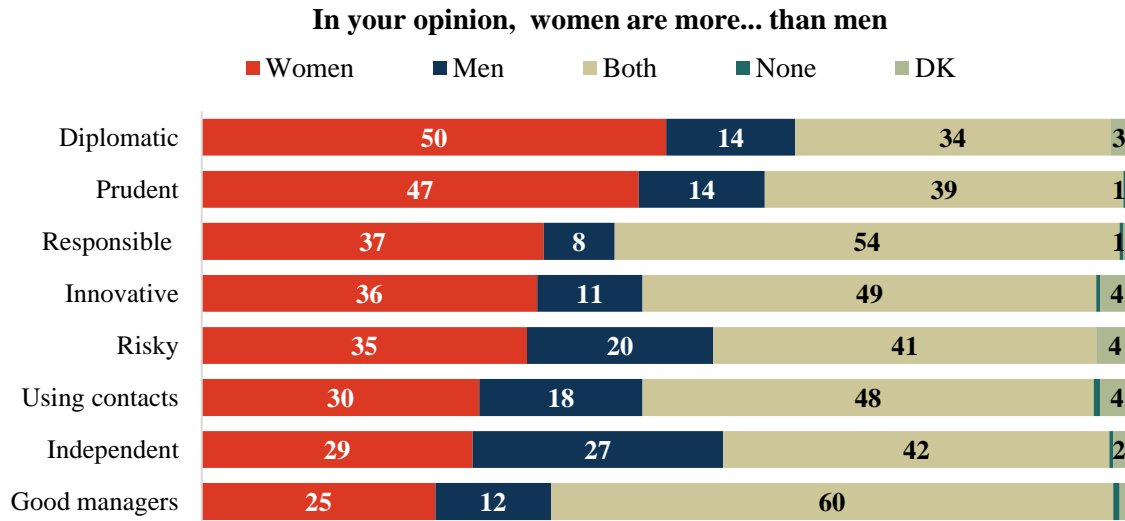


Figure 22. Properties necessary for managing business.

How do women entrepreneurs perceive their skills as compared to men? Respondents mostly think that women and men equally possess the skills necessary for business. However, differences were also seen: respondents think that women have more so-called “soft” skills such as diplomacy (50%), prudence (47%), a sense of responsibility (37%) and the ability to innovate (32%, see Figure 22). Almost equal shares of respondents think that women and men are independent (29% and 27%), while 35% believe that women are riskier, that they use contacts better (30%) and that they are good managers (25%).

Interestingly, these results are also supported by focus group discussions. Respondents do not agree with the proposition that men possess better business skills. They think that caring skills help women in customer relations. Focus group participants also do not think that a man can run a business better than a woman.

---

*“I think that women have more of those skills that are conducive to business activity. Diplomacy, interpersonal relations, interacting with clients. Some caring skills, a guardianship instinct, and being detail-oriented are more characteristic for women than men. I am speaking about a segment where one has to directly interact with clients, which is the service sphere. I think women are better at that.” (Tbilisi)*

---

According to a survey participant, women are more organized and view their activity differently from men. Also, they are more oriented towards the success and development of their business.

---

*“At the end of the day, what helps women is their foresight. [Women] are more far-sighted than men. They arrange their business differently; they keep their documents tidier. Women have detailed, monthly action plans. For example, I have a neighbor engaged in business, with quite a large income. But, if you ask him what is he going to do next week, he does not know. He depends on one client. He doesn’t know what his income will be next week and with whom will he have to interact. We women look at all these things differently. We foresee everything. “*

---

*(An in-depth interview respondent from Tbilisi)*

---

In summary, focus group participants say that the primary characteristics necessary for doing good business are desire and the proper use of one's own intellectual resources. In their opinion, women who have such a desire will necessarily find sources to help them start or develop their businesses.

---

*“A clever person, be it woman or man, does business as an ordinary thing, if she/he has a knack for the business she/he is engaged in and which she/he can do.”*

*(A focus group participant from a region).*

---

## Conclusions and recommendations

The results of the quantitative and qualitative study conducted within the framework of the project show the condition of small- and medium-sized women entrepreneurs in Georgia from two perspectives. On the one hand, a description of the situation which existed before the pandemic in terms of doing business, as well as public attitudes, is provided. The impact of the pandemic on women entrepreneurs is also assessed. Finally, several evidence-based recommendations are provided for the improvement of the situation faced by small- and medium-sized women entrepreneurs in Georgia.

The results of the survey show that differences among women entrepreneurs are based on such indicators as level of education attained, geography and marital status. Women who have received higher education are more heavily engaged in the spheres of service and manufacturing, whereas women without higher education are mainly engaged in trade. The picture is similar in terms of geography and marital status: women who live in Tbilisi and who are not married operate in the service sphere while respondents living in the regions own relatively lower-income, smaller-sized trade entities.

Women entrepreneurs in Tbilisi tend to show a higher degree of independence. For example, the majority of the Tbilisi-based respondents started their businesses themselves, while in the regions this percentage stands at a little more than one third. In the regions, the most common form of business is a family business in which women may play a leading role, although this does not necessarily denote full independence. The picture is similar in terms of attained level of education: respondents with higher education are more independent than respondents with secondary or vocational education.

These factors also tend to affect levels of financial independence: the majority of the respondents who 1) live in Tbilisi, 2) have higher education, and 3) who are unmarried, tend to make financial decisions independently and only a small share of them allow husbands or other family members to engage in decision making. The situation differs in the regions where partners and family members of women entrepreneurs are more heavily engaged in the operation of the business.

How do women start and develop business activity? They mainly use personal savings for start-up capital. The majority of the respondents further finance the development of their businesses using the revenues from their own enterprises. Around 40% of the respondents apply to banks or microfinance organizations for this purpose.

The coronavirus pandemic has seriously affected small and medium businesses and the adverse economic consequences of the virus have hit women entrepreneurs particularly hard. An absolute majority of them

have seen a decrease in revenues, while half of them have experienced a decrease of at least 50%. The first wave of the pandemic especially affected businesses operating in Tbilisi.

The number of full-time employees has decreased while that of half-time employees has increased. An insignificant increase has been seen in the number of enterprises that had zero employment in 2020.

How have women handled problems which emerged as a result of the coronavirus pandemic? A little more than half of the responding businesses have used benefits offered by the state. Most of the respondents evaluated these measures as partially or fully effective. Women entrepreneurs tend to believe that benefits introduced by the state should include monetary assistance, social benefits for employees, personal protection means and price control. Moreover, it is important that the state provide businesses with a clear explanation of the essence of any newly imposed regulations.

Finally, the survey explored problems that women may face because of their gender. The survey showed that domestic labor is the main obstacle to business activity for many respondents. Activities related to motherhood, a lack of support from family and unpaid care work are seen as the main impediments. A segment of the respondents also noted that gender discrimination and negative stereotypical attitudes towards women remain a problem in Georgia. This is especially visible in relations with male business partners.

Nevertheless, women do not regard themselves as being inferior to men with regard to entrepreneurial skills. Quite the contrary: a substantial segment of respondents believe that certain skills that are necessary in business, such as so-called “soft skills”, are more successfully applied by women in their businesses.

Based on these data, we propose the following recommendations:

- The survey has shown that the situations of respondents differs based on geography, level of education attained and marital status. It is therefore important to empower women who live in the regions and who are married, when planning relevant measures.
- It is crucial to consider women’s voices when developing programs for alleviating the economic consequences of the coronavirus pandemic. As regards concrete interventions, monetary assistance and the implementation of social assistance programs for employees will be especially important for small and medium businesses.
- The survey has shown, once again, that women continue to face negative and stereotypical attitudes from society, especially those women entrepreneurs operating outside of Tbilisi. Consequently, additional efforts must be taken to eliminate such attitudes. Measures to this end must first and foremost be carried out in the regions.

## References

CRRC-Georgia. Rapid Gender Assessment of the COVID-19 Situation in Georgia. Tbilisi: UN Women, 2020.

<https://www2.unwomen.org/-/media/field%20office%20georgia/attachments/publications/2020/rga%20unw-geo.pdf?la=ka&vs=0>.

Nordic Consulting Group. Gendered Assessment of SME Development Strategy of Georgia 2016-2020. Tbilisi: Europe Foundation, 2018. [http://www.epfound.ge/wp-content/uploads/2018/10/SME-Gender-Assessment\\_GEO-1.pdf](http://www.epfound.ge/wp-content/uploads/2018/10/SME-Gender-Assessment_GEO-1.pdf).

UN Women. 'Country Gender Equality Profile of Georgia'. Tbilisi: UN Women Country Office in Georgia, 2020.

<https://www2.unwomen.org/-/media/field%20office%20georgia/attachments/publications/2020/country%20gender%20equality%20profile%20of%20georgia.pdf?la=ka&vs=1415>.

Ana Diakonidze. Women's Participation in State Economic Programs. Tbilisi: Parliament of Georgia. <http://bit.ly/parliamentdiakonidze>.

Commerzant, "The UN survey: one in five unemployed woman says her husband doesn't want her to work." Commerzant, 11 October 2018. <https://commerzant.ge/ge/post/gaeros-kvleva-saqartveloshi-xutidan-erti-umushevari-qali-ambobs-meugles-ar-surs-rom-mushaobdes>.

Christine Margvelashvili. Women's Economic Empowerment in Georgia. Tbilisi: Union Sapari, 2017. <http://www.parliament.ge/uploads/other/86/86671.pdf>.

Association of Young Economists of Georgia. Economic Needs of Rural Women. Tbilisi: Women's Information Center, 2014. <http://www.parliament.ge/uploads/other/75/75680.pdf>.

Association of Young Economists of Georgia. Women's Economic Opportunities and Challenges. Tbilisi: Women's Information Center, 2014. <http://www.economists.ge/storage/uploads/publication/141222051546a791.pdf>

National Statistics Office of Georgia. Women and Men in Georgia. Tbilisi: National Statistics Office of Georgia, 2019. [https://www.geostat.ge/media/27546/W%26M-ENG\\_2019.pdf](https://www.geostat.ge/media/27546/W%26M-ENG_2019.pdf)