

## Women's Economic Opportunities and Challenges

საქართველოს ახალგაზრდა ეკონომისტთა ასოციაცია

ASSOCIATION OF YOUNG ECONOMISTS OF GEORGIA 

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**The views represented herein do not necessarily represent the views of the United States Agency for International Development or the United States Government.**

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## Introduction

This desk research aims to evaluate the economic state of women and reveal their entrepreneurial opportunities. The basic emphasis is made on identification of the challenges faced by the women residing in rural areas, also, developing recommendations which will promote economical empowerment of women.

The report is prepared in the framework of the project “Women, as Agents for Change and Empowerment”. The project is being implemented by Women’s Information Centre under the USAID support to assist women in full-scale participation in political, economical and peacemaking processes.

Women’s Information Centre is implementing the project in cooperation with the following local NGOs: Association of Young Economists of Georgia (AYEG), Women’s Taso Fund (TF), Institute for War and Peace Reporting (IWPR) and the NGO acting in Gali region conflict zone, Abkhazia.

The project is being implemented in five target regions: Tbilisi, Mtskheta-Mtianeti, Kakheti, Samtskhe-Javakheti, Imereti and Gali region.

The project aims to promote women’s full-scale participation in political, economical and peacemaking and conflict preventing processes.

The project supports protection of fundamental human rights through increasing participation of the women representing IDPs, conflict affected and national minorities in the process of political activities, economical sustainability and peace-making.

The project is working on three interconnected outcomes:

- **Expected outcome 1:** Increased political participation of women;
- **Expected outcome 2:** Increased economical involvement and self-sufficiency of women;
- **Expected outcome 3:** Involvement and participation of women in peacemaking and conflict prevention processes.

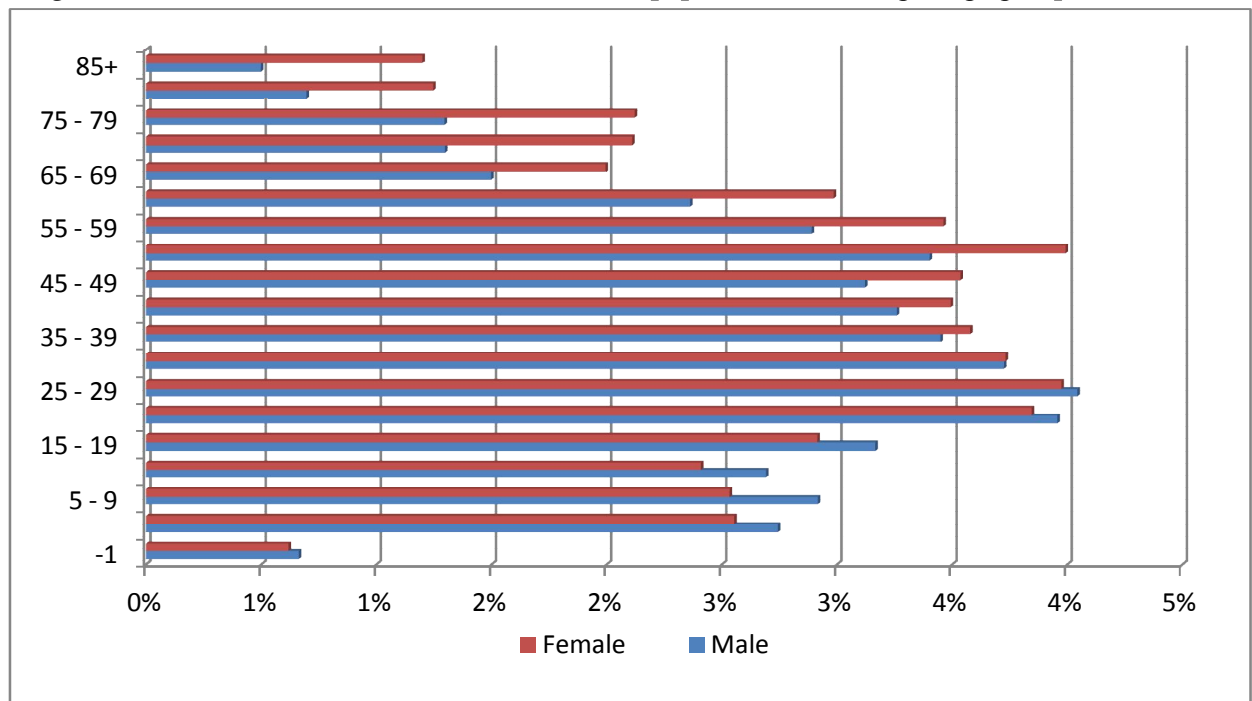
The project will increase economical involvement and self-sufficiency of women through ensuring access to small grants, business-consultations, job instructions, banking systems and micro-financing institutions for representatives of local villages, IDPs and national minorities.

## Social State and Activity of Women in Georgia

### General Situation

As of January 1, 2014 the population of Georgia equals to 4 490 500 citizens, 52% (2 349 100 individuals) of which is women. It should be mentioned, that 48% of the whole population live in rural areas. It is interesting that the number of women is higher than the number of men in the age group of 45 and above and in the age group from 0 to 45, mildly, but still, the man are ahead of women (by 23 200 individuals).

*Diagram #1: Share of women and men in the whole population according to age groups (2014)<sup>1</sup>*



At first sight, a woman in Georgia – as economically active labour force, should play important role in development of the country, though the national culture and traditional approaches give quite different picture of a woman's functions in the family and, especially, from the point of view of entrepreneurial business. The mentioned traditional approaches are especially strong in regions and, correspondingly, define the role and functions of a woman traditionally from the very beginning. In the report of UNDP for the year 2013 "Attitudes of Society towards Gender Equality in Policy and Business" it is mentioned, that the investigations have shown that "In Georgia traditional views concerning gender roles are still strong: women's functions are taking care of children and their upbringing, carrying out domestic work and men's function is economical provision of the family. Despite the fact that at the moment 30% of breadwinners are women, the population thinks that it is not an ideal situation and, if it is possible, a woman should not work or works less hours - have work "suitable for a woman". Besides, "a woman should obey her husband and let him be a leader in different spheres."

<sup>1</sup> Source: National of Statistics Office of Georgia

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Changing mentality and declining bad attitudes (having centuries-old roots) are the most difficult challenges. At the same moment, when the mentioned attitudes are equally acceptable for people of all generations and genders, it is complicated to talk about effectiveness of any legal changes or other initiatives of purely economic character. We can conclude that influencing the mentality and attitudes of the whole population is the most urgent issue in empowerment women's economical role and, also, full realization of existing and new opportunities.

In order to reveal the prospects of increasing and strengthen the women's role, it is necessary to more or less fully analyze their current economical and social states.

### Poverty

High level of poverty still remains to be the basic social challenge of the country. According to the data for August, 2014 subsistence benefit is allocated to 142 062 Georgian families, in total, 426 088 individuals<sup>2</sup>, which makes 36,5 % of total population. Women make 55% of subsistence beneficiaries. Of course, poverty is the social burden being equally heavy for man and women. Though a part of experts thinks that poverty delays women's activities in the family and does not leave them the opportunity to think and implement any kind of entrepreneurial initiative. Today the state does not have strong wish and motivation to take any effective measures from this point of view. Besides, due to scarce public financing, many problems of women are still unresolved. The mentioned problems and heavy material state of women, in its turn, cause passive state of women, which is one of the most serious challenges in implementing gender equality policy. In the report on evaluation of gender equality policy carried out in August, 2012, it was mentioned that to explain "women's passive state" some experts made distinguished definition, directly related to Georgian culture and traditional values. According to the experts' opinion, patriarchal values, norms and traditions are dominant in Georgia which can be one of the reasons causing inactivity of women. Due to very traditional views there is no women's movement in Georgia. The experts think that poverty has extremely negative impact on women and their wish to be involved in different social and political processes. As the result, women on economically low level, first, are trying to resolve their own material problems and only after that they may have time and wish to be involved in the process of decision making in public and policy spheres and become active in resolving various social issues. But we should still bear in our minds that resolving of material problems does not necessarily cause activity of women.<sup>3</sup>

In any case, there is no doubt, that poverty is one of the important barriers, hindering women in developing opportunities as of an active citizen and entrepreneur. Though, it should be mentioned, that one of the ways of real decreasing/elimination of poverty is economical activation. As the result, commencing functioning of such programs, as on central so local level, which will support poor women in involving in entrepreneurial activities will, on the one hand, reduce poverty and, on the other hand, ensure development of women as full and equal members of the society. The mentioned types of programs should consider as financial support so forming and developing certain entrepreneurial skills.

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<sup>2</sup>Source: Social Service Agency;

<sup>3</sup> Source: Evaluation of Gender Equality Policy in Georgia by Women's Organizations., August, 2012, researcher: Elene Japaridze;

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## Education

Education and its availability are one of the important factors which are reflected on identification and realization of economical opportunities. In this direction there is no significant discredit from the gender point of view. At the same time, the results of the research implemented in the framework of UN joint program “Enhancing Gender Equality in Georgia” show that when evaluating the right to education in Georgia the society, basically, supports equality. The majority of interviewees (72%) do not share the idea that “University education is more important for boys than girls.” Though, certain part of population (26%) thinks that higher education is more needed for men. Secondary education is equally needed by boys and girls (79%). Correspondingly, the smaller part (20%) thinks that secondary education is more important for boys. One of the arguments, named in favour of education of boys, is that they are to be breadwinners in the family. It is assumed that an adult man should take responsibility for financial provision of the family, correspondingly, education is more necessary for him, as education is a precondition for employment.

It should be mentioned that the number of students in the institutions of higher education is characterized by increasing. In 2013, compared with 2011, the mentioned indicator increased by almost 24%, when the number of pupils in the institutions of secondary education decreased by 2,7% during the same period.

**Table #1: Number of pupils/students in corresponding educational institutions<sup>4</sup>**

	2011	2012	2013
Number of students in the institutions of general education, (thousand)	568.5	559.4	553.0
Number of students in the institutions of higher education, (thousand)	95.1	109.5	117.7
Number of PhD students, (persons)	4266	3040	3213

Distribution of students/pupils from the gender point of view is interesting. Notwithstanding the fact that, number of school-age people (girls and boys), is almost homogeneous – 8% and 9%, correspondingly, of the whole population. Actual data according to the number of pupils is quite different. In the institutions of secondary education in 2012-2013 academic year there were enrolled by 28 433 more boy-pupils which is, about, 10% more than the number of girls). At the same time, it is interesting, that the majority of students of professional colleges – 61% - represents boys. On the one hand, it can be explained by the fact that in professional colleges, basically, are taught the professions which are thought to be the manly professions, for instance, construction-repairing works; though creation of opportunity to get professional education would be very important for girls. It is understood that significant measures are to be taken by the State, NGOs and International Funds.

This issue is especially urgent when it concerns economical development of women living in rural areas. In reality, the “key” of development and diversification of their employment and entrepreneurial activities, for the most part, is in their professional development rather than higher education. For this reason, it is necessary to introduce in professional colleges the professions which will enable women to find job and start their own business. It is also to be taken into consideration

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<sup>4</sup> Source: Ministry of Education and Healthcare of Georgia

that for girls living in rural areas moving to large cities to attend training courses can be complicated. From this point of view local self-governance can play special role. It would be effective to organize certain training courses in villages, which would increase their availability for women living in rural areas. Through such activities it will become possible to obtain profession on local level and, correspondingly, employment opportunities will increase for women.

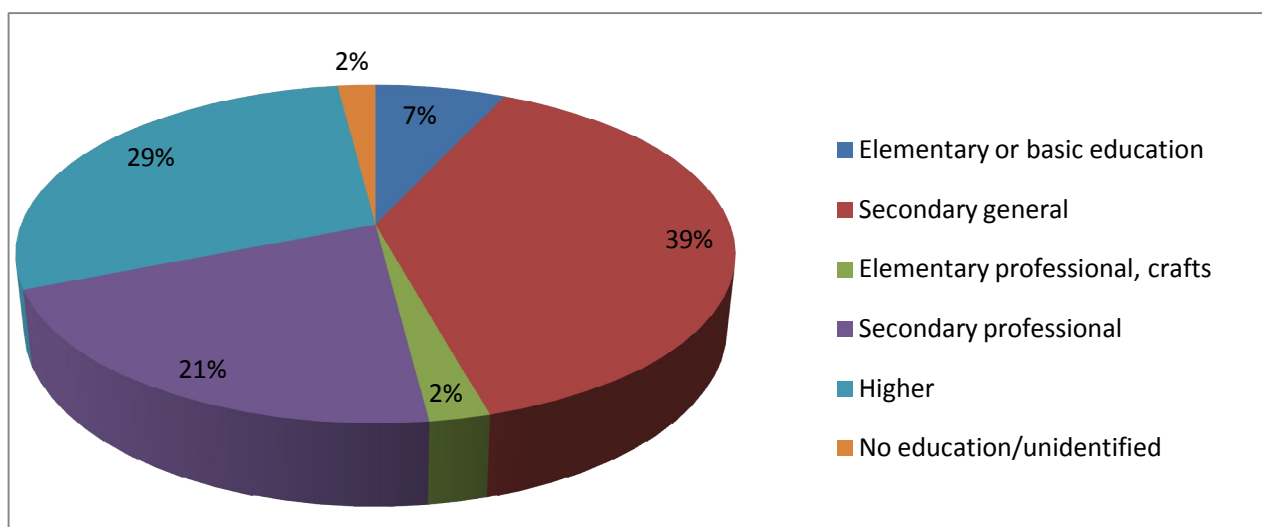
*Table #2: Number of pupils and students according to gender (2012/ 2013)<sup>5</sup>*

	Female	Male	Female	Male
<b>Number of Pupils</b>	Units		%	
In state secondary educational institutions	242 026	264 633	48	52
In private secondary educational institutions	23 465	29 291	44	56
In state professional and public colleges	2 282	3 526	39	61
<b>Number of Students</b>				
In state high educational institutions	45 225	34 784	57	43
In private high educational institutions	16 031	13 493	54	46

Despite the fact that demand on education and its availability is increasing under the influence of state programs and various initiatives, according to the official statistics, the highest indicator among the employed people is shown by people with secondary education.

The largest part of employed population (39%) has secondary education. People with higher education make only 29% of the employed population and people with secondary professional education – 21%.

*Diagram #2: Distribution of employed people according to the levels of their education (2012)<sup>6</sup>*



<sup>5</sup> Source: Ministry of Education and Healthcare of Georgia

<sup>6</sup> Source: National Statistics Office of Georgia

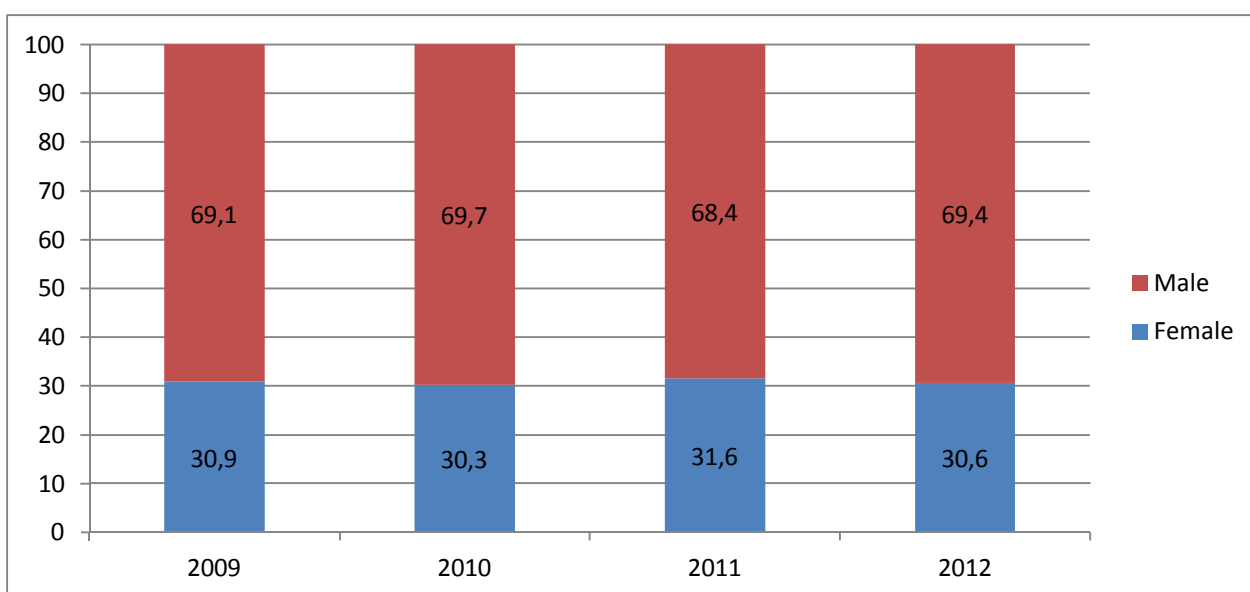


## Role of Women in Households

When evaluating economical education of women living in rural areas it is necessary to evaluate their role and opportunities in household. Various researches reveal that in rural areas basically men are heads of households.

In compliance with the report published by National Statistics Office of Georgia, in the period of years 2009-2012 men represented heads in about 69% of households and women – 13%. From this point of view the situation is a bit different in urban locations for the same period – men were heads of about 62% of households and women – 38%.

*Diagram #3: Distribution of households according the gender of their heads in rural areas in 2009 - 2012 (%)*<sup>7</sup>

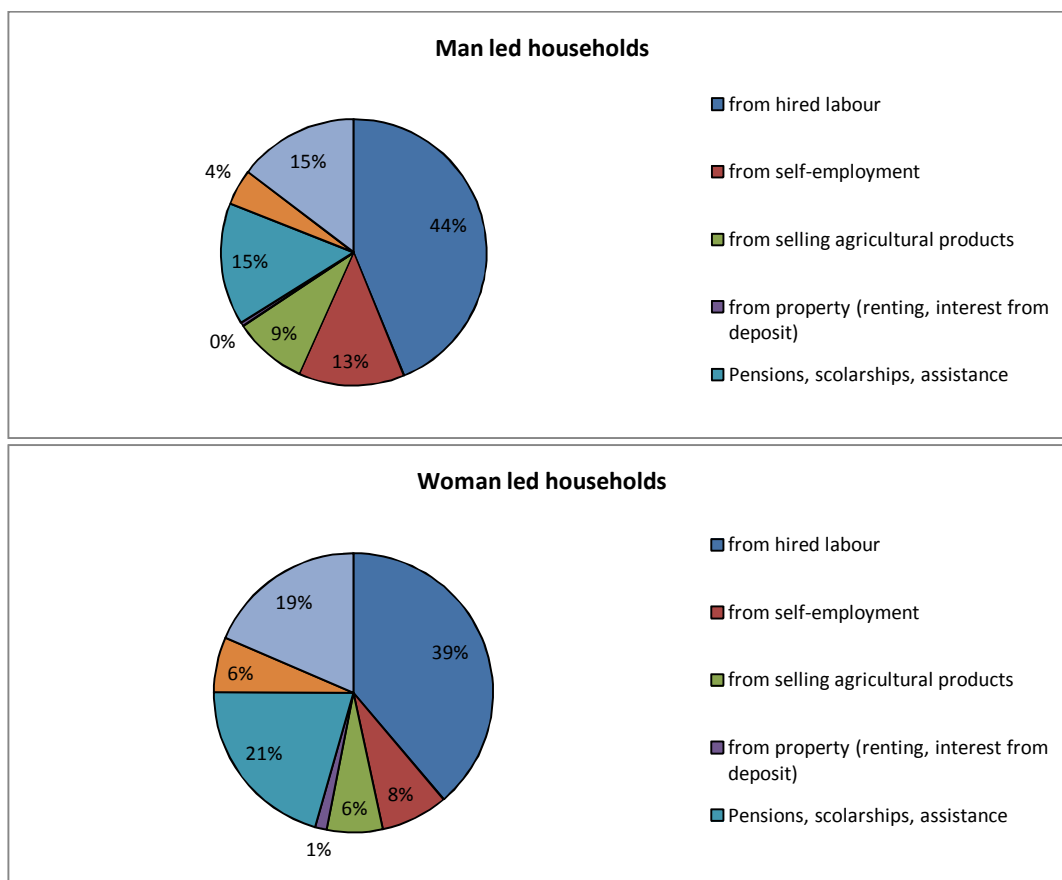


In 2012, in the households, with a woman as the head, incomes were less by about GEL 184, or 25%, than in the households, with a man as the head. It should be mentioned that difference is noticed as in monetary so non-monetary income sources. In the households where women are the heads, monetary revenues are less by 23% than in the households with a man as the head and non-monetary revenues are less by 36%. Though, in 2012, calculating revenues per capita, the households with a woman as the head have higher by GEL 1.5 income. This can be explained by the fact that number of household members in the case of a woman as a head is less than in households with a man as the head.

It should be mentioned that in 2012 per capita income of households with a woman as the head exceeded a bit per capita income of households with a man as the head.

<sup>7</sup> Source: National Statistics Office of Georgia, statistical publication 2013: Women and Men in Georgia

*Diagram #4: Distribution of average monthly monetary revenues and transfers per household according to the gender of the head of the household (2012)<sup>8</sup>*



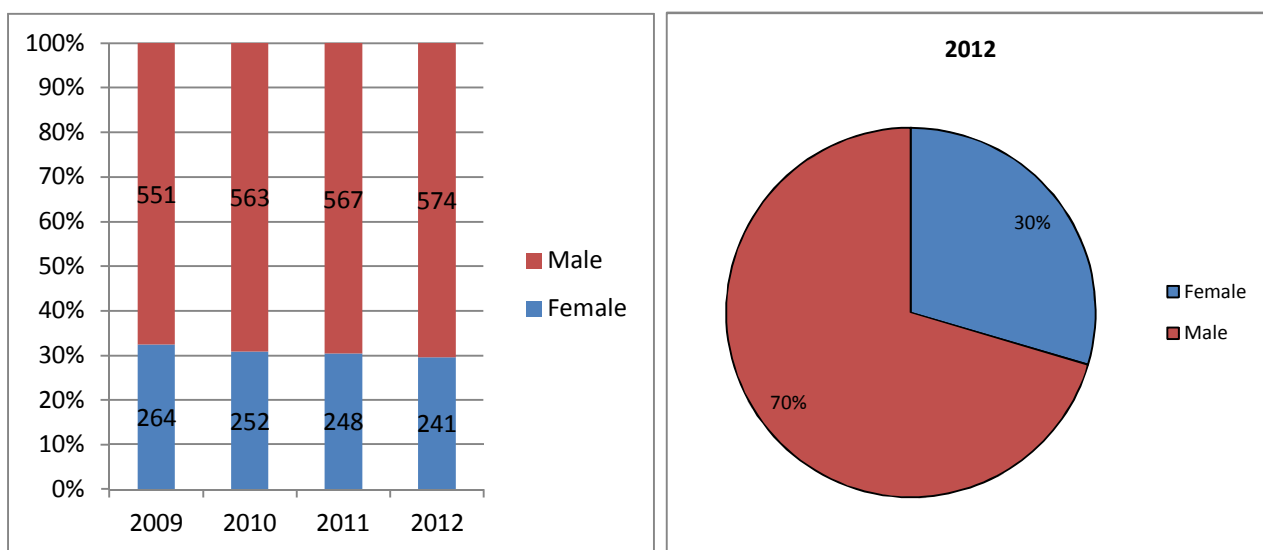
The structure of monetary revenues in 2012 differs from each other according to the gender of the head of household. The households headed by women were given more by 6% assistance and also more money as a gift – by 4%. It should be emphasized, that in the families headed by women monetary income from hired labour is less by 5%, from self-employment – by 5% and from selling agricultural products – by 3%. This shows that the families headed by women receive more assistance and are less economically independent or the revenues from economic activities are less in this case.

### **Involvement of Women in Agricultural Activities**

The majority of women living in rural areas are directly or indirectly involved in agricultural activities. Starting from the year 2009 the number of households is the same – 815 000. From 2009 it is noticed increasing of the number of male leaders for account of female leaders. In 2012 the number of female leaders of households equaled to 241 000 and male leaders – 574 000. According to the data for the year 2012, 70% among the leaders of the households was male and, correspondingly, 30% - female.

<sup>8</sup> Source: National Statistics Office of Georgia, statistical publication 2013: Women and Men in Georgia

**Diagram #5: Classification of households according to the gender of their heads or leaders<sup>9</sup>**



According to classification of households for the year 2012 number of female leaders under 25 was 900, in the age group of 26-39 – 8 700, in the age group of 40-59– 68 500 and over 60 – 162 800.

The analysis of household leaders from the gender point of view shows that the share of female leaders is the highest in the age group of over 60 and reaches 41%, when the same indicator in the age group of 26-39 is only 16%. Taking into consideration that lifetime of males in Georgia is nine times shorter than lifetime of females, perhaps, females are combining the functions of diseased male leaders and that is why the indicator of female leaders in the age group of over 60 is so high.<sup>10</sup>

We can definitely conclude that, especially in rural households, opportunities of women are not/cannot be realized, their role of household leaders is also quite limited. As a rule, they get this function if there is no male in the family. Thus, women's skills and opportunities need to be strengthened, their attitudes and perception should be also changed so that they are able to freely assume obligation of household leader and, also, the function of the head of their families.

In this direction, in the recommendations issued by CEDAW committee for the state, the issue of economical empowerment of women was emphasized and there was given a recommendation – the state should ensure for women living in rural areas adequate access to social, healthcare and other basic services, economic opportunities and equal conditions of participating in public and political life, especially, in decision-making in agricultural sphere.<sup>11</sup>

<sup>9</sup> Source: National Statistics Office of Georgia, statistical publication 2013: Women and Men in Georgia;

<sup>10</sup> Source: National Statistics Office of Georgia, statistical publication 2013: Women and Men in Georgia;

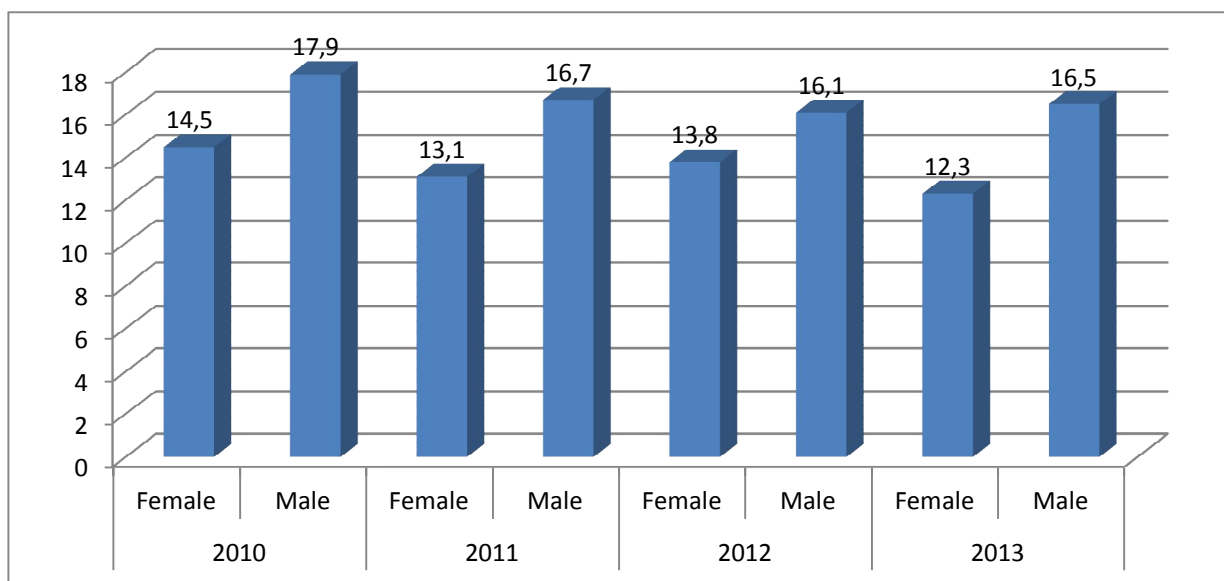
<sup>11</sup> Alternative report on the issues of women's rights and gender in Georgia (CEDAW); June, 2014;

## Employment of Women – Current Situation and Opportunities

### Employment and Unemployment

Unemployment is remaining to be the main social challenge faced by the state. Besides, unemployment of women is characterized by additional barriers and factors, such as cultural attitudes, traditional obligation of looking after children, difference in salaries, etc. The mentioned circumstances are complicating the employment opportunities in Georgia even more.

*Diagram #6: Unemployment rate<sup>12</sup>*



According to official data the unemployment indicator among women is relatively smaller than among men. Besides, the unemployment level indicator among female equaled to 12.3% in the year 2013, which, in comparison with the year 2010, is less by 2.2 points. The same indicator among male is also characterized by decreasing and it dropped down to 16.5% in the year 2013 (in 2010 unemployment among male equaled to 17.9%).

Though, distribution of population of the age of 15 and over according to economic activities is interesting as of the year 2012.

*Table #3: Employment and Unemployment<sup>13</sup>*

Distribution of women of the age of 15 and over according to economical activities (thousand)						
	2010		2011		2012	
	Female	Male	Female	Male	Female	Male
Total active population (labour force)	907.9	1037.1	915.6	1 043.6	947.7	1 081.4
Employed	776.7	851.4	795.3	868.9	816.9	907.2
Hired	300.2	318.3	297.9	334.1	303.0	359.6
Self-employed	475.6	531.5	493.2	532.2	509.7	544.3
not clear	0.8	1.6	4.3	2.5	4.2	3.2

<sup>12</sup> Source: National Statistics Office of Georgia;

<sup>13</sup> Source: National Statistics Office of Georgia;

Unemployed	131.2	185.6	120.3	174.8	130.8	174.2
Population out of labour force	728.1	355.3	725.3	320.6	703.4	301.8
<b>Unemployment level (%)</b>	<b>14.5</b>	<b>17.9</b>	<b>13.1</b>	16.7	13.8	16.1
<b>Activity level (%)</b>	<b>55.5</b>	<b>74.5</b>	<b>55.8</b>	76.5	57.4	78.2
<b>Employment level (%)</b>	<b>47.5</b>	<b>61.2</b>	<b>48.5</b>	63.7	49.5	65.6

In 2012 number of economically active women increased by 4.4% and men – by 4.3%. Number of employed women in 2012, in comparison with the year 2010, increased by 5.2% and men – by 6.5%. In 2012 women represented 47.4% of employed population and men - 52.6%.

When reviewing employment and unemployment indicator from gender point of view, it should be mentioned that in 2012, in comparison with the year 2011, the unemployment rate among men decreased by 0.6 percentage points, and among women – increased by 0.7 percentage points. Similarly, it should be mentioned that traditionally the unemployment rate among women is lower than among men. The basic reason is that the majority of unemployed women is housewives and, correspondingly, belongs to the category of inactive population. Besides, it should be emphasized that the labour of housewives is not reimbursed. The level of inactivity among women is twice as high as among men. In 2012 the level of inactivity among women equaled to 42.6% and among men – 21.8%. Thus, in comparison with men, women have low level of activity, so employment.

It should be mentioned that among women unemployment reaches the highest level among the age group of 15-24 and the same indicator among the age group of 45-54 exceeds 70%.

*Table #4: Distribution of women according to economical state and age groups (2012)<sup>14</sup>*

	<i>(thousand)</i>				
	15-24	25 -34	35 - 44	45 - 54	55 +
Total active population (labour force)	75,0	150,1	201,5	224,4	296,7
Employed	47,9	114,3	169,8	198,7	286,3
Hired	25,2	62,0	79,7	70,8	65,2
Self-employed	22,4	51,5	89,3	126,6	219,8
not clear	0,2	0,7	0,7	1,2	1,3
Unemployed	27,1	35,9	31,6	25,8	10,4
Population out of labour force	186,5	186,5	55,7	56,1	304,6
<b>Unemployment level (%)</b>	<b>36,2</b>	<b>23,9</b>	<b>15,7</b>	11,5	3,5
<b>Activity level (%)</b>	<b>28,7</b>	<b>59,9</b>	<b>78,3</b>	80,0	49,3
<b>Employment level (%)</b>	<b>18,3</b>	<b>45,6</b>	<b>66,0</b>	70,8	47,6

The largest share of employed people goes to those with secondary education. 39% of women and 41% of men have secondary education. The same indicator for the women with higher education is 29% and for men – 41%.

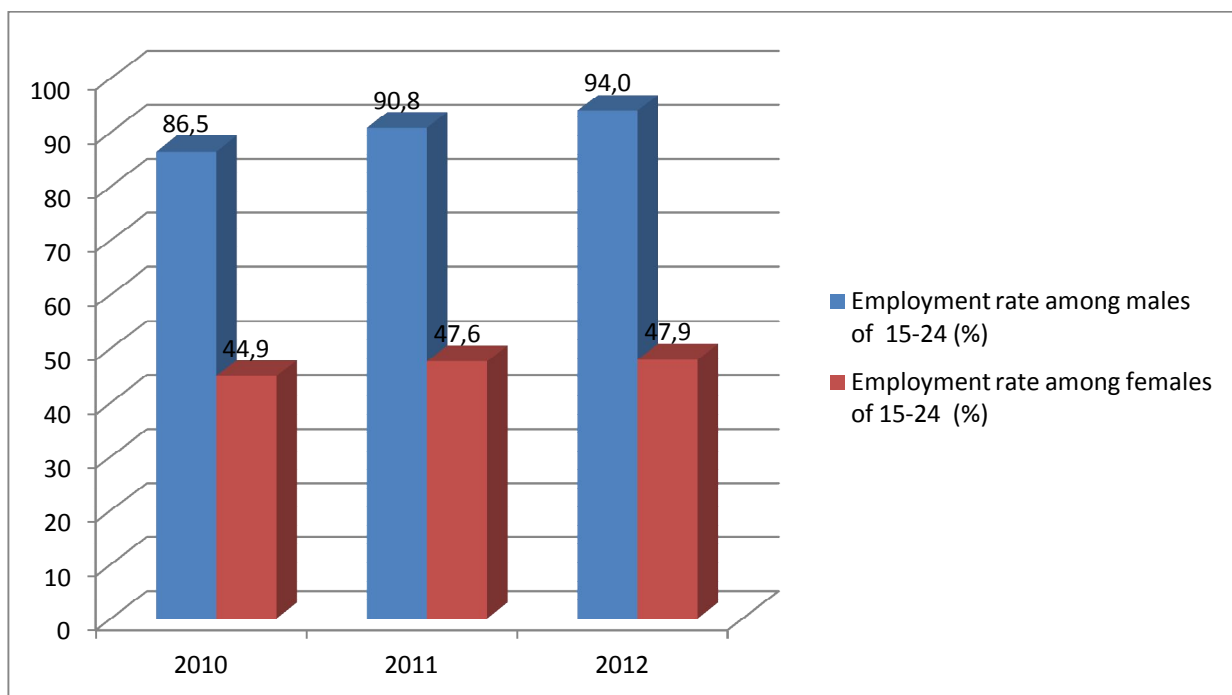
<sup>14</sup> Source: National Statistics Office of Georgia;

**Table #5: Distribution of employed population according to the level of education<sup>15</sup>**

	(thousand)					
	2010		2011		2012	
	Female	Male	Female	Male	Female	Male
Elementary or basic education	69,7	72,3	60,5	63,0	56,6	61,5
Secondary education	273,7	347,1	293,5	362,3	316,4	371,3
Elementary professional, crafts	25,1	50,0	18,1	48,4	19,0	52,9
Secondary professional education	169,4	128,9	174,9	138,8	171,4	153,3
Higher	231,1	248,5	174,9	248,0	237,1	259,7
without education/unidentified	7,6	4,5	17,7	8,3	16,3	8,5
<b>Total:</b>	<b>776,7</b>	<b>851,4</b>	<b>795,3</b>	<b>868,9</b>	<b>816,9</b>	<b>907,2</b>

The age group of 15-24 among women is the most sensitive in regard to employment when the employment indicator in the same age group of male shows the tendency of growing and in 2012 it reached 94%, it is almost unchanged for the women in 2010-2012 and fluctuates up to 48%.

**Diagram #7: Distribution of employed according to the age group of 15-24 (%)<sup>16</sup>**

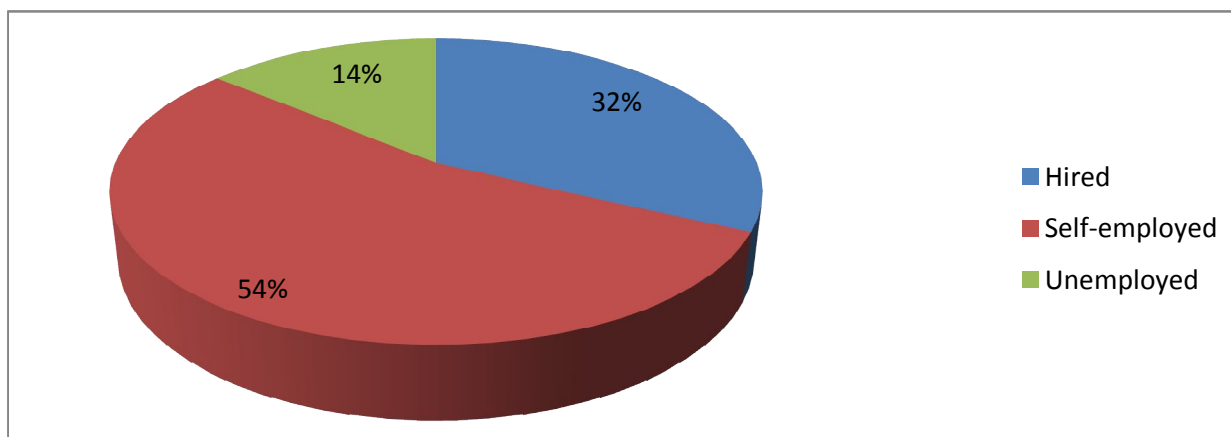


According to the data of the year 2012 the share of employed women in the age group of 15 and over among total number of women equals to 32%, number of self-employed people equals to 54% and number of unemployed people is 14%.

<sup>15</sup> Source: National Service of Statistics of Georgia;

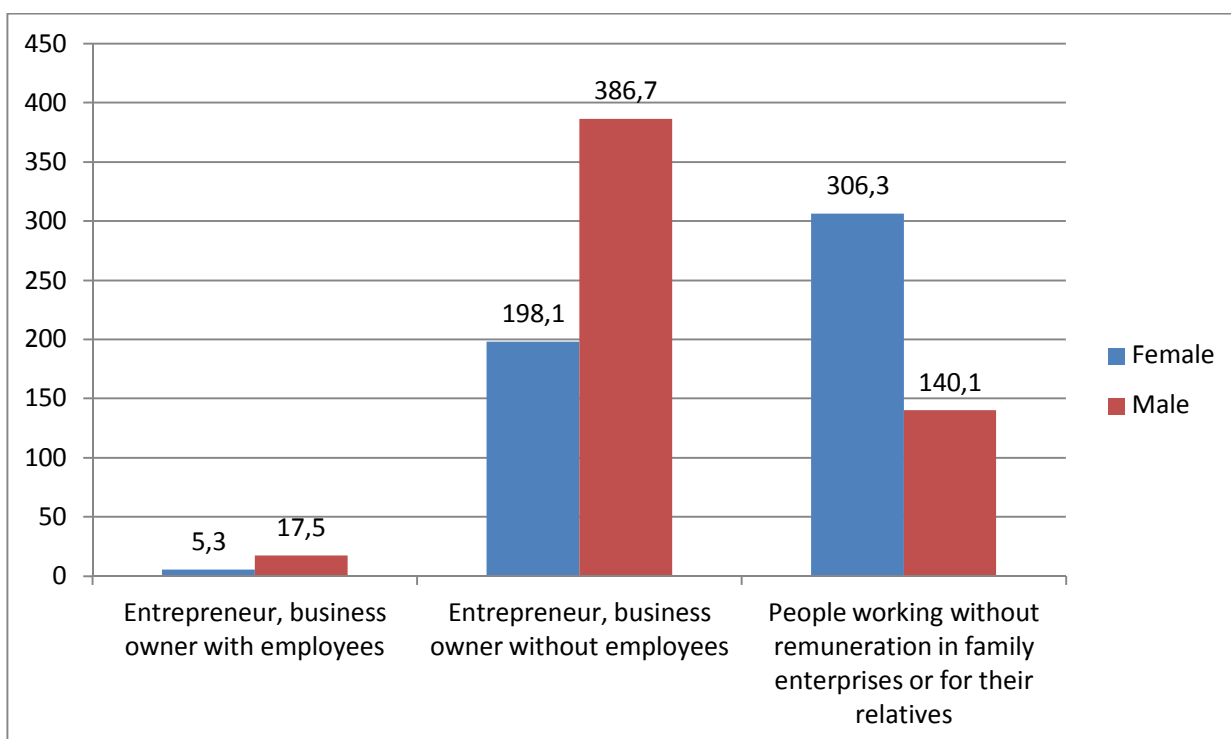
<sup>16</sup> Source: National Service of Statistics of Georgia;

**Diagram #8: Distribution of the women of the age group of 15 and over according to economical activity (%)<sup>17</sup>**



According to the data of the year 2012, 1% of self-employed women is entrepreneurs and has hired employees, 38.9% of them does not have hired employees, 60.1% works without any reimbursement in family enterprises or for their relatives. In the case of males these percentage indicators are correspondingly distributed in the following way: 3.2%, 71% and 25.7%. Relying on these data, we can conclude, that female, in comparison with male, are less engaged in their own business and they are more involved in unpaid voluntary activities. It is impossible to explain with several factors, for instance, women do not risk to start their own business, they combine the role and obligations of housewives and get involved into activities only during their free time. Women help elderly people in their families. Men represent heads in about 70% of families.<sup>18</sup>

**Diagram #9: Distribution of self-employed people according to the state of employed in 2012 (thousand)**



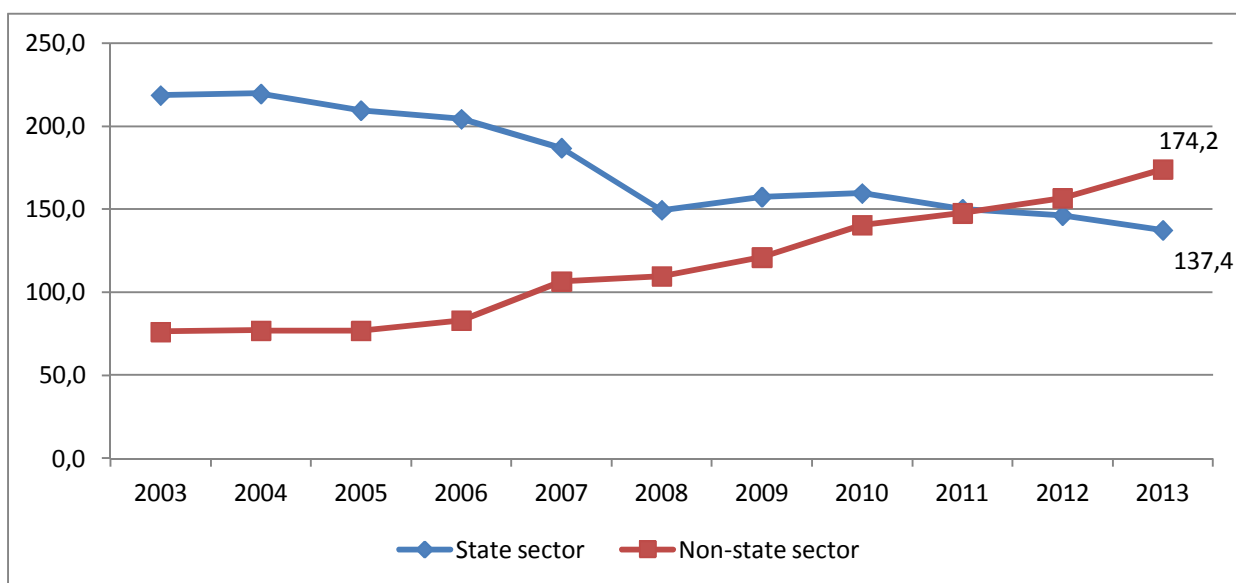
<sup>17</sup> Source: National Service of Statistics of Georgia;

<sup>18</sup> Source: National Statistics Office of Georgia, statistical publication 2013: Women and Men in Georgia

### Employment and Salaries in State and Non-State Sectors

44% of hired women work in public sector and 56%, correspondingly, work in private sector. At the same time, it is interesting, that up to the year 2011 the women were mostly employed in the state sector, though the number of the women employed in non-state sector was characterized with the tendency of increasing and, according to the date of the year 2013, more by 21% of women were employed in the mentioned sector.

*Diagram #10: Average number of women employed in state and non-state sectors (thousand)<sup>19</sup>*



It is especially difficult for women to get into the Parliament, legislative body of Georgia. During the last two decades the number of deputy women never exceeded 10% (in the Parliament of 1991, 1992, 1995, 1999, 2003 and 2008 (Supreme Council) the number of women equaled to 6.8%, 5.6%, 7%, 6.4%, 9.4% and 5%). At the moment, among 150 deputies there are 17 women, 11.3%.

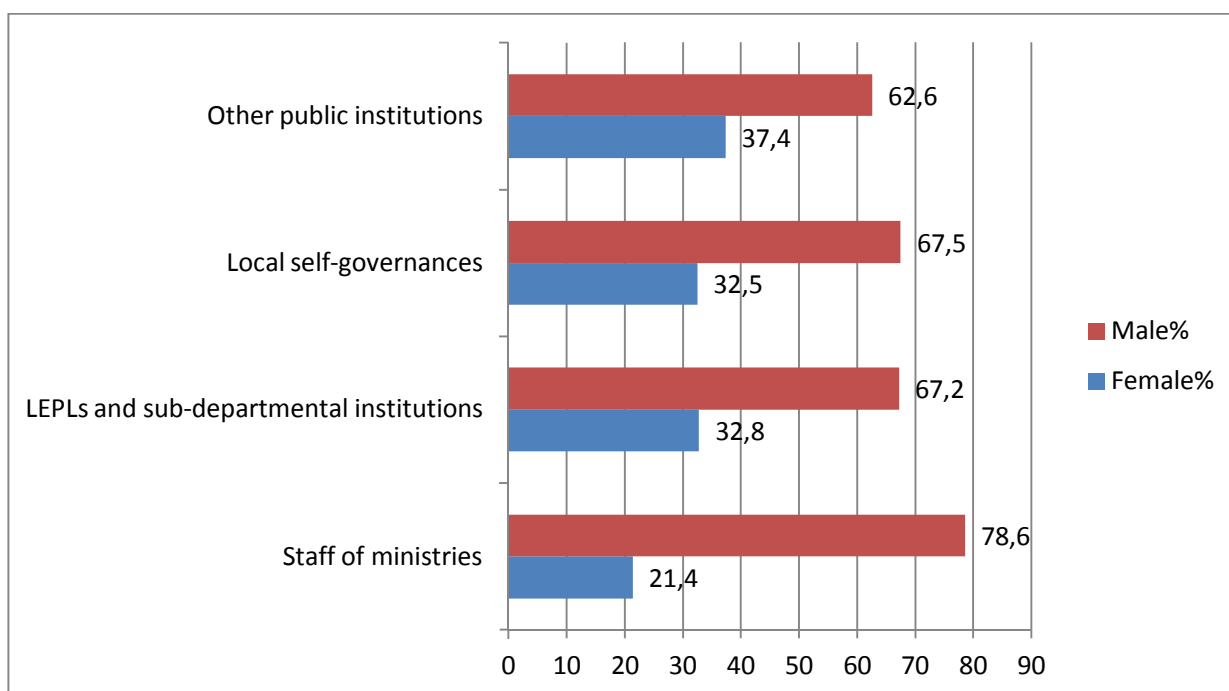
Notwithstanding certain progress achieved through legislative initiatives, the number of women was decreasing upon each election; after 14% fixed in local elections in the year 1998, percentage indicator of women decreased down to 12 % in 2002. In elections of October, 2006, out of 1750 elected people, there were just 195 women (11.14%). This indicator did not improve even in the course of local election of the year 2010 – women represented just 11% of the elected local authority. The situation has not changed even as the result of local self-governance elections of the year 2014. 71 Mayors and governors were elected through direct election, among them just one governor of a self-governing community is a woman. As to the members elected on the basis of proportional and majority systems, the share of women equals to 11.8%.

The number of women is also small in executive bodies. In 2012, out of 19 ministers, there were 5 women. In 2014 there are just 3 women ministers. Correspondingly, percentage indicator has decreased even more.

<sup>19</sup> Source: National Statistics Office of Georgia



*Diagram #11: Statistics of employed people according to their gender and types of institutions<sup>20</sup>*



Gender balance of employed people according to public institutions is different. 78.6% of employed in the central staff of ministries and state ministers are male. Though high percentage of male employed in such type of public institutions is still caused by great number of men employed in enforcement structures. Without enforcement structures, in the staffs of central and state ministries the majority – 56.5% is women. The situation is similar in legal entities of public law and sub-departmental institutions.

Generally, among employees of LEPLs and sub-departmental institutions 67.2% is male, though, less enforcement structures, the number of women is higher – 51.7%.

The situation is different in local self-governances (Mayor's office, Region Management). Despite the fact, that, resulting from specificity of their business, the mentioned institutions do not have enforcement structures, the number of male is significantly higher than the number of women. The indicator of employed men equals to 67.5%.

<sup>20</sup> Source: Institute for Development of Freedom (IDFI);

*Table #6: Statistics of people employed in the public sector according to their gender and types of institutions (2013)*

	Male		Female	
	Quantity	%	Quantity	%
<b>In the staffs of ministries and state ministers</b>	20199	78.6	5504	21.4
without enforcement structures	1451	43.5	18885	56.5
<b>LEPLs and sub-departmental institutions</b>	20583	67,2	10061	32.8
without enforcement structures	7938	48.3	8487	51.7
<b>Local self-governances</b>	7038	67.5	3383	32.5
<b>Other public institutions</b>	4859	62.6	2905	37.4
without enforcement structures	2066	44.1	2624	55.9

As the result of studying 169 public institutions to get information of employees occupying managerial positions (head of department and upper positions) in public institutions of Georgia, it was revealed that 9 250 people are occupying managerial positions majority of which are men. The number of male occupying managerial positions equals to 7 245 and women - 2005.<sup>21</sup>

In 2014, the organizations working on women rights, sent their report to CEDAW committee. The report was mentioning low level of involvement of women into as economical so political spheres. In the recommendations of CEDAW to the state it is mentioned that the state should ensure full and equal participation of women in political and public life, especially on high and decision-making levels, including, local legislative bodies. It is especially recommended to the state to introduce mandatory quotas for political parties to significantly increase representation of women as in central so local legislative bodies. Besides, the committee recommends the state to involve women in implementation of action plans and policy which aim to conflict resolution and promotion of participation of women in high level meetings<sup>22</sup>.

According to the data of the year 2012, the business sector employs 504 400 people, 38% of them are women and, correspondingly, 62% are men. 57,5% of women engaged in business sector goes to Tbilisi and the lowest share is noticed in Guria, Racha-Lechkhumi and Kvemo Svaneti regions. Tbilisi, Ajara, Mtskheta-Mtianeti and Kvemo Kartli regions are distinguished with high level of labour reimbursement. Reimbursement of labour of employed women equals to GEL 672,4 in Tbilisi, GEL 423,3 in Adjara, GEL 345,7 in Mtskheta-Mtianeti and GEL 362,9 in Kvemo Kartli region. Reimbursement of labour of employed men in the same regions correspondingly equals to GEL 1098,5; 777,4; 821,6 and 823,6.

<sup>21</sup> *Source:* "Public Attitude to Gender Equality in Policy and Business". Report of the research in the framework of "Supporting Gender Equality in Georgia", UN joint program, Tbilisi, 2013

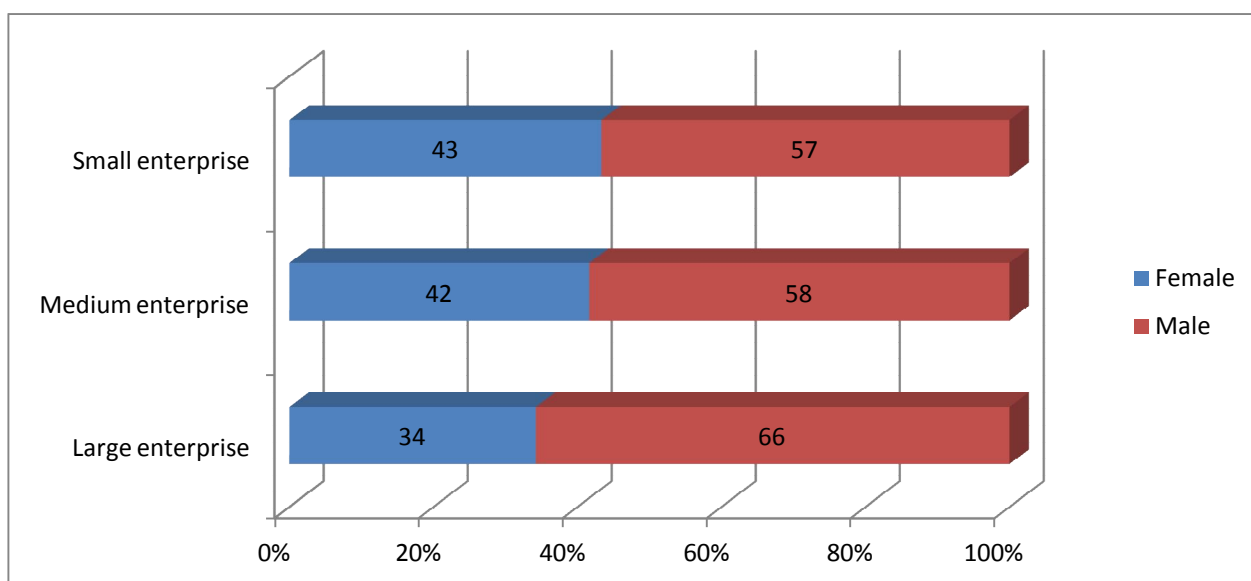
<sup>22</sup> "Alternative Report on the Issues of Women's Rights and Gender in Georgia (CEDAW)" – prepared by 13 NGOs working in the sphere of women's rights and gender and 2 networks of women; Georgia, June 2014;

**Table #7: Number of people engaged in business sector and average monthly reimbursement according to regions<sup>23</sup>**

	Number of employed people, thousand		Average monthly remuneration of labour, GEL	
	Female	Male	Female	Male
Georgia	191,2	313,2	523,4	915,8
Tbilisi	110,0	177,4	672,4	1098,5
Ajara autonomous republic	14,6	23,4	423,3	777,4
Guria	1,7	2,8	229,0	462,5
Imereti	16,7	28,2	301,1	603,5
Kakheti	7,2	12,2	252,5	546,9
Mtskheta-Mtianeti	3,3	5,0	345,7	821,6
Racha-Lechkhumi and Kvemo Kartli	1,0	1,9	197,9	520,0
Samegrelo-Zemo Svaneti	11,9	19,0	270,1	605,2
Samtskhe-Javakheti	4,4	6,5	241,0	566,7
Kvemo Kartli	12,6	24,1	362,9	823,6
Shida Kartli	7,6	11,9	225,4	491,6

Only 34% of employees at large enterprises are women. Despite the fact that more than the half of the women engaged in business sector goes to enterprises. 43% and 42% are women, respectively, at small and medium enterprises.

**Diagram #12: Weight of engaged in business sector according to the enterprise size**



<sup>23</sup> Source: National Service of Statistics of Georgia

Presumably, the mentioned proportions are resulting from the fact that in Georgia large enterprises in such spheres (as transport, heavy industry, etc.) are functioning, where, basically, so called manly professions are needed. But it should be mentioned that women have the highest average monthly labour remuneration in large enterprises and it equals to GEL 687,5, when the same indicator for small enterprises equals to GEL 281,5.

The highest difference between average monthly labour reimbursement for women and men can be noticed in small enterprises. Men in such enterprises have relatively low remunerations GEL 569,3, though more by 102% in comparison with women. In large enterprises the men's remuneration is more by 56% of women's salaries and in medium – by 78%.

**Table #8: Number of engaged in business sector and average monthly labour remuneration according to the size of enterprises (2012)**

	Number of employees, thousand		Average monthly labour remuneration, GEL	
	Female	Male	Female	Male
<b>Georgia</b>	<b>191,2</b>	<b>313,2</b>	<b>523,4</b>	<b>915,8</b>
Large enterprise	97,8	187,8	687,5	1072
Medium enterprise	34,2	47,9	437,6	776,9
Small enterprise	59,3	77,5	281,5	569,3

As the result of analyses made according to the types of activities it can be seen that, generally, average monthly remuneration in financial business is GEL 1402,3, then comes state governance – GEL 1031,2 and generation and distribution of power, gas and water – GEL 919. The lowest remuneration can be found in educational (GEL 355,1) sphere and spheres of hotels and restaurants (GEL 397,5). It should be mentioned that in this sphere, as a rule, women are represented more actively.

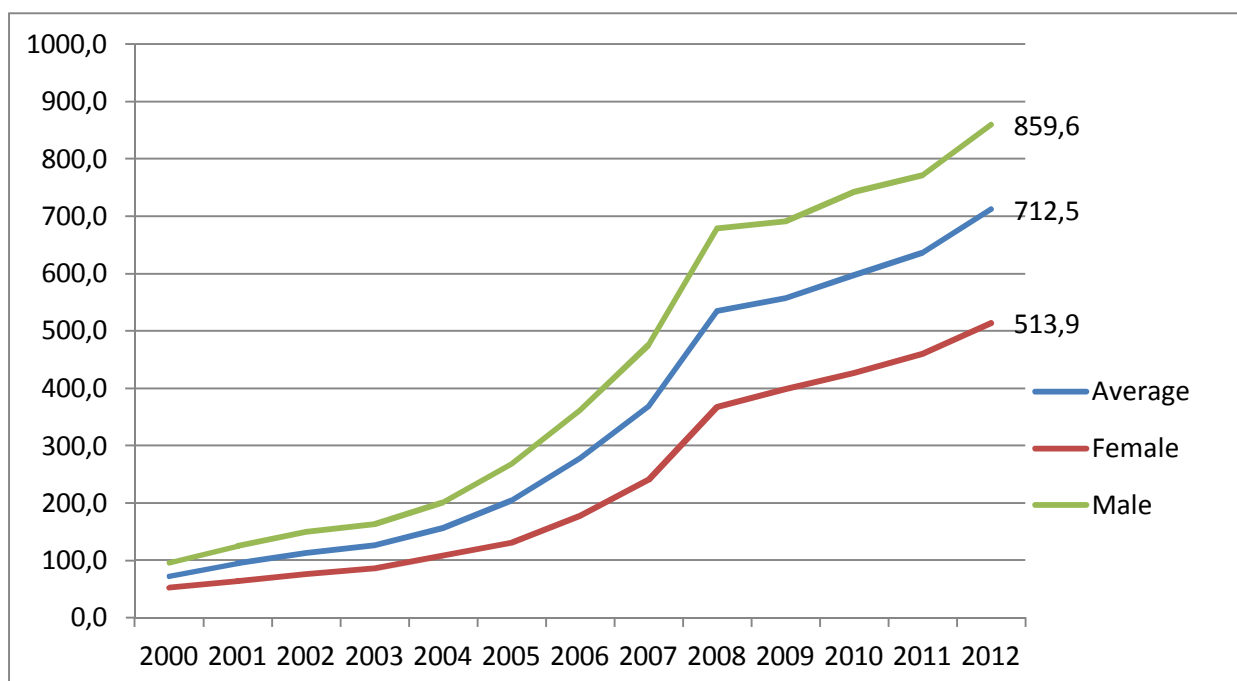
Generally, in 2012 women's average monthly salary constituted GEL 517,9, which is less by 27% than the average annual indicator and by 40% than remuneration of men. On the basis of various statistical data and experts' analyses we can conclude that the following is the basic causing factor – women are less engaged in governing and, correspondingly, on highly paid positions. Besides, it should be considered that women are more actively engaged in such spheres, where, as it can be seen from the table given above, average remuneration is low, among them, education, healthcare, other spheres of service.

**Table #9: Average monthly salary of employed people according to the types of activities and gender (2012)**

Name	Total	Female	Male
Total	<b>712,5</b>	<b>517,9</b>	<b>859,6</b>
Agriculture, hunting and forestry	424,6	375,7	438,7
Fishery, fishing	388,9	154,0	414,2
Mining industry	874,5	574,7	910,5
Processing industry	623,0	438,5	706,0
Power, gas and water production and distribution	919,9	892,7	926,0
Construction	890,8	611,5	908,3
Trade; Repairing of automobiles, domestic utensils and items of personal application and personal belongings	650,0	478,7	791,1
Hotels and restaurants	397,5	342,2	497,9
Transport and communication	943,4	759,1	1002,6
Financial activities	1402,3	1153,8	1777,2
Operations on immovable property, rent and rendering service to a consumer	843,5	655,4	929,3
State management	1031,2	944,2	1062,6
Education	355,1	331,7	434,4
Healthcare and social assistance	599,5	515,3	796,1
Rendering utility, social and personal service	602,1	481,2	713,6

Significant difference between male and female salaries can be noticed worldwide. Eurostat measures this phenomenon with Gender Pay Gap (GPG). This indicator represents difference between female and male average hourly salaries divided by average hourly salary of a male. According to their own data, in 2011 women were paid less by 16.2% per hour than men. The difference is changing from country to country: the lowest indicator was in Slovenia (2.3%), the highest was found in Estonia (27.3%). The World Bank Development Report on Gender Equality on 64 developing countries introduces data and concludes that a woman's salary, in average, is less by 8 to 48% than a man's. This difference is even larger in low income countries. In Georgia, in 2012, women's remuneration in comparison with men's was less by 40%. Such high difference is "stably" maintained during the recent 12 years.

Diagram #13: Average monthly normal salary of employed people (2000-2012)



As it can be seen from the data, the situation with women, as from the point of view of employment so from the point of view of remuneration, is not favourable in Georgia. When analyzing the mentioned issue it is necessary to take into consideration also cultural factors and population's attitudes and, correspondently, to take adequate measures and implement various initiatives to reduce such gap between the female and male indicators.

Resulting from all mentioned above, it is necessary to analyze the population's attitude to be able to plan correctly this or that initiative/state program from the point of view of economical empowerment of women. It is interesting that, on the one hand, the CEDAW fulfillment research in Georgia (Zardiashvili *et al.*, 2011) shows that 60% of the population of Georgia thinks that women should be more actively involved in the sphere of economic.<sup>24</sup>

Traditional attitudes of the society make significant barriers for empowerment of employment and professional development related opportunities of women. Clear examples of the above are given in report on Public Attitudes towards Gender Equality in Policy and Business. The research shows that functions and obligations of a woman and man are quite traditional. The Georgian society is characterized with certain family hierarchy and subordination among family members, which rely on stereotype, traditional and, quite often, patriarchal ideas. One of such ideas, which can be assumed to be fundamental for Georgian families, concerns a man's, as a basic breadwinner's role. It is thought that a man should be a head of the family and he should take care of the family welfare from financial point of view. The fact that a masculine domination is assumed to be priority in the family, is confirmed by the population, the majority of which thinks that **in ideal case a man should be a breadwinner in the family (88%)**, when just 1% of the population thinks that this function should be combined by a woman. 11% thinks that a man and woman should be equally contributing to the

<sup>24</sup> Source: Zardiashvili, Javakhishvili, Delemenchuk, Abramishvili, Kurava-Sharvashidze (2011). Convention on liquidation of all forms of women discrimination, CEDAW fulfillment research in Georgia, part one, Tbilisi

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family welfare. It should be mentioned that in relation to the mentioned issue there is no difference between rural and urban type settlements. 86% of urban population and 90% of rural type settlements think that a man should be a breadwinner in the family. Though it is interesting that, when evaluating the reality, interviewees say the situation in Georgian family differs from the ideal – 34% of the research participants think that a breadwinner in Georgian families is a woman today.

In Georgia the family is the exclusive sphere where a woman should become self-realized as the result of combining the roles of a housewife and mother. The importance of a family for a woman is revealing, first of all, in the idea expressed by the majority (61%) that **a woman should be mostly engaged in childcare and looking after home and not in professional promotion**. This idea is mostly expressed by men – 72% than women – 52%. Quite large part of interviewees (92%) share the idea that **taking care of a family is the most important role of women**. 91% of the women and 92% of men agree partially or fully to the above. At the same time the research shows that 79% of interviewees stick to the idea that **that a woman is thought highly for her family than the success in her profession**. The majority of the interviewee (66%) agree with the provision, that **it is always better when a man works and a woman is at home**. And in this case, more men (73%) than women (61%) agree to this idea. The majority of interviewees (72%) think that **the man is to work and provide the family with income and a woman is to take care of the home and family**. This idea is acceptable for 66% of women and 80% of men. As it is shown by the results of the research, **Georgian traditional perceptions and habits exhibit Georgian woman as an obedient wife, housewife and mother**. A woman's job and career is thought to have less importance. The idea is that full realization of a woman is possible only after creating her family and combining the roles of a wife and mother, when in the case of a man the career and family are either equally important or the career weighs more. Correspondingly, on a social level, a woman is required to obey a man, behave in compliance with his wish and move her own wishes and needs aside. Such perceptions, generally, are characteristic for man dominated, patriarchal societies and Georgia is thought to be such society.<sup>25</sup>

Correspondingly, for increasing of employment among women, their economical empowerment, efficiency of measures and programs to be implemented, pure economical initiatives cannot be enough. It is necessary to improve self-appraisal among women, confidence in their own opportunities. The challenges are even difficult related to elimination of stereotypes and bad traditional dependence. For empowerment of women's opportunities and their perfect realization women should show their initiative.

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<sup>25</sup>Source: "Social attitudes towards gender equality in policy and business". Prepared by ACT in the framework of UN joint program "For promoting gender equality in Georgia, Tbilisi, 2013.

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## Entrepreneurial Opportunities of Women

### Index of Women's Economical Opportunities

Realization of available entrepreneurial opportunities creates the perspective of economical development of the country and, correspondingly, decreasing of poverty. At the same time, economical empowerment of women will additionally allow to decrease discrimination of women and their full involvement, as of economically active power.

Generally, the business environment is very favourable in Georgia. Moreover, as the result of reforms carried out during recent years, commencement of entrepreneurial business is extremely simplified. Besides, the number of licenses and permits is significantly reduced, the taxes are also very low in comparison with other countries. From the point of pure legislative view the business environment of Georgia is faultless and does not include any significant discriminative regulations against women. It should be mentioned that the changes introduced to Labour Code of Georgia can be understood as positive, where, together with other novelties, the number of the days of maternity leave and amount of remuneration have been changed. Women's Information Centre took active part in preparing a draft-law on the above. Despite positive changes, absence of a term "equal labour" is still a problem, which means that the Code does not recognize the principle of equal payment for equal labour. The mentioned circumstance frequently puts women in discriminatory situation.<sup>26</sup>

In order to show the prospect for evaluation of women's entrepreneurial opportunities and their enhancement it is necessary to reveal the categories and factors, which generate entrepreneurial environment in reality.

Global index of women's economic opportunities is measuring economic activities of women. For the first time the index was published in the year 2010 as the result of cooperation between the analysts team of The Economist and World Bank Gender Program. The index is evaluating the women's economic opportunities according to 5 major components – labour policy and practice; availability of finances; education and professional training; women's legal and social state and general business environment. These components, in their turn, involve more detailed indicators. The indicators measure the level of discrimination as the result of various reasons, including, pension age, choosing the type of job, obtaining bank credit, secondary education, etc. According the appraisal of The Economist all these factors have great impact on formation of a labour market and effectiveness.

The Economist published the index of women's economical opportunities for the year 2012. The index of Georgia is higher than average index for the world and region as well. According to the research, women play important role in economic growth. The fact that the women, together with men, are more actively involved in economic life, is positively reflected on GDP growth. According to the research data, in Europe, starting from the year 1995, 25% of annual growth refers to increased economical activity of women. Georgia is the 59<sup>th</sup> among 128 countries and was granted 54,5 points out of 100 possible. If a country wants to occupy high position in the rating, it should equally provide employment, availability of finance, education and professional training for women. Besides, a woman's legal and social state and business environment are equally important in the society.

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<sup>26</sup> CEDAW "Conclusive comments on the fourth and fifth joint periodical reports" – 2014;



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According to the index all these conditions are met in Georgia better than in its neighbour countries – Armenia, Azerbaijan, Russia and Turkey.

Georgia occupies the 18<sup>th</sup> position in the region of Europe and Central Asia. According to research evaluation, ensuring of equal opportunities on legal level for women is gradually improving in Eastern Europe and Central Asia. For instance, in the majority of countries there are the laws prohibiting discrimination in the sphere of employment, ownership right, healthcare, etc. Though, enforcement of the laws and their control is still a problem. From the point of view of legislation and its enforcement Georgia is ahead of its direct neighbours.

According to The Economist's index for the year 2012, globally, women are more active in average economically than in previous year. Their education is a problematic sphere, especially, in poor countries, where some of them have legal restrictions and cultural norms are hindering education of women and, correspondingly, their economic activities.

In the index of Women Economic Opportunities for the year 2012 the following countries belong to the top group: Sweden, Norway and Finland. Their advanced positions are caused by high indicator of employment, duration of secondary education and high indicator of general business environment.

Despite the fact that all the countries occupying the first ten positions of the rating are in the group of countries with high incomes – the income per capita in this group equals to USD 11.909 and more – though, high level of incomes does not directly establish the state of women in the country. According to the research, Georgia belongs to the countries with incomes lower than average. Income per capita of this group equals to USD 976-3.555 and Georgia occupies the 5<sup>th</sup> position in the group, though, in general rating, Georgia is more advanced than Russia and Turkey with their incomes higher than average.

The mentioned index gives just a general picture of business environment and opportunities for women in a country. To improve the situation in the country really and, correspondingly, optimum application of opportunities, it is necessary take measures in concrete direction and implement initiatives.

To analyze the above mentioned, the best way is to review the situation and needs current in the country according to important categories.

### **Labour Policy and Practice**

Despite the fact that the role of women is not discriminated on the legislative level, for instance, there are no positions which legally can be occupied only by men, in compliance with internal regulation men and women on similar positions do not get different salaries, the practice is quite different. Women, in average, are paid less by 40% than men. At the same time, managerial and, correspondingly, higher positions are occupied mostly by men. According to various qualitative researches and experts' opinion, in equal conditions men have more chances for promotion than women.

The obligation of childcare also limits a woman in choosing the job. In this direction it is necessary to increase availability of pre-school care institutions, especially in regions. According to National Report for the year 2014 of Millennium Development Challenges, pre-school education is available

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for 46% of children. Besides, any initiative concerning childcare issues (different educational groups, Sunday schools, “extended-day” schools, etc.) will significantly release the women’s time and they will have the opportunity to become more active on labour market.

From the point of view of activation of women in labour market, the state can establish certain stimulators for private sector in the direction of women employment. Besides, the internal regulations can define “quotas” on the number of women employed in public sector.

At the same time, it will be effective if various economic programs (initiated by the state and international sector) especially emphasize involvement and employment of woman.

Increasing of women activity in labour market is possible through certain legislative initiatives and, also, special programs coming into effect.

### Availability of Finances

When evaluating economic empowerment and entrepreneurial opportunities of women, availability of finances is one of the most important factors. The mentioned component is a significant precondition for starting and development of entrepreneurial business not only for women. Particularly, availability of finances promotes appearing of new companies in the market, creation of competitive business environment, demand on new workforce and decreasing of the unemployment level, which are first priorities for our country.

Obtaining of amounts from finance institutions and various financing sources in Georgia is serious complication for a person wishing to start his own business. From the point of view of pure procedure, taking of credit in banks and micro-finance institutions has become simpler, though, when evaluating availability of credits in such cases, high interest and complexity of securing (with property and income) the credit becomes evident.

**The financial market is limited for such entrepreneurs which do not have or have “spoiled” credit history and have insignificant additional guarantees.** In developing countries, such as Georgia, the majority of such entrepreneurs is women.<sup>27</sup>

In Georgia, as in other countries, women, basically, represent micro and small businesses and, as a rule, often face financial difficulties. They need to get more financing, though for a woman entrepreneur it is related to additional difficulties. Resulting from the fact that, as a rule, immovable property is registered under the name of the head of the family and their basic part, especially in rural areas, (69,4%) is represented by men, it becomes difficult for women to secure credit with property, at least, without permission given by a man.

At the same time, the families, where women are heads of households and decision-makers, as the research has shown, almost do not have independent and stable income source which makes it even more complicated for them to obtain credit with high interest or/and possibility of paying.

**Increasing availability of finance is important as for increasing women employment opportunities, so for development of women’s businesses.** In such a way women will be not only employed, but given

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<sup>27</sup> Source: “Empowerment Access to Finance for Women-Owned SMEs in Developing Countries” GPFI, IFC, October, 2011

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opportunity to get independent income through self-employment and initiating small business will be significantly increased.

Increasing of availability of finance for women-entrepreneurs will not be less favourable and beneficial for finance institutions as they are also trying to attract consumers and increase income, which can be achieved through offering favourable conditions to women-entrepreneurs.

In the financial institutions of the world, which have developed special approaches for women-entrepreneurs, there is noticed increasing of the number of women. The experience of such organization as Global Bank Alliance for Women, Consortium of Financial Institutes, having obligation of servicing women segment, shows that providing bank service to women is profitable and sustainable for financial institute.

The barriers which business owner women are facing in the process of looking for financing, are disproportionally high. Financial institutions see the businesses headed by women as less viable and related to higher risk.<sup>28</sup>

In developing countries, such as Georgia, in the process of constant struggling with obstacles, women-entrepreneurs are basically aiming at small, low growing tempo business directions which often are not able to function normally.

**Women-entrepreneurs represent the segment neglected by financial institutions.** It is reviewed as less sustainable from financial point of view and often, due to this reason, they are getting high interest rate. And this is a causative factor. From the other hand, obstacles for getting financing in basic bank sector represents the cause of low tempo of growing of women led businesses and this growing is prevented by low financial opportunities.<sup>29</sup>

In Georgia the state is implementing various programs to support business development. **Though, none of them is specifically considering supporting women-entrepreneurs from the point of view of increasing availability of finance for them.**

*Program – “Produce in Georgia”* – in June 2014 the Ministry of Economic and Sustainable Development of Georgia and Ministry of Agriculture jointly commenced new governmental program “Produce in Georgia”, aimed at further development and encouragement of production.

The program is aimed to development of entrepreneurship in Georgia, supporting entrepreneur-subjects, promoting establishment of new enterprises, at the same time, increasing of private sector competitiveness and export potential through simplification of availability of finances, immovable property and modern technologies and rendering consulting services. From June 2, 2014, entrepreneurs are given opportunity to appeal to banks for credits.

*Project – “Favourable Agrocredit”* is initiated by the Ministry of Agriculture of Georgia and it has been implemented by the Agriculture Project Management Agency since March 27, 2013.

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<sup>28</sup> Source: “Empowerment Access to Finance for Women-Owned SMEs in Developing Countries” GPFI, IFC, October, 2011

<sup>29</sup> Source: “Empowerment Access to Finance for Women-Owned SMEs in Developing Countries” GPFI, IFC, October, 2011

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The project aims at improving primary production, processing and storage-realization industrial processes in agriculture through providing farmers and entrepreneurs involved in agricultural business with cheap, long-term and available monetary means.

In the framework of project “Favourable Agrocredit” agrocredits are allocated by commercial banks and finance institutions involved in the project in compliance with the conditions defined by Agriculture Project Management Agency. The Agriculture Project Management Agency does not participate in processing of application on and allocation of credit.

We can assume that the above mentioned programs and all the above factors will be basically used by men as the finance institutions, even in the framework of state programs, are independently appraising business risk and making decisions on allocation of financing.

It is unfair to miss mentioning of the projects and programs implemented by international organizations, such as USAID, European Commission, UN, etc. aiming at economical empowerment of women and financial and technical support of women-entrepreneurs. It should be mentioned that effectively coordinated implementation and integration of systemic approaches into the state policy would have been better, as all implemented programs or projects are limited in time, areal and finances and for sustainable improvement of the situation it is necessary to develop a long-term and modern system.

For this reason it is necessary to have coordinated work and implementation of several initiatives by, on the one hand, state structures, international organizations, NGOs and, on the other hand, by commercial banks and micro-finance organizations.

Finance institutions should play significant role in increasing availability of finances for women and develop twice as favourable products for women segment considering their specific requirements and needs in Georgia. It should be mentioned that for commercial banks in developing countries it is difficult to allocate for small entrepreneurs and, correspondingly, women-entrepreneurs credits, as these banks are functioning on the basis of relatively limited monetary resources. Despite such difficulties, developing of specific products adjusted to needs of women-entrepreneurs, considering social and cultural context, will be profitable for them.

The above conclusions and finding prove that policy-makers in Georgia should establish favourable business environment for women-entrepreneurs through increasing availability of finance for them, developing programs and gender related initiatives adjusted to the specificity of the country and its social-economic needs.

*For instance:*

- invest (state finances or international grants) in commercial banks, enabling them to allocate more and favourable credits to women-entrepreneurs;
- carry out researches and find evidences justifying that profit and sustainability of finance institutions will increase through assimilation of women-entrepreneurs segment and introducing products adjusted to their specific needs;

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- intensive working with women-beneficiaries and improving their opportunities to enable them understand the banking system better and develop their own skills for financial management to make their segment more attractive for finance institutions.

## Education and Professional Training

It is natural that availability of education and improvement of skills have great impact on involvement of women in the business sector. Generally, on legislative level, girls and boys have equal opportunity in getting education. Official statistics reveals that the largest share of employed people belongs to people with secondary education. Despite the fact that, in compliance with the legislation of Georgia, marriage of teenagers under 16 is prohibited, there are people justifying marriages in the age of 13-14 by poor social situation. As it was declared by Ucha Nanuashvili, the ombudsman, in one of his interview: “The indicator of early marriages can be defined also by the number of teenagers who are not able to finish public schools during a year – it is about 7 300 – and the reason of this is either early marriage or early childbirth.” And it is natural that this category of girls cannot get sufficient education and realize their own capabilities in future. Problem of early marriage, especially, in the communities of ethnic minorities, is emphasized in the alternative report submitted by the organizations working on women’s rights. In the recommendations given to the state the Committee mentions that the state should study the quantity and outcomes of early marriages, take necessary measures to prevent early marriages in all groups of ethnic minorities; to provide target society, parents, religious leaders with information and improve their understanding of negative impact of early marriages on girls, especially, on their health and development, promote attending of classes, especially at secondary schools, by the girls, members of groups of ethnic minorities and take measures to eliminate the barriers, hindering them in access to education, such as, for instance, early marriage.<sup>30</sup>

Interesting evaluations from the point of view of getting school education by girls were represented by Millennium Challenge Fund – Georgia. The results of “researching barriers for participation in science, technology, engineering and mathematics (STEM) education programs and professions and labour market requirements” carried out in 2013 showed that “in the process of obtaining education, which is starting from school, academic success and achievements in STEM of girl is, minimum, equal to achievements of boys and even goes ahead in many cases. Though, finally, in comparison with boys, fewer girls are continuing their careers in STEM professions. The investigation revealed that the girls give lower evaluation to their own capabilities in STEM subjects, than boys. Besides, students of professional colleges and institutions of higher education note that families still have large influence in choosing their professions.

It is necessary to define practical ways for family, school and society to establish in required spheres favourable environment for destroying negative stereotypes of women’s capabilities. It becomes necessary to promote motivation of girl’s interests to help them in developing self-reliance and improve skills for studying mathematics and natural sciences.

Development of workforce in the country is the necessary precondition for long-term economic development in Georgia. To reach the mentioned goal the second Compact of US Millennium

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<sup>30</sup> CEDAW “Conclusive comments on the fourth and fifth joint periodical reports” – 2014;

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Challenge Corporation will implement for Georgia strategic investment as in development of programs related to general, so professional and higher education. Significant emphasis will be made on participation of women and vulnerable groups in STEM educational programs and professions”.<sup>31</sup>

43% of women belong to economically inactive category of population, more than the third of them are housewives. In reality, this category is the country’s hidden resource able to make significant contribution to its development. From the point of view of realization of economic capabilities of the mentioned group and starting their own entrepreneurial business, professional education can play very important role. In this regard it is interesting that women-students represent just 39% of the students of professional colleges. Availability of training courses is similarly important. Such courses will help women in development-perfection of their own business initiative and its further effective management. If a person has good education but has no work or entrepreneurial experience, of course he needs the courses of skills and improvement of knowledge level. In this regard there are no statistical data and informational resource centres available, which would provide potential beneficiaries with complete information on available training courses.

Such training courses are, basically, offered to women by local and international non-governmental sector. Correspondingly, they cannot involve the whole country, especially rural areas, and they do not have permanent character. Training courses related to improvement of entrepreneurial and other skills can be provided by local self-governance. They will also have opportunity to adopt the courses considering characteristic of business sectors for their region and specificity of agricultural branches.

### **Business Environment and Opportunity to Start Business**

Business environment in Georgia is quite favourable for starting and development of a business. Besides, on legislative level there are no discriminative norms against women. Georgia is provided with quite high rating by all international organizations. Doing Business is a part of the World Bank’s group publishing its reports on annual basis. The World Bank is defining rating for doing business according to ten various indicators and evaluates the regulations promoting or hindering business activities. Among the mentioned indicators there is simplicity of starting business, protection of investments, payment of taxes, obtaining credit, registration of property, issuance of construction permit, etc.

In simplicity of business doing rating of Georgia is one among the best ten countries. The country has improved its position of the previous year and in 2014 it has moved from 9<sup>th</sup> to 8<sup>th</sup> position. The rating is appraising 189 countries.

The index of economic freedom evaluates possibility of starting, functioning and closing business, The index is stated by Heritage Foundation and Wall Street Journal. According to evaluation of the year 2014 Georgia occupies the 22<sup>nd</sup> position among 187 countries and, basically, it stays in the group of the countries having free economical zones. Average points of Georgia (72.6) exceed by 5.5 average points (67.1) of the European region. It should be mentioned that the country is significantly ahead of the indicators of neighbouring countries. They are occupying the following positions in the rating of economic freedom – Armenia - 41, Russia - 140, Azerbaijan - 81, Ukraine - 155 and Turkey – 64.

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<sup>31</sup> *Source:* The Ministry of Education and Science of Georgia

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The mentioned ratings do not consider gender issues and cannot reflect possible barriers and challenges in business from the point of view of women involvement. Creation of perfect picture in this direction is complicated as there are made no researches on national level. There are just reports prepared by separate organizations oriented mostly on concrete directions and more or less related to opportunities of starting and managing business by women.

Special attention is required for the issue of the type of entrepreneurial business and resources allowing the women residing in rural areas to start businesses. We should assume that the major difficulty in starting business will be availability of finance, though, resulting from various researches, we can dare to conclude, that overcoming mental barriers (traditional attitudes, fear of risk, inactivity, etc.) is not less challenge.

At the same time, it is necessary to provide information to women and increase availability of business consultations. It happens often when entrepreneurial business has been started without any financial calculations and sales plan, which results in “faulty” business, being the principle reason for refusing to start any other entrepreneurial business. In this regard it would be effective to carry out certain branch analysis which would advise potential women-entrepreneurs on the direction which would be financially effective for starting business, products and services being required in regions more and more, etc. It is natural that provision of such information should be only a part of complex program on development of women entrepreneurship. The mentioned initiative will be effective if women increase availability of finance and, also, opportunity to develop their skills and are provided with business consultations.



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## Basic Conclusions and Recommendations

- Women constitute 52% of the population of Georgia (2 349 100 individuals), more than a half of them are economically active (57% of women) and more than the third of economically inactive women (352 365 individuals) are housewives.

- The mentioned category has the potential to become economically active power and, through realization of entrepreneurial opportunities, make significant contribution to increasing welfare of their own families and development of the country as well.

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- 234 348 women are eligible for living assistance. Poverty delays women activity in public space and does not leave them the opportunity to think of and make decision on any type of economic initiative.

- It is indisputable that poverty is one of significant barriers delaying development of opportunities for women as of an active citizen and entrepreneur. Though, it should be mentioned that economical development is the only way to real decreasing/elimination of poverty.

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- Number of pupils according to girls and boys is almost similar – 8% and 9% of the whole population, correspondingly. In institutions of general education, in 2012-2013 academic year, the enrolled boys were more by 28 433 (more by 10% than girls). It is interesting that the majority of the students of professional colleges – 61% - is boys. Establishment of opportunity to get professional education is very important for girls and it is evident that additional measures should be taking in this direction. The mentioned issue is especially urgent when it concerns economical development of the women leaving in rural areas.

- The “key” of real employment of women and development and diversification of their opportunities in entrepreneurial businesses is professional education. On the one hand, it is necessary to introduce into professional colleges the directions, which would give women the opportunity to become employed and start their own businesses. From this point of view, local self-governance can play important roles. It would be effective to organize certain training courses on the spot.

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- The majority of women living in rural area is, directly or indirectly, involved in agricultural activities. From 2009 the number of households is unchanged and equals to 815 000. From 2009 growing of the number of male-leaders on the account of reducing the number of female-leaders is noticed. According to the data of the year 2012 70% among household leaders are men and, correspondingly, only 30% is women. In 2012, in the households with female leaders, income was less by GEL 184, i.e. 25% than in those led by men.

- We can conclude definitely that, especially in rural areas, women’s capabilities cannot/are not realized and, also, their role as of a household leader is quite limited. As a rule, they are getting this function, if there is no male in the family. Thus, it is necessary to strengthen women’s skills and opportunities and also attitudes so that they can and freely undertake the obligation of household leader and, also, function of the head of the household.

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- Indicator of unemployment among women reached 12,3% in 2013 and 16.5% - for men. Traditionally, unemployment level is lower among women than among men. Basic reason of this is the fact that the majority of unemployed women is housewives and, correspondingly, belongs to the category of inactive population. The level of inactivity among women is almost twice as high as among men. Thus, in comparison with men, the level of activity and also the employment rate are lower among women. It should be mentioned that the highest unemployment rate among women can be noticed in 15-24 age group and employment indicator goes beyond 70% in 45-54 age group.

- To improve women employment index it is necessary, first of all, to develop/increase their motivation to find job and then develop skills. Besides, qualification improvement courses, professional retraining, skills improvement training, etc. can be considered as additional instruments.
  - For activating women in labour market the state can establish certain stimulators for private sector in the direction of women employment. Similarly, on the basis of internal regulations it can define “quotas” on the number of women employed in public sector.
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- 54% of economically active women are self-employed and 32% are hired. 44% of the hired women work for public sector and, correspondingly, 56% of them work for private sector. At the same moment, it is interesting that up to the year 2011 the majority of women were employed in public sector, though the tendency of working in private sector was growing and according to the data for the year 2013 more by 21% women were employed in the mentioned sector. More than the half of the women employed in the business sector is employed in large enterprises, though only 34% of people employed in such plants are women. In average 43% and 42% of the employed people in small and medium enterprises are women. Presumably, the mentioned proportions are resulting from the fact that large enterprises of such spheres as transport, heavy industry, etc. involve, basically, so called manly professions and they are more asked-for. It should be mentioned here that the highest average monthly remuneration for women are still in large enterprises – GEL 687,5, when the same indicator in small enterprise is GEL 281,5. The difference between the salaries of a man and woman is the highest in small enterprises. Men have relatively low salaries in such enterprises – GEL 569,3, though it is by 102% higher in comparison with the women’s salaries. And in large enterprises men are paid by 56% more than women, and in medium enterprises – by 78%.

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- In 2012 women’s average monthly salary was GEL 517,9, which is by 27% less than average indicator and by 40% less than men’s salaries. On the basis of various statistical data and expert analyses we can conclude that the basic cause of it is that women seldom work on managerial and, correspondingly, highly paid positions. At the same time, there should be mentioned the fact that women basically are employed in the spheres, where salaries are generally low, including, education, healthcare, other spheres of service.

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- According to the data of the World Bank women’s salaries over the world are, in average, by 8 to 48% less than men’s salaries. This difference is even larger in low income countries. In Georgia, in 2012, women’s remuneration, in comparison with men’s salaries, was less by 40%. As it can be

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seen from the data, the state of women, from the point of view of employment and also remuneration is not very attractive. When analyzing the mentioned issue it is necessary to consider also cultural factors and population's attitudes and, correspondingly, taking of relevant measures and implementation of various initiatives to reduce the above indicator as much as possible.

- Correspondingly, to increase women employment, effectiveness of the measures and programs to be carried out for their economical empowerment, the initiatives of pure economical character will not be enough. It is necessary to significantly raise self-appraisal in women and improve confidence in their capabilities.
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- The obligation of childcare also limits a woman in choosing the job. In this direction it is necessary to increase availability of pre-school care institutions, especially in regions. According to National Report for the year 2014 of Millennium Development Challenges, pre-school education is available for 46% of children.

- Any initiative concerning the issue of childcare (various educational groups, Sunday schools, "extended-day" schools, etc.) will significantly release the women's time and they will have the opportunity to become more active on labour market.
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- Availability of finances for women-entrepreneurs is related to additional barrier. The financial market is limited for such entrepreneurs which do not have/or have "spoiled" credit history and almost do not have any additional guarantees. The majority of such entrepreneurs in Georgia is represented by women. They have more need for financing. Though it is difficult for women to secure credit with immovable property, at least, without a man's permit. Similarly, absence of independent and stable income sources also represents a problem, as the result they are given high interest rate when taking credit and then possibility to pay credit decreases. Increasing of availability of finances will not be less profitable for finance institutions as they are also taking care of attracting their own consumers and increasing income. Obstacles, which are faced by business owner women in the process of finding financing is disproportionally high. Financial institutions see the businesses headed by women as less viable and related to higher risk.

- In Georgia, for women-entrepreneurs, availability of finance should be increased. This can be achieved through implementation of various initiatives, including, investing (state finances or international grants) in commercial banks, enabling them to allocate more and favourable credits to women-entrepreneurs; carrying out researches and find evidences justifying that profit and sustainability of finance institutions will increase through assimilation of women-entrepreneurs segment and introducing products adjusted to their specific needs; intensive working with women-beneficiaries and improving their opportunities to enable them understand the banking system better and develop their own skills for financial management to make their segment more attractive for finance institutions.
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- From the point of view of empowerment women's business opportunities, availability of training courses is similarly important. Such courses will help women in development-perfection of their own business initiative and its further effective management. If a person has

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good education but has no work or entrepreneurial experience, of course he needs the courses of skills and knowledge level improvement. Such training courses are, basically, offered to women by local and international non-governmental sector. Correspondingly, they cannot involve the whole country, especially rural areas, and they do not have permanent character. Training courses related to improvement of entrepreneurial and other skills can be provided by local self-governance. They will also have opportunity to adopt the courses considering business sectors characteristic for their region and specificity of agricultural branches.

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- Special attention requires the issue of the type of entrepreneurial business and resources allowing starting business for women residing in rural areas. We should assume that the major difficulty in starting business will be availability of finance, though, resulting from various researches, we can dare to conclude, that overcoming mental barriers (traditional attitudes, fear of risk, inactivity, etc.) is not less challenge.

- It is necessary to raise motivation, strengthen self-reliance in women. Women and society should be clearly shown that a woman can fully realize economical and industrial opportunities. From this point of view mass-media can play irreplaceable role – dissemination of “success histories” of various women-entrepreneurs, how they started and developed their business, it would be good motivating example and signal for passive women.

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- It is necessary to provide information to women and increase availability of business consultations. It happens often when entrepreneurial business is started without any financial calculations and sales plan which results is “faulty” business, which causes principle refusal to starting any other entrepreneurial business. In this regard it would be effective to carry out certain branch analysis which would advise potential women-entrepreneurs on the direction which would be financially effective for starting business, products and services being required in regions more and more, etc. It is natural that provision of such information should be only a part of complex program on development of women entrepreneurship. The mentioned initiative will be effective if women have increased availability of finance and, also, opportunity to develop their skills and be provided with business consultations.

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- Notwithstanding the fact that there is some progress in gender statistics regarding finding and keeping the information, it is necessary to activate working in this direction, especially for public sector. In order to develop effective policy and strategy for women empowerment, it is necessary to make all possible economic data available from the gender point of view.

- keeping gender statistics in all directions; for instance, let the revenues service have the number of business owner/co-owner women according to the sectors; the same applies to individual entrepreneurs; let the National Statistics Office of Georgia carry out gender researches. Notwithstanding the fact that reports are being published, the information can be richer and more diversified.

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