

Policy Brief

Women's Entrepreneurship in Georgia How to Overcome Barriers

OVERVIEW OF CHALLENGES AND RECOMMENDATIONS

This Policy Brief was prepared by UN Women under its Women's Economic Empowerment portfolio. It draws on the key findings of the study "Access to Financial Resources, Barriers and Opportunities for Women Entrepreneurs in Georgia", conducted by the Institute of Social Studies and Analysis (ISSA) with the joint support of UN Women and German Sparkassenstiftung für internationale Kooperation (DSIK).

Tbilisi, 2025
UN Women Georgia

Why is it important to promote women's participation in the economy?

It is an economic right

Women have the right to participate in the labor market on equal terms, to enjoy discrimination-free opportunities, and to access and manage resources.

Accelerates the country's economic growth

Women's full participation in the labor market increases the country's GDP by 5-20%.

Expands labor force

Women's active engagement increases the size of the workforce and enhances the efficiency of the economy.

Strengthens sustainable business practices

Women-led businesses usually demonstrate high responsibility, transparency and stability.

Drives innovations and business diversification

Gender diversity in management fosters innovations and enhances quality of business decisions.

Reduces poverty

Expanding women's employment and economic opportunities is one of the most effective pathways for poverty eradication.



Women Entrepreneurs, Participants at Expo 2026
Photographer - Tamar Robakidze

Improves well-being of families

Women entrepreneurs strive to reinvest in family, education, and local development, which creates a long-term positive effect.

Decreases gender inequalities

Decreased gender inequality contributes to making a country more competitive and attractive for investments.

Women's entrepreneurship in Georgia is steadily advancing; however, persistent gender inequalities in this field represent a significant challenge. In practice, women entrepreneurs and aspiring women entrepreneurs face multidimensional barriers that are economic, institutional, social and cultural in nature. A key constraint is a limited access to financial resources, shaped by both demand-side and supply-side factors, which restricts opportunities for business start-ups and their growth.

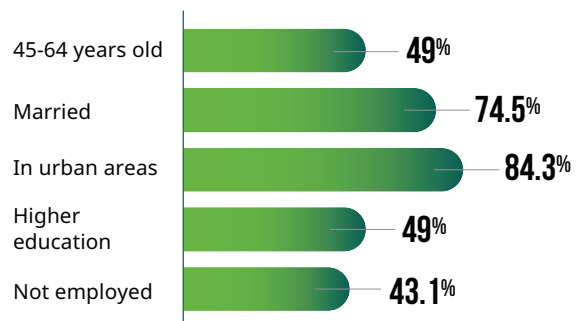
Economic instability and heightened market uncertainty further increase financial risks. At the same time, the disproportionate burden of unpaid domestic and care work creates additional time and organizational constraints for women, reducing their capacity to initiate and sustain entrepreneurial activities. These circumstances underscore the need for targeted and comprehensive policies that simultaneously address financial, institutional, and social challenges.

Background information:

- ▶ Women in Georgia constitute 52 per cent of the population, yet **their participation in the economic activity remains low**. Women's limited engagement in the economy results in poor economic well-being of families and a low quality of life for women.¹
- ▶ **Women's participation in the labor market is lower compared to men**: the employment rate stands at 39.9% for women and 55.6% for men. **The proportion of women outside the labor force is 21.3 percentage points higher than that of men**, underscoring the low participation of women in the labor market.²
- ▶ **There is a pronounced gender disparity in terms of participation in unpaid family work between women (88.3%) and men (39.6%)**. Among full-time employed individuals, **women spend five times more time on unpaid domestic work** than men.
- ▶ **Among business founders, the number of men is almost twice as high as the number of women in the same category** (2024: women - 27%; men - 61%).
- ▶ **59% of women carry out entrepreneurial activities in the trade sector**, with comparatively limited representation in other economic sectors.
- ▶ **70% of entrepreneurs do not have an alternative source of income other than their own business/production**.
- ▶ **The largest share of businesses (38%) is concentrated in Tbilisi**, followed by Imereti (14%) and Adjara (13%). The vast majority of business activities (83%) are concentrated in urban areas.
- ▶ Women entrepreneurs are more likely to have **secondary education only (34.8%), compared to men (21%)**. 43% of male entrepreneurs have higher education or a higher doctoral degree, while only 30.5% of female entrepreneurs have reached the same level.
- ▶ **Women lead 33% of operating business entities** (of the total 281,071 registered enterprises, 91,406 have female founders).

A substantial proportion of potential female entrepreneurs³ (74.5 per cent) report previous entrepreneurial experience; however, currently they are no longer involved in business activities, due to a range of economic and social factors.

General profile of potential women entrepreneurs



1. „[Women's economic inactivity and engagement in the informal sector in Georgia](#)“, UN Women and Swiss Agency for Development and Cooperation (SDC), Tbilisi, Georgia, 2018.

2. „[Women and Men in Georgia](#)“, Statistical Publication, National Statistics Office of Georgia, Tbilisi, 2025.

3. A potential entrepreneur is an individual who is at the stage of generating a business idea or has developed a business idea and is trying to raise financial resources for its implementation.

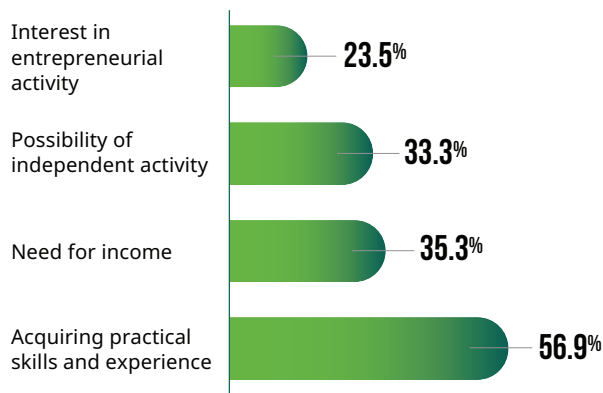
BARRIERS TO ECONOMIC ACTIVITY FOR EXISTING AND POTENTIAL WOMEN ENTREPRENEURS

Barriers at the stage of **attempting, starting and developing** entrepreneurial activities:

Demand side⁴

► **Limited financial literacy and awareness** - Some women entrepreneurs in Georgia have limited or no financial literacy, which constrains their ability to engage with banks, analyze loan terms and conditions, and develop a business plan. A poorly prepared business plan or project proposals remain among the most common reasons for loan rejection (22%). The low level of financial literacy also represents a significant barrier for potential women entrepreneurs, limiting their capacity to start and successfully manage enterprises. The high demand for business budgeting (44.4%), identification of start-up costs (33.3%), and profit and loss analysis (35.6%) indicates that women place strong emphasis on financial risk assessment and financial viability of businesses.

Factors contributing to starting a business

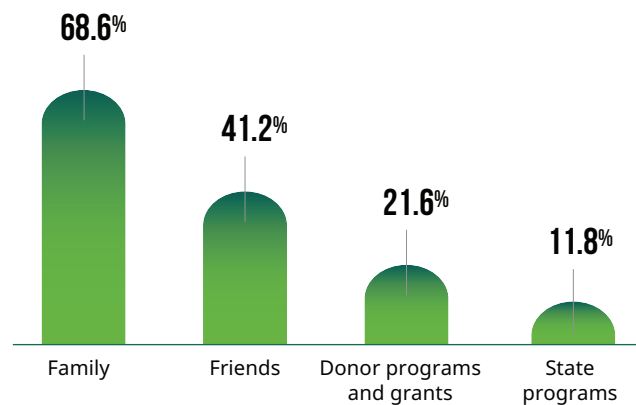


“Drawing up a business plan is a serious problem. After the idea, we need to know how to correctly write the goal, strategies, be able to make financial forecast, analyze the market, determine risks. We also need knowledge of the laws and awareness of legal issues. For example, how to register, get licenses, permits, etc.”

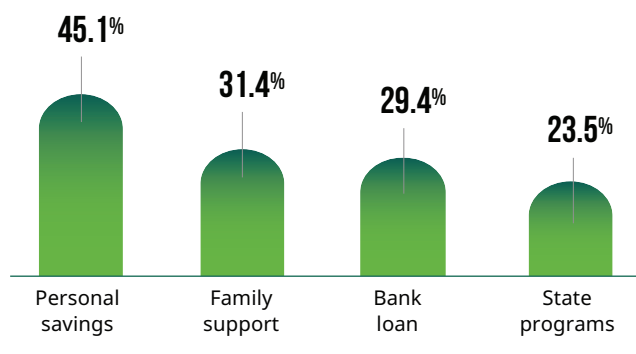
(potential female entrepreneur, Guria).

► **Lack of assets and barriers to accessing financial resources** - Potential women entrepreneurs most often face financial barriers at the start-up stage of their entrepreneurial activities.

Main supporters to start a business



Main financial sources of starting businesses



The most frequently reported challenges include high interest rate and unfavorable terms of bank loans (62.5%), as well as refusal to receive financing, loans (31.3%) and leasing (25%), which is largely due to insufficient income, lack of real estate or limited credit history. Additional constraints include inability to provide co-financing (18.8%), and difficulties in meeting collateral/guarantee requirements (12.5%). Limited ownership of immovable property by women significantly restricts their ability to provide collateral.

4. The demand side includes existing and potential women entrepreneurs

- ▶ **Low demand for bank loans** - The share of women entrepreneurs applying to financial institutions is 19%, significantly lower than that of male entrepreneurs (81%).

Loan application rates per gender



- ▶ **Low participation of women entrepreneurs in state programs** - Women's limited awareness of government programs and how to effectively access them remains a challenge. 33% of women report difficulties in independently preparing and submitting the documentation, while 24% face challenges in accessing information about available programs.⁵
- ▶ **Business Formalization** - Informal entrepreneurship often represents a substantial obstacle to women entrepreneurs for their effective engagement with financial institutions and for obtaining necessary financial services.
- ▶ **Social and gender norms, stereotypes, and influence of family members on starting a business** - Time constraints, lack of family support, and fear of failure underscore social norms and the unequal distribution of caregiving responsibilities. Women's decision-making power is particularly limited in rural areas. 43% of rural women reported their husbands' involvement in their decision to start a business, compared to 31% in Tbilisi. These factors further limit women's opportunities for entrepreneurship, especially at early stages of starting a business.
- ▶ **Access to the market and business ecosystem are challenges for women**, both at the start-up and growth stages of their business. Participation in business networks is notably low. The majority are not members of business associations, and 54% are not even aware of programs supporting women entrepreneurs. Women's limited access to the business ecosystem and the lack of networks and partnerships hinder their access to information and peer-learning, contributing to their feelings of isolation, and limiting their self-confidence.

- ▶ **Human capital and labor resource challenges**, limited access to qualified personnel remains one of the most critical barriers, especially for small and start-up businesses. The shortage of human resources directly affects business performance and increases the need for targeted training and labor capital support programs.

Supply side⁶

Obstacles related to state programs:

- ▶ **Bureaucratic difficulties and additional costs** - When participating in state programs, women face difficulties in obtaining the necessary documentation, permits, plans and architectural services, which complicates the process, increases costs and creates time burdens. Such administrative procedures often restrict access to financial resources, even though these requirements have not been stipulated in the program's terms and conditions.
- ▶ State and international programs mainly help women to expand their businesses, with a small part of them receiving support when starting a business. In addition, the **mismatch of program priorities with women's business needs and geographical restrictions** prevent women from participating in programs.
- ▶ **Lack of information** - women often rely on informal sources (acquaintances/relatives), which may suppress their motivation from the very beginning.
- ▶ **Low trust in bank and government programs** - although entrepreneurs may get approval for funding under state programs, they do not fully enjoy it, as the banks often require additional collateral or transfer all financial operations to them. This further reduces trust and increases skepticism. In addition, many women believe that access to funding often depends on influential connections. Such beliefs inhibit women's initiative and increase distrust of formal institutions.

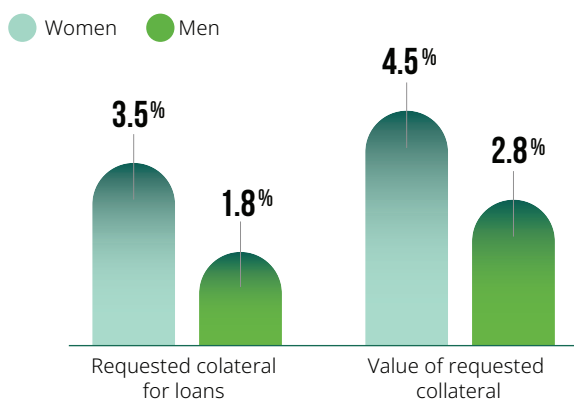
5. „Gender Impact Assessment of the Law of Georgia on Entrepreneurs.“, June, 2022.

6. The supply side includes the state, financial institutions, and banks.

Financial institutions and banks

- ▶ **Property ownership constraints** - while the Georgian legislation grants equal rights to women and men, in practice, women often lack registered property in their names, limiting their ability to use assets as collateral for loans.
- ▶ **Access to venture capital and investments** - The venture capital market is male-dominated, with investments mainly concentrated in sectors predominantly represented by men. Such an environment prevents women entrepreneurs from accessing investments.
- ▶ **Restricted access to business networks and mentorship** - Women often do not have access to business networks where financial resources and mentorship are concentrated. Access to markets, technologies and equipment is also limited.
- ▶ **High risk of loan rejection** - Loan rejection rates are much higher for women compared to men (8.8% - women, 1.9% - men).⁷
- ▶ **High collateral requirements from financial institutions** - Compared to men, women entrepreneurs are required to provide 3.2% more collateral to secure loans, and the collateral-to-loan value ratio is 19% higher for women-led enterprises.
- ▶ **Women often have weaker credit histories**, which is due to gender disparities in inheritance practices and asset ownership, compared to men. For this reason, women often take out loans at higher interest rates than men. As a result, financial risks increase significantly, which hinders business development and increases the debt burden.
- ▶ **Gender-biased practices** in the financial sector limit women's opportunities.
- ▶ **Gender-neutral or inadequately designed financial products** fail to respond to the specific needs of women entrepreneurs.
- ▶ **Under-representation of women** in decision-making positions in banks and financial institutions.

Collateral required for a loan and the value of collateral by gender



7. „Global Gender Gap 2024“, insight report, June“, June, 2024, World Economic Forum.

Main barriers to access to financial resources:

Limited access to capital

People mostly start up their business with personal savings.
External sources of financing are limited.

Poor financial literacy

Lack of financial planning, budgeting and risk management skills.

High interest rates and unfavorable loan terms

High interest rates on bank loans.
Loans are often taken without careful financial analysis, which increases risks.

Small turnover and small scales

Micro businesses have to struggle to meet bank requirements.
Low turnover restricts access to large financial instruments.

Key barriers to access to non-financial resources:

Restriction to market access

Most sales are concentrated in the local market.
There is little experience in accessing regional, national or international markets.

Business diversification deficit

Most entrepreneurs depend on one activity.
Lack of products/services increases vulnerability.

Weak business management

Problems with operation planning.
Partnerships are often based on family members, which limits flexibility.

Lack of skills and knowledge

Lack of financial education, weak business skills, digital skills, and more.

Structural and gender barriers

Gender stereotypes and social norms.
Ineffective state/market support mechanisms.

Competition and market conditions

Mass imports limit local production.
Small scale makes it difficult to compete.

RECOMMENDATIONS:

- ▶ **Awareness raising** - Raise awareness across society, particularly among young people, on gender equality and women's political, social and economic participation.
- ▶ **Educational and awareness-raising resources** - Review and further develop educational and awareness-raising resources tailored to women start-ups and entrepreneurs, including the systematic mainstreaming of gender equality, women's economic empowerment and anti-discrimination principles into existing programs; encourage and mobilize diverse learning initiatives to strengthen the entrepreneurial capacities of women entrepreneurs.
- ▶ **Care services** - Establish and expand care services nationwide, including nurseries and kindergartens, promote needs-based and flexible working arrangements, and strengthen legislation and policies related to parental leave.
- ▶ **Coordinated work** - Promote a holistic approach that ensures coordinated collaboration among the state, the private sector and international financial institutions.

For the National Bank of Georgia:

- ▶ **Legislative amendments** - Introduce an official definition of "woman entrepreneur".
- ▶ **Integration into strategies** - Integrate gender equality principles into access to finance policies.
- ▶ **Women's representation** - Promote increased representation of women in executive management positions through regulatory measures.
- ▶ **Data system** - Strengthen systems for the collection and use of sex-disaggregated data.

For central and local state agencies responsible for entrepreneurship development:

- ▶ **Integration into strategies** - Incorporate a dedicated component on women's participation within the SME development strategy.
- ▶ **Targeted programs** - Introduce targeted initiatives for women and facilitate their participation in trade fairs.
- ▶ **Effectiveness assessment** - Develop indicators to measure the effectiveness of state programs.
- ▶ **Data collection and analysis:** Systematically collect and analyze data on the reasons for refusals of financing by gender.
- ▶ **Communication campaign** - Promote women's entrepreneurship.

For financial institutions:

Non-financial products:

- ▶ Establish **specialized advisory services** or designate trained employees to address the specific needs of women-led enterprises.
- ▶ **Provide capacity-building trainings for credit officers and risk management specialists** on gender equality, non-discrimination and women's economic empowerment, to integrate gender aspects into decision-making processes and credit scoring as well.
- ▶ Create a **pool of mentors** - comprising experienced entrepreneurs, sectoral experts and managers to support women entrepreneurs.
- ▶ Develop an **online portal or mobile application** consolidating document templates, online training courses, market research, updated regulatory information and financing opportunities.
- ▶ Conduct **regional information campaigns**, aimed at raising awareness among women entrepreneurs about available non-financial and financial products and services. Among them, **increase women's awareness** of educational opportunities, digital banking services, deposit products, insurance, business cards, loans and guarantee mechanisms.
- ▶ Continue regular **assessments of the needs** of women entrepreneurs and implement responsive initiatives tailored to their needs.
- ▶ Carry out measures (leadership training, recruitment mechanisms, etc.) to increase the **representation of women** in decision-making positions within financial institutions, including at the executive level.

Financial products:

- ▶ Elaborate a gender-sensitive lending system; in particular, introduce a **tailored guarantee scheme** when issuing loans to women entrepreneurs, **ease credit-guarantee requirements** and/or **introduce affordable interest rates and a 'cashback' mechanism.**

For example: **potential financial instruments as an alternative to collateral:**

Financial instruments:	Description	Main Advantages
Micro-leasing	<p>Purchase of machinery and equipment for small businesses without collateral.</p> <p>The leasing company retains ownership, and the entrepreneur pays in installments, according to an agreed schedule.</p>	<p>Low initial cost;</p> <p>Flexible payment terms.</p>
Factoring	<p>Financing based on unpaid invoices for products sold.</p> <p>A financial institution provides an advance payment to the enterprise, and the final payment is made once the invoice settles the invoice.</p>	<p>Improved cash flow stability;</p> <p>Quick access to financial resources.</p>

- ▶ When assessing managerial capacity and creditworthiness of women entrepreneurs, **consider alternative information**, including records of grant(s) received from state and international organizations, social reputation, and demonstrated compliance with other financial obligations.
 - ▶ When insuring businesses, **offer terms that account for parental leave** for female founders, disruption due to family-related matters, and cyber security issues for digital businesses.
 - ▶ When issuing loans, **assess the extent to which the enterprise contributes to gender equality** (e.g. the number of employed and trained women, including rural women, support for survivors of violence and for shelters, availability of childcare and breastfeeding spaces in the workplace, promotion of women's reproductive health, etc.), and introduce incentives such as free advisory services, deferred or extended payment terms, etc
- Regarding the access to education, **it is recommended** that central and local government agencies, financial institutions, international development partners and other relevant stakeholders further **develop and refine training and awareness-raising resources tailored to the specific needs of women entrepreneurs.**

UN Women exists to advance women's rights, gender equality and the empowerment of all women and girls. As the lead UN entity on gender equality, we shift laws, institutions, social behaviours and services to close the gender gap and build an equal world for all women and girls. We keep the rights of women and girls at the centre of global progress – always, everywhere. Because gender equality is not just what we do. It is who we are.

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