UNDP Project Improving Rural Development in Georgia

RESULTS OF THE NON-FARM ECONOMY NEEDS SURVEY

Contents

Introduction

The development of rural areas is among the highest priorities of the economic development strategy in Georgia. According to official data, almost 50 percent of the Georgian workforce employed in the agricultural sector produces less than 10 percent value.[1] The fact that nearly half of the working-age population are engaged in low-productive economic activity explains to a greater extent the poor socio-economic conditions in the country and especially in rural areas. Prior experience suggests that an essential way for rural areas to develop is the diversification of rural economies through supporting non-farm businesses.[2] The diversification of rural livelihood strategies through the participation of households in non-farm industries is widely acknowledged as a vital poverty reduction and income-generating activity.[3] A growing body of empirical research conducted in various developing countries from Latin America, Africa, and Asia reveals key determinants of a rural household's decision to diversify their livelihood strategies.[4] Though some factors such as access to finance, education level, and some other personal and household characteristics are shared across many countries, each country has some peculiar determinants that influence a rural household's decision to engage in non-agricultural activities.

[1]   Berulava, George and Tsimintia, Giorgi (2018). "Developing non-farm economic activities in rural Georgia." Unpublished paper UNDP Georgia, Tbilisi, February 2018.

[2]   Lanjouw, Jean O. and Peter Lanjouw (2001) "The rural non-farm sector: issues and evidence from developing countries." *Agricultural Economics*, 26, pp. 1-23
Davis, 2003 - The rural non-farm economy, livelihoods and their diversification: Issues and options (NRI)
Blackburn (2013) - Sustaining self-employment for disadvantaged entrepreneurs

[3]   Elbers, C. and P. Lanjouw (2001), "Intersectoral transfer, growth and inequality in rural Ecuador," *World Development*, vol. 29, No. 3, Amsterdam, Elsevier.
Haggblade, S., P. Hazell and T. Reardon (2010), "The rural non-farm economy: prospects for growth and poverty reduction," *World Development*, vol. 38, No. 10, Amsterdam, Elsevier.
Lanjouw, J.O. and P. Lanjouw (2001), "The rural non-farm sector: issues and evidence from developing countries," *Agricultural Economics*, vol. 26, No. 1, International Association of Agricultural Economists.

[4]   Ellis, F. (2000), "The determinants of rural livelihood diversification in developing countries," *Journal of Agricultural Economics*, vol. 51, No. 2, Agricultural Economics Society.
Jonasson, E. and S.M. Helfand (2010), "How important are locational characteristics for rural non-agricultural employment? Lessons from Brazil," *World Development*, Vol. 38, No. 5, Amsterdam, Elsevier
Lanjouw, P. (2001), "Nonfarm employment and poverty in rural El Salvador," *World Development*, vol. 29, No. 3, Amsterdam, Elsevier.
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With the aim of better understanding of such peculiarities in Georgia and considering the globally acknowledged importance of the non-farm sector in the process of rural development, the Rural Non-Farm Economy Needs Surveys were conducted in the framework of UNDP Georgia's Improving Rural Development in Georgia project under ENPARD III. The project is part of the EU-supported nationwide program European Neighborhood Program for Agriculture and Rural Development (ENPARD) Phase III. The survey's main objective is to reveal key constraints and opportunities in economic diversification in target municipalities.

The research project Rural Non-Farm Economy Needs Survey was comprised of two sub-studies conducting a study of the population and also learning about existing non-farm enterprises. The project will play an important role to 1. Establish non-farm enterprises and 2. Expand existing non-farm enterprises. The aim of the surveys was to reveal and analyze the main challenges and opportunities of economic diversification in target municipalities. In order to reach the objective of the research project's quantitative surveys, face-to-face interviews were carried out in both target groups in these eight target municipalities: Akhalkalaki, Borjomi, Dedoplistskaro, Kazbegi, Keda, Khulo, Lagodekhi, and Tetritskaro. This research was implemented by the Institute of Social Studies and Analysis.[5]

In the present report, we analyze the results of non-farm economy needs in targeted municipalities. The rest of the report is organized as follows: In the first part of the report, we discuss the results of the business survey of the non-farm economy needs in targeted municipalities, including the main characteristics of non-farm economies in terms of structure and distribution concerning various dimension: production and sales issues, management and planning problems, access to financial resources and government and donor support, and various business performance indicators.

In the second part of the report, we analyze the population survey results of non-farm economy needs in targeted municipalities. In this part, we discuss the main characteristics of households in terms of their income structure, migration, land and house ownership, and engagement in farm and non-farm business activities; we analyze the population-based data, including the specificity of local conditions including prominent spatial linkages, environmental degradation issues, and assessments of local infrastructure and services, attitudes and intentions of the population towards potential business startups and factors that encourage and hampers such intentions, employment and labor market patterns including the working status of the population, types and kinds of jobs, sectors and locations of employment, time, and incomes from employment.

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[5] See more detailed description of the technical characteristic of conducted survey in: "Non-farm economy needs survey," *Technical Report*, ISSA, 2018.

The third part of the report seeks to find answers to the following two research questions: 1) What factors help/hamper establishing new non-farm activities in rural areas? 2) What are the stimuli/obstacles for the expansion of existing non-farm activities in rural areas? To get the answer to the first research question, we analyze the influence of a group of factors including personal and household characteristics, travel destinations, environmental changes, problems in the local settlements, business attractiveness of local conditions and spatial effects, the population's intentions to start a business, and households' actual participation in farm and on-farm business. To better understand the second research question, we analyze the multiple interrelationships between various factors and determinants and performance outcomes of businesses. In the final section, significant findings and conclusions are summarized.

1. Descriptive Analysis of the Main Results of the Business Survey on Non-Farm Economy Needs

This section examines the structure, distribution, production and selling activities, management issues, growth and performance, and access to finance and participation in governmental/donor support programs of non-farm businesses in several targeted municipalities in Georgia. First, we start with the description of the general characteristics and distribution of non-farm businesses.

1.1. The distribution and structure of non-farm businesses in targeted municipalities

Sectoral and spatial distribution

The non-farm businesses in the targeted municipalities differ by product/services categories and can be classified into eighteen industries. According to Table 1.1 (all tables are provided in the Attachment), the non-farm sector is dominated by trade (46.3 percent) and transport (17.5 percent) activities and to a little extent by hospitality (6.3 percent). The shares of all other sectors comprise less than 5 percent. However, non-farm sectors are unevenly distributed across municipalities. In Akhalkalaki and Keda, the trade sector comprises more than 50 percent of all non-farm activities, 76.4 and 54.5 percent, respectively, while in Tetritskaro and Kazbegi, the corresponding shares are less than 30 percent: 27.8 and 28.8 percent, respectively. Moreover, in Tetritskaro, transport is an even more important sector (36.3 percent), while in Kazbegi, the hospitality sector is almost as important as the trade sector (24.6 percent).

The distribution of the most important sectors of non-farm businesses across municipalities can be summarized as follows: Keda – trade (54.5 percent), hospitality (13.1 percent), transport (11.1 percent); Khulo – trade (33.5 percent), transport (24.3 percent), hospitality (7.2 percent), financial services (5.9 percent); Dedoplistskaro – trade (49.8 percent), transport (17.8 percent), other community, social and personal services (7.4 percent); Lagodekhi – trade (41.6 percent), transport (34.3 percent); Kazbegi – trade (28.8 percent), hospitality (24.6 percent), other community, social and personal services (14.1 percent), transport (12.0 percent), construction (5.8 percent); Akhalkalaki – trade (76.4 percent); Borjomi – trade (39.5 percent), hospitality (11.6

percent), real estate rentals (10.0 percent), transport (7.4 percent), household production (7.4 percent), health and social services (6.7 percent); Tetritskaro – hospitality (36.3 percent), trade (27.8 percent), transport (9.4 percent).

Thus, in municipalities like Akhalkalaki and Dedoplistskaro, non-farm businesses are dominated by one or two industries, while the most diversified municipalities are Borjomi and Kazbegi, with four or more dominant sectors. Non-farm businesses in the rest of the municipalities are concentrated mainly around the three largest sectors (with trade and transport among them).

According to Table 1.2, about 70 percent of non-farm businesses are located in municipal centers. Still, the spatial distribution patterns differ substantially across municipalities. For instance, in Kazbegi, 100 percent of non-farm businesses are located in the municipal center. Similarly, in Borjomi and Akhalkalaki, more than 80 percent of businesses are located in municipal centers. On the contrary, in Lagodekhi and Tetritskaro, the spatial location of non-farm businesses displays almost equal proportions.

Distribution by legal form and years of establishment

The population of non-farm businesses compromises only two legal forms: individual entrepreneurs and solidarity society. According to Table 1.3, almost 80 percent of the non-farm businesses across targeted municipalities are individual entrepreneurs. The highest proportions of individual entrepreneurs are in Akhalkalaki (87.4 percent), Lagodekhi (87 percent), and Khulo (81.1 percent), while the lowest is in Keda (65.7 percent).

The overwhelming majority of businesses were established after the year 2000: 42.9 percent between 2001-2010 and 39.5 percent in the period after 2010. Thus, on average, during the recent decade, the establishment of non-farm businesses occurred at lower rates than the previous decade. However, there is no uniformity in the patterns of dynamics of non-farm business creation across municipalities. For instance, Keda, Khulo, Kazbegi, Dedoplistskaro, and Tetritskaro show positive dynamics in non-farm business growth. In Keda and Khulo, new businesses account for around 60 percent of the non-farm sector. On the other hand, the main contribution to a negative trend is Borjomi, where most non-farm businesses (more than 80 percent) were established before 2010.

Distribution by gender, age, and educational level of manager

According to Table 1.5, the non-farm businesses in targeted municipalities are mainly owned/managed by males (57.6 percent). Such distribution patterns are common to all municipalities to more or less the same extent. In Keda and Khulo, the proportion of male managers are the highest among municipalities: 66.5 and 62.3 percent,

respectively, while in Kazebgi, the proportions of male and female managers are almost equal.

Most non-farm businesses (around 68 percent) are governed by older managers aged over 45 years, and only 5.4 percent of managers are younger persons below 30 years of age (see Table 1.6). Across municipalities, the age composition generally coincides with findings from the analysis of years of establishment as a business. In Borjomi, where relatively older establishments characterize non-farm-businesses, the age of managers is on average higher than in other municipalities. On the contrary, Kazbegi, Keda, and Khulo, characterized by the positive dynamics of non-farm business formation, show younger patterns in managers' ages. The highest proportion of young managers (12.6 percent) can be found in Kazbegi.

The distribution of non-farm businesses by the educational level of managers across municipalities is shown in Table 1.7. According to the table, more than half of managers have gained either higher (48.6 percent) or professional (6 percent) education. In this regard, the non-farm sector in Kazbegi shows outstanding results, with 71.2 percent of managers having received higher education and 17.8 percent of managers having received professional education. A high proportion of managers with higher and professional educations can also be found in Dedoplistskaro. In Lagodekhi and Borjomi, the proportion of managers with higher education is relatively high at 53.6 and 51.8 percent, respectively, but the share of managers with professional education is minimal. On the contrary, Tetritskaro is characterized by a relatively large share of managers with professional educations (16.7 percent) and a comparatively small proportion of those with higher educations (34.2 percent). The highest proportion of managers with education below the higher and professional levels can be found in Khulo (52.8 percent) and Akhalkalaki (52.1 percent).

Distribution by reasons for starting a business and management's previous activity

The primary motivation for starting a business among managers, according to Table 1.8, was lack of income (46.8 percent), followed by availability of finance for investing in business (14.8 percent), availability of relevant skills (13.7 percent), and education (6.6 percent) as well as treating business activities as a hobby (6.7 percent). Other reasons play a minor role in starting a business. Income motivation was extremely high in Khulo (86.5 percent), Dedoplistskaro (64.6 percent), and Akhalkalaki (61.5 percent) and relatively small in Lagodekhi (16.5 percent) and Kazbegi (20.2 percent). In Lagodekhi, among the main motivations for starting a business were availability of skills (35 percent) and finances (33.9 percent), while in Kazbegi, these were availability of relevant skills (45.2 percent) and education (17.9 percent).

According to Table 1.9, current managers of non-farm businesses mainly come from the public sector (33.2 percent) or were unemployed (27.1 percent). The propor-

tions of managers previously employed in the private sector or who were self-employed are considerably smaller: 14 and 16 percent, respectively. The proportion of managers who previously worked in the public sector is relatively higher in Borjomi (48.5 percent), Dedoplistskaro (43 percent), and Tetritskaro (41.1 percent), while the lowest is in Khulo (14.5 percent). At the same time, Khulo and Akhalkalaki show the best performance in terms of giving opportunities for the unemployed to start a business. Approximately 65 and 45 percent of managers in these municipalities, respectively, were previously unemployed.

Distribution by starting and current capital

The majority of non-farm businesses (about 80 percent) started their activity with capital of less than 10,000 GEL (see Table 1.10). However, in Kazbegi and Borjomi, the proportion of non-farm businesses with more than 10,000 GEL as starting capital is substantially higher compared to other municipalities: 36.6 and 33.8 percent, respectively. On the contrary, Tetritskaro and Khulo show the highest proportion of businesses (more than 90 percent) with starting capital of less than 10,000 GEL.

As expected, the current capital of a non-farm business is substantially higher than one just starting. According to Table 1.11, the proportion of non-farm businesses with more than 10,000 GEL of capital exceeds 45 percent. In agreement with the analysis of the distribution of starting capital, the highest proportions of firms with a current capital of more than 10,000 GEL are in Borjomi (64 percent) and Kazbegi (62.4 percent), while the lowest proportion is in Tetritskaro (26.8 percent). It should be mentioned that the most remarkable progress in expanding capital has been made by businesses located in Khulo. Specifically, the proportion of firms with current capital holdings that exceed 10,000 GEL expanded to more than 50 percent compared to 8.3 percent of the same level of starting capital.

1.2. The production and sales activities of non-farm businesses in targeted municipalities'

supply and production

The managers of non-farm businesses assessed on a 5-point scale the importance of their primary criteria for selecting providers. According to Table 1.12, the most important criteria are the best quality, availability, and price. Criteria related to any type of interconnections received substantially lower scores. Such preferences in a provider's choice mean that non-farm businesses rely mainly on arm-length contracting and that long-lasting business-to-business relationships are not yet established. This pattern of a provider's choice is generally shared in all municipalities except Keda

and Khulo, where relationship-based choices received substantially higher than average scores.

The majority of non-farm businesses (34 percent) consider overpriced products/ services as the main problem on the supply side (see Table 1.13). This problem is especially acute in Dedoplistskaro (74.4 percent) and Lagodekhi (43.6 percent). Some managers believe that significant problems for their businesses are the long distances of supply chains (4.7 percent) and the bad quality of products (3.4 percent). Other issues are not considered as a supply-side problem by an overwhelming majority of businesses. Similarly, long-distance problems are emphasized mostly by managers from Lagodekhi (7 percent), while product quality is an important problem for non-farm businesses in Dedoplistskaro (6.1 percent). The same patterns of problems are revealed in the production of products/services (see Table 1.14). Overpriced products/services are a major problem for 37.9 percent of businesses, while the bad quality of products and the long distances of supply chains account for 3.7 and 3 percent, respectively. Again, these problems are especially severe for businesses located in Dedoplistskaro and Lagodekhi.

Markets and sales

Almost 90 percent of non-farm businesses' sales come from local villages (45.8 percent) and municipality markets (43.64 percent), while sales at regional and national markets comprise only 4.4 and 2.94 percent, respectively (see Table 1.15). Only a negligible (0.28 percent) amount of sales comes from international markets. Though local village and municipality markets are the most important for all businesses, there is a substantial discrepancy in trade patterns at regional and national markets across municipalities. Specifically, non-farm businesses in Keda (15.55 percent), Khulo (8.04 percent), and Akhalkalaki (8.53 percent) have relatively high shares of sales at regional markets, while their participation at national levels is insignificant. At the same time, businesses from Dedoplistskaro (4.77 percent), Lagodekhi (6.07 percent), and Borjomi (4.23 percent) perform better in national markets while having negligible shares at regional markets. The highest share of sales at international markets (1.75 percent) comes from businesses in Keda.

According to Table 1.16, the main customers of non-farm businesses are end-users (72.92 percent) and tourists (9.56 percent), while others have small shares of less than 5 percent. Still, there are some differences across municipalities regarding the importance of various types of customers. Specifically, tourists as a customer type have a relatively high percentage in Kazbegi (40.8 percent), Borjomi (17.19 percent), and Tetritskaro (12.76 percent). In Keda, these are farmers (5.76 percent) and merchants (6.75 percent), while in Borjomi, they are government (5.81 percent) and businesses (5.80 percent).

Almost 70 percent of non-farm businesses consider quality, service, and price as the main source of competitive advantage (see Table 1.17). Uniqueness and innova-

tion are appraised as a source of competitive advantage by a very negligible proportion (0.5 percent) of non-farm businesses. Across municipalities, quality is especially emphasized in Keda (82.2 percent), service in Kazbegi (27.7 percent) and Borjomi (27 percent), and price in Akhalkalaki (18 percent).

According to Table 1.18, approximately 10 percent of total sales by non-farm businesses were spent on transport, with 2.71 percent on services after selling and less than 1 percent on marketing. The patterns of expenses vary substantially across municipalities. Transport expenses are especially high in Kazbegi (20.96 percent), Keda (16.84 percent), and Khulo (13.87 percent); service after selling in Lagodekhi (6.22 percent) and Keda (5.01 percent); and marketing in Lagodekhi (2.14 percent).

The major problems in selling products/services, according to Table 1.19, are price-sensitive customers (52.8 percent), competition (21.4 percent), and quality-demanding customers (12.8 percent). This pattern of sales problem is generally the same across municipalities, with only some exceptions. In Kazbegi, competition becomes the most important obstacle (48.8 percent) and irregularity of demand the second (26 percent). In Akhalkalaki, problems with sales are dominated by competition (44.8 percent) and price-sensitive customers (44 percent).

1.3. Human capital, management and planning issues, local conditions

Manager and employee training

Only 12 percent of managers participated in training programs during the last three years (see Table 1.20). The highest participation rate is in Borjomi (21.9 percent), while the lowest rate is in Dedoplistskaro (4.6 percent). According to Table 1.21, the employees' training participation rate is almost twice as low as managers. Again, Borjomi shows the highest rates of employees' participation in training programs (16.6 percent), along with Keda (9.1 percent). There was no participation of employees in training programs found in Tetritskaro. Very low participation rates are found in Lagodekhi (0.9 percent) and Khulo (1.8 percent). Among the reasons for not participating in training programs on the side of managers, according to Table 1.22, the most important are: no need (57.2 percent), lack of information (30.5 percent), and lack of time (9.4 percent). According to managers' responses, managerial training programs are less needed in Tetritskaro (87.9 percent) and Khulo (78.3 percent), while the lack of information for training programs is the most serious issue in Lagodekhi (44.4 percent) and Dedoplistskaro (39.2 percent).

Business, investment, and strategic planning

According to Table 1.23, 84.2 percent of non-farm businesses have business planning, 57.1 percent have investment planning, and only 8.7 percent apply strategic planning. Non-farm businesses in Kazbegi and Akhalkalaki show the highest percentages for business (100 and 94.1 percent, respectively) and investment (95.1 and 90.2 percent, respectively) planning. Regarding the availability of strategic planning, only businesses from Borjomi show a relatively high percentage (17.6 percent). On the contrary, in Dedoplistskaro, non-farm businesses are less involved in the planning process.

As Table 1.24 suggests, the most acute need for assistance that non-farm businesses look for is assistance in preparing a business plan (37.9 percent). Per the above findings, the highest proportion of businesses that need assistance in business plan preparation (71.6 percent) and management improvement (11.9 percent) are located in Dedoplistskaro. Compared to businesses from other municipalities, businesses in Keda (11.5 percent) are more concerned with attracting more funding, while businesses in Akhalkalaki look for assistance with accounting and tax management.

Local conditions/environment

According to Table 1.25, approximately 83 percent of non-farm businesses think that their local conditions/environment for starting a business is favorable or rather favorable than not. The most favorable local conditions, according to managers' opinions, are in Dedoplistskaro (98.7 percent), Kazbegi (95.3 percent), and Khulo (92.1 percent), while the least attractive environment is in Tetritskaro (45.9 percent).

1.4. Access to credit and participation in governmental/ donor support programs.

Access to credit

According to Table 1.26, almost 53 percent of non-farm businesses took a loan in the last three years and spent it on their enterprise. The lowest rate of loan taking by non-farm businesses is in Kazbegi (31.4 percent), while the highest is in Borjomi (57.2 percent). Almost half of the non-farm businesses took a loan of less than 10,000 GEL, while for almost 30 percent of enterprises, the amount of credit comprised 10,000-50,000 GEL (see Table 1.27). Larger loans, specifically those of 50,000-100,000 GEL and those of more than 100,000 GEL, were distributed to 9.1 and 7.9 percent of non-farm businesses, respectively.

Though the distribution of the number of loans generally reveals similar patterns across municipalities, Kazbegi has the highest proportion of businesses (35.6 percent) that received a loan of more than 100,000 GEL. As Table 1.28 suggests, the principal loan providers are banks (88.4 percent), followed by microfinance institutions (4.8 percent), and family and friends (2.3 percent). State/donor programs display only a negligible share. Across these municipalities, microfinance institutions are more intensively involved in providing loans in Tetritskaro (11.1 percent) and Kazbegi (10.2 percent), while family/friends are an important source of loans in Dedoplistskaro (14.1 percent). Running expenditures (68.8 percent) and capital expenditures (20.4 percent) are the major reasons for loan taking, while other motives seem to be of minor importance (see table 1.29). Running expenditures is the most salient motivation for taking a loan in such municipalities as Keda (93.2 percent) and Akhalkalaki (89.8 percent), while businesses in Kazbegi take loans mainly to run their capital expenditures (64.4 percent). According to Table 1.30, 42.2 percent of non-farm businesses need additional loans for the same enterprise. The proportion of businesses that need additional loans is the highest in Borjomi (80.1 percent), and the lowest is in Keda (17.3 percent).

Governmental/donor support programs

Only 4.3 percent of non-farm businesses are recipients of governmental/donor support programs (see Table 1.31). Among these municipalities, Tetritskaro (10.6 percent) and Keda (9.9 percent) have the highest number of businesses recipients, while Akhalkalaki (0.9 percent) has the lowest. The small proportion of beneficiaries of governmental/donor support programs among non-farm businesses can be partially explained by low awareness levels about their availability. According to Table 1.32, only 14 percent of businesses in targeted municipalities are informed about the availability of such programs. Unsurprisingly, the highest awareness levels among entrepreneurs were recorded in Tetritskaro (39.3 percent) and Keda (30.5 percent), the municipalities with the highest proportion of recipients. On the other hand, the lowest proportion of informed managers are in Dedoplistskaro (2 percent) and Akhalkalaki (4.3 percent).

The highest awareness level among informed entrepreneurs receive assistance from these programs: Produced in Georgia (69.4 percent), ENPARD (5.9 percent), and the State Reform of Land Restoration program (5.4 percent) (see Table 1.33). The highest proportions of entrepreneurs informed about the Produced in Georgia program are in Keda (87.8 percent), Khulo (86.8 percent), and Borjomi (81.4 percent). Information about ENPARD is better disseminated in Lagodekhi (15.9 percent) and Tetritskaro (15.4 percent). A substantially higher proportion of businesses in Borjomi (18.6 percent) know about the State Reform of Land Restoration program compared to businesses from other municipalities. As Table 1.34 suggests, the type of assistance mostly needed by non-farm entrepreneurs is subsidized loans (28.4 percent)

and loan guarantees (22.5 percent). The former is especially prominent in Khulo (41.7 percent) and Lagodekhi (40.1 percent), while the latter in Kazbegi (52.3 percent). Other important types of assistance are the existence of support networking (9.3 percent), dissemination of information (7.6 percent), and regulatory compliance assistance (7' percent).

Almost 9 percent of entrepreneurs have participated in a state program competition (see Table 1.35). The highest proportion of participants are in Akhalkalaki (19 percent), while in Dedoplistskaro, none of the entrepreneurs confirmed their participation in any competition. Among the stated reasons for non-participation, according to Table 1.36, the most prominent ones are lack of information (33.1 percent) and the lack of willingness to participate (25 percent). Lack of information as a reason for non-participation has the highest proportion in Drdoplistskaro (79.1 percent) and the lowest in Keda (19.5 percent). As Table 1.37 shows, entrepreneurs mostly recommend changing relationship/communication systems (25 percent) and increasing grant volume (7.8 percent).

1.5. Main business performance indicators, subjective performance evaluations, and plans for expansion

Main business performance indicators

According to Table 1.39, non-farm enterprises, on average, employ 3.7 personnel. This rate is the highest in Borjomi (seven employees) and the lowest in Akhalkalaki (1.8 employees) and Tetritskaro (1.9 employees). The average turnover volume of non-farm businesses comprises 111,691.5 GEL. Comparatively large businesses are in Lagodekhi and Borjomi, with average turnover volumes of 228,403.4 and 164,020.3 GEL, respectively. On the contrary, businesses with the smallest turnover volumes are located in Akhalkalaki (14,980.2 GEL), Khulo (22,116.3 GEL), and Keda (37,435.6 GEL). The average productivity of non-farm businesses in these targeted municipalities, calculated as an output per worker, amounts to 28,221.9 GEL. Considering the turnover performance and average firm size level, it is not surprising that businesses in Lagodekhi substantially outperform others in terms of productivity. They have achieved the highest average productivity level of 76,123.9 GEL. Expectedly, the lowest output per worker was attained in Akhalkalaki (11,861.7 GEL), Khulo (13,222.1 GEL), and Keda (10,970.0 GEL).

In terms of employment dynamics, during the last three years, the number of personnel grew by 31.2 percent, turnover volume by 80.7 percent, and productivity by 71. percent. Non-farm businesses substantially differ with respect to employment growth across municipalities. This discrepancy varies from 76 percent in Kazbegi

and 63.9 percent in Dedoplistskaro to 3.9 percent in Akhalkalaki. Despite relatively small levels of turnover and productivity, non-farm businesses in Khulo during the last three-year period attained remarkable progress (317.3 percent growth) regarding both indicators. High growth rates of turnover (172.3 percent) and productivity (162.8 percent) were also achieved in Borjomi. On the contrary, Lagodekhi experienced a decline in turnover and productivity of non-farm businesses by the same rate of 19.3 percent. Also, relatively small growth rates of turnover and productivity are found in non-farm businesses in Tetritskaro (11.7 and 7.4 percent, respectively) and Akhalkalaki (16.2 percent each).

To summarize, there is substantial variability in non-farm businesses performance and its dynamics across municipalities. Though non-farm businesses in Lagodekhi have significantly better current turnover and productivity performance than businesses in other municipalities, they have shown negative dynamics during the last three years. On the other hand, businesses in both Akhalkalaki and Khulo lag others in terms of current turnover and productivity levels. However, during the last three years, non-farm businesses in Khulo showed remarkable progress regarding these indicators, while businesses in Akhlakalaki had very moderate growth rates.

Subjective performance evaluations

As Table 1.39 shows, most non-farm businesses assess their current business situation as satisfactory (70.6 percent), 16 percent of businesses think that their business situation is good and only 12.2 percent have pessimistic perceptions of their business situation. The highest proportion of poor evaluations of a business situation are among businesses located in Akhalkalaki (26.9 percent), while businesses in Keda (44.9 percent), Borjomi (26.4 percent), and Kazbegi (23 percent) have the highest proportion of businesses that assess their situation as good. On the other hand, most businesses satisfied with their current situation are located in Lagodekhi (87.5 percent) and Khulo (82.7 percent).

Ten percent of non-farm enterprises have negative expectations of their business's development in the next six-month period, 43.6 percent expect no change, and 38.3 percent have optimistic anticipations (see Table 1.40). Coinciding with the analysis of their current situation, the highest proportion of businesses that expect an improvement in situations are from Keda (67.8 percent) and Borjomi (49 percent), while the most entrepreneurs with pessimistic expectations are in Akhakkalaki (19 percent) and Dedoplistskaro (25.2 percent).

According to Table 1.41, almost 21 percent of non-farm businesses believe that the current situation is worse than one year ago, 43.4 percent consider that the situation was primarily unchanged, while 30.7 percent think it was improved. Again, the most considerable proportion of enterprises that suggest that their business situation improved are in Keda (46.9 percent), while businesses with negative assess-

ments of recent changes are in Akhalkalaki (36.3 percent) and Dedoplistskaro (32.5 percent). To summarize, the result of the analysis of subjective evaluations of business performance shows that they are highly interrelated. Generally, Keda and Borjomi have a higher proportion of businesses with positive assessments, while most enterprises with negative evaluations are from Akhalkalaki and Dedoplistskaro.

Plans for expansion

According to Table 1.42, 41.5 percent of non-farm businesses plan to expand their activity during the next 3-year period. The highest proportion of enterprises that plan an expansion of their businesses are in Borjomi (72.1 percent), while in Akhalkalaki and Khulo, these plans are the lowest, 21.9 and 22.6 percent, respectively. Most of the non-farm businesses that plan for expansion consider the introduction of new products/services (29.7 percent) among priorities for the realization of this plan (see Table 1.43). Among other priorities for the implementation of business expansion are increasing production of existing products/services (23.2 percent) (see Table 1.44), territorial expansion (16.9 percent) (see Table 1.45), targeting new customer markets (3.3 percent) (see Table 1.46), acquiring new business (3.8 percent) (see Table 1.47), introducing new technologies (8.2 percent) (see Table 1.48), and intensifying promotional activities (3.4 percent) (see Table 1.49).

Across municipalities, non-farm businesses located in Borjomi show the highest proportions of priorities for expansion through the introduction of new products/services (58.2 percent), increasing production of existing products/services (53.8 percent), acquiring new business (6.9 percent), and introducing new technologies (18.1 percent). At the same time, territorial expansion has the highest priority among businesses in Dedoplistskaro (23.9 percent), targeting new customer markets in Lagodekhi (5.1 percent), and intensifying promotional activities in Akhalkalaki (12.3 percent).

2. Descriptive Analysis of the Main Results of the Population Survey on Non-Farm Economy Needs

2.1. Household data analysis

In this section, we discuss the results of the population survey based on household data. Specifically, we analyze spatial and socio-economic migration patterns within a household, a household's involvement in agricultural and non-agricultural businesses, availability and intentions regarding unregistered businesses, distribution of households by incomes, and house and land ownership.

Migration patterns

Almost 8 percent of households in the targeted municipalities have at least one migrant, according to Table 2.1. The highest proportions of households with a migrant family member are in Khulo (24.1 percent), Akhalkalaki (14 percent), and Keda (12.9 percent), while in Dedoplistskaro, only 1 percent of households house a migrant. The main destinations of migration are foreign countries (2.7 percent) and towns (2 percent) (see Table 2.2). The least likely destinations that household members migrate to are a village/settlement in another municipality (0.2 percent) or another municipality (0.3 percent). Khulo has the highest proportion of households across targeted municipalities in which family members migrate to another village/settlement within the same municipality (4.1 percent), the municipal center of the same municipality (7.1 percent), town (14.1 percent), and Tbilisi (3.1 percent). Migration abroad has the most significant proportion among households in Akhalkalaki (8.9 percent) and Keda (3.1 percent). Among the reasons for migration, as Table 2.3 suggests, the most important ones are work/source of income (4.7 percent), receiving services (2.6 percent), and personal matters (2.1 percent). The proportion of incoming migrants is very high among households from Akhalkalaki (11.9 percent), Khulo (11.3 percent), and Keda (8.6 percent). Dedoplistskaro (0.2 percent) and Kazbegi (0.7 percent) have the lowest proportions of households with incoming migrants. Fifteen percent of households in Khulo have a family member who migrated for the reason of receiving services. The proportion of households having such migrants is also high in Keda (4.5 percent).

Business ownership

According to Table 2.4, 22 percent of households are involved in agricultural business and 5.3 percent in non-agricultural business. The most significant shares of households that run agricultural businesses are in Lagodekhi (48.7 percent), Akhalkalaki (26.3 percent), and Keda (25.5 percent). In contrast, households from Borjomi (4 percent), Tetritskaro (4.6 percent), and Kazbegi (6.3 percent) are less involved in such kinds of businesses. At the same time, Kazbegi (18.9 percent) and Borjomi (9.8 percent) have the highest proportion of households that are occupied performing non-farm activities. In Tetritskaro, households are characterized by low levels of participation in both types of businesses.

Table 2.5 shows the proportion of households with unregistered businesses across municipalities.[6] According to the table, 32.5 percent of households in the targeted municipalities own unregistered businesses.[7] The proportion of such households is the highest in Khulo (79.2 percent), Keda (69.5 percent), and Kazbegi (67.9 percent), while in Lagodekhi, only about 20 percent of households run unregistered businesses. Most households with unregistered businesses (77.8 percent) are ready to register their business in case of financial or other types of support (see Table 2.6).[8] Borjomi shows the lowest proportion (37.3 percent) of those households that plan to register their enterprises in case of support.

Household incomes

Tables 2.7 and 2.8 provide information on households' monthly income from agricultural and non-agricultural activities. As Table 2.7 suggests, the overwhelming majority of households in the targeted municipalities have no income from agricultural activity (79.9 percent),[9] while the rest of the households have a comparatively small monthly income: up to 250 GEL (9.6 percent), 250-500 GEL (6.4 percent), 500-1,500 GEL (2.6 percent). Only less than 1.5 percent of households have a monthly income of more than 1,500 GEL. The proportion of households by municipality that has no income from agricultural businesses are Borjomi (97.6 percent), Tetritskaro (96.4 percent), and Kazbegi (94.5 percent), while the lowest rate of such households is in Lagodekhi (54.1 percent). These results coincide entirely with the data on the participation of households in agricultural and non-agricultural activities discussed above.

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[6]   This information covers only 9,965 out of a total 56,398 households or 17.7 percent of the total number of households in targeted municipalities.

[7]   Counting households that provided an answer to the corresponding question

[8]   This data only refers to 2,685 households who provided answers to the relevant question.

[9]   55,848 households

All municipalities show negligible proportions of households with monthly incomes from agricultural and other activities of more than 1,500 GEL. Regarding incomes from non-agricultural activities, the proportion of households that do not have such kind of income is even higher (95.7 percent).[10] Four percent of households have a monthly income of less than 1,500 GEL, while for the rest, 0.3 percent of households' monthly income exceeds 1,500 GEL. Again, in compliance with data on households' participation in non-agricultural activities, as discussed above, Kazbegi shows the largest share of households (16 percent) with incomes from a non-agricultural business.

According to Table 2.9, the primary sources of households' monthly income in targeted municipalities are: pension, TSA, food subsidies and other (36.7 percent), salaries (27.3 percent), own agricultural business (16.3 percent), remittances (7.9 percent), and own non-agricultural business (5.1 percent). Capital gains and collected rent comprise less than 1.5 percent of households' total monthly income. Salaries are the largest share in total monthly household income in Kazbegi (43.6 percent), Borjomi (42.7 percent), and Khulo (41.6 percent), while salaries make up the smallest share of household income in Akhalkalaki (14.4 percent). In Akhalkalaki, the relatively low representation of salaries in a household's total monthly income is compensated by the relatively large share of revenue earned from own agricultural business (27.8 percent) and remittances (21.8 percent). At the same time, the percentage of household incomes received from remittances and revenues from own agricultural business is relatively small in Kazbegi (1.2 and 3.2 percent, respectively), Borjomi (3.3 and 1.7 percent, respectively) and Khulo (0.66 and 1.3 percent, respectively). As expected, the highest proportion of revenues from own non-agricultural businesses in a household's total monthly income are found among households in Kazbegi (11.1 percent) and Borjomi (7.1 percent). In regards to pensions and social assistance, this source of income has the highest percentage in a household's total monthly income in Tetritskaro (49.7 percent), Dedoplistskaro (46.8 percent), and Khulo (44.1 percent).

House and land ownership

Most households in the targeted municipalities (95.4 percent) live in dwellings/apartment/houses which belong to members of the household (see Table 2.10). The proportion of households living in their own dwelling is the highest in Keda and Khulo municipalities and exceeds 99 percent, while the lowest proportion is found in Tetritskaro, and it is not less than 90 percent. According to Table 2.11, on average, a household in these targeted municipalities owns 6,641m^2 of land, of which 5,003m^2 is used for farming. The highest rates of land ownership and land use for farming are by households in Dedoplistskaro (11,650 and 8,265m^2, respectively), Lagodekhi (9,011 and 6,662m^2, respectively), and Akhalkalaki (8,745 and 6,808m^2, respective-

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[10] 56,132 households

ly). As expected, households' lowest rates of land ownership and land use for farming can be found in Borjomi (998 and 679m^2, respectively) and Kazbegi (1,299 and 1,160m^2, respectively).

2.2. Population data analysis

In this section, we focus on the analysis of individual data from the population survey. Specifically, we emphasize such issues as the main characteristics of local settlements: infrastructure and services, environmental issues, planning of household finances, former businesses and potential for start-ups, labor market status, and the behavior of the population.

2.2.1. Local environment, environmental issues, and household finances.

Local travel patterns and conditions

According to Table 2.12, the most important destinations for shopping and personal reasons for the population in the targeted municipalities are local municipal centers (approximately 35 percent), villages (22 percent), major cities like Batumi (14.8 percent) and Tbilisi (12.5 percent), other municipalities (4.7 percent). A minor proportion of the population prefers to travel to other main cities such as Rustavi (0.9 percent) and Kutaisi (0.4 percent) or abroad (less than 1 percent). The destination patterns vary substantially across municipalities. In Keda and Khulo, the leading destination for traveling is the local municipal centers (17.9 and 16.8 percent, respectively) and the regional center Batumi (66.8 and 69 percent, respectively). Only a small proportion of the population in these municipalities prefers to travel abroad to Turkey. In Dedoplistskaro, Lagodekhi, Kazbegi, and Borjomi, for shopping and personal reasons, people usually go to villages (43.8, 44.2, 21.6, and 18.1 percent, respectively), local municipal centers (36.3, 28.6, 30.6, and 41.3 percent, respectively), and Tbilisi (11.4, 16.2, 35.5, and 19.2 percent, respectively). In Akhalkalaki, the local municipal center is the leading destination for visits (59.1 percent), followed by villages (11.7 percent). A small proportion of the population in this municipality travels abroad for shopping and personal reasons (Armenia - 2.7 percent and Russia - 0.3 percent). In Tetritskaro, for shopping and personal contacts, the population mainly travels to Tbilisi (33.3 percent), the local municipal center (27.1 percent), and other municipal centers 21.6 percent).

The most critical issues for people in their settlements, as Table 2.13 illustrates, are unemployment (33 percent), poor conditions of road infrastructure (14.9 percent), problems with drinking water (12 percent), the absence of a gasification sys-

tem (4.2 percent), lack of access to the internet (3.8 percent), severe socio-economic situations (3.6 percent), the absence of a central sewer system (2.4 percent), the lack of kindergartens (2 percent), problems with irrigation water (1.5 percent), and insufficient and poor infrastructure (1 percent). Other problems are important only for a minor proportion of the population in the targeted municipalities. However, the priorities among important issues differ across municipalities. Unemployment is a more severe issue for the population in Dedoplistskaro (50.2 percent), Borjomi (42 percent), and Khulo (40.4 percent), while it is a less serious problem in Kazbegi (9.6 percent) and Akhalkalaki (16.5 percent). The population suffers from poor road conditions, primarily in Akhalkalaki (25.2 percent) and Khulo (22.5 percent). In Borjomi and Dedoplistskaro, poor road conditions represent an issue for a smaller proportion of the population, 6.2 and 7.4 percent, respectively. The problem of the drinking water is especially acute for the population in Kazbegi (38.2 percent) and Tetritskaro (23.2 percent), while the absence of gasification is perceived as the most important problem in Akhalkalaki (8.4 percent), Tetritskaro (8.3 percent), and Keda (6.4 percent). Across municipalities, in Akhalkalaki, the higher proportion of the population emphasizes such issues as the absence of kindergarten (5.3 percent) and problems with irrigation water (5 percent). At the same time, in Borjomi, these are severe socio-economic conditions (6.4 percent) and insufficient and poor infrastructure (4.9 percent). Furthermore, access to the internet is a salient problem in Lagodekhi (7.6 percent).

The evaluations of the local infrastructure and services are presented in Table 2.14. The evaluations were measured with a six-item interval scale, where 0 refers to the absence of infrastructure/service, 1 refers to no satisfactory performance, and 5 to fully satisfactory performance of infrastructure/services. According to the table, the most satisfactory performance of infrastructure/services across municipalities is shown by electricity supply (4.48),[11] natural gas supply (4.28), education services (4.2), and kindergartens (4.07). At the same time, such infrastructure/services as irrigation systems (2.59), sewage (2.75), and women's organization (2.75) show the lowest performance rates across municipalities. Road and transport communications are more satisfactory in Borjomi (4.24) and Keda (4.06) and less satisfactory in Akhalkalaki (2.42). Similarly, Borjomi (4.43) and Keda (4.05) perform well in terms of providing transport service, while in Kazbegi, this service has the lowest score (2.76) among other municipalities. Electricity supply received a high evaluation in all municipalities. The same is true for natural gas supply except for Khulo (1.65) and Keda (2.09). Drinking water supply, generally, has average evaluations across municipalities. The population is less satisfied with irrigation and sewage systems in Dedoplistskaro (1.92) and Khulo (1.98). Khulo shows the lowest evaluations also regarding the performance of waste disposal (2.47), internet (2.28), and women organizations (1.88). Health care facilities, education services, sport-recreation facilities, and kindergartens received on averages satisfactory evaluations across municipalities.

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[11] The mean value in parentheses

Environmental issues

The population's opinions on the environmental degradation in their settlements during the last year are presented in Table 2.15. According to the table, almost 25 percent of the population saw no changes in the environmental conditions in the last year. Most of the population in targeted municipalities consider deforestation (34.2 percent), invasive new species (10.4 percent), soil erosion and degradation (8.5 percent), increase in the frequency of droughts (6.3 percent), deterioration of water quality (4.9 percent) and increase in the frequency of the natural disasters (2.9 percent) as the main environmental degradation issues. The highest proportions of the population that noticed no environmental changes are in Kazbegi (59.4 percent) and Akhalkalaki (55.6 percent). However, these municipalities show the highest proportion of the population across municipalities that mentioned deterioration of water quality (17 percent) and soil degradation issues (17.2 percent) as environmental degradation issues, respectively. Deforestation, according to the population's view, is an especially severe environmental problem in Khulo (61.3 percent), Borjomi (50 percent), and Lagodekhi (48.9 percent). In comparison, in Akhalkalaki (3.5 percent) and Kazbegi (9.1 percent), a considerably lower proportion of the population perceives this as an important issue. The significance of other environmental changes differs substantially across municipalities. Specifically, invasive new species is an important environmental issue in Keda (45.8 percent) and Tetritskaro (24.7 percent), increase in the frequency of droughts in Khulo (15.2 percent) and Tetritskaro (12.1 percent), increase in the frequency of the natural disasters in Lagodekhi (7.2 percent).

Among important ways for improving living standards or reducing cost by undertaking some energy efficiency measures at home, the population in target municipalities emphasizes better insulation (27.4 percent), reduced electricity consumption (14.5 percent), more energy-efficient heating (13.9 percent), renewable electricity supply (4.3 percent) and waste recycling (2.6 percent) (see Table 2.16). The priorities for energy-saving measures vary across municipalities. Specifically, in Borjomi, the population considers the usage of better insulation (35.2 percent) and more energy-efficient heating (17.2 percent) as main ways for improving living standards. Reduced electricity consumption is highlighted in Tetritskaro (23.2 percent), Lagodekhi (19.7 percent), and Dedoplistskaro (19.1 percent). In addition, installation of renewable electricity supply and waste recycling is considered an important way to improve living standards in Keda (7.1 percent) and Lagodekhi (8.1 percent), respectively.

Planning household's financial resources

According to Table 2.17, half of the population in targeted municipalities have no disposable income. Those who have disposable income spend it on things the family normally cannot afford (26.2 percent), invest it into something that can make

money or reduce expenses (11.5 percent), put it in a safe place as a reserve (e.g., bank) (7.8 percent). A negligible proportion of the population (0.3 percent) devote disposable income to charity or to medicines and medical services. The highest proportion with no disposable income lives in Akhalkalaki (71.3 percent), while in Khulo, the share of people with no disposable income is the lowest (24.8 percent) across municipalities. In Khulo, the largest proportion of disposable income is spent on things the family normally cannot afford (53.7 percent), whereas, in Lagodekhi, people mainly invest disposable income in matters that allow making money or reducing costs (19 percent).

The average time horizons for planning financial resources and larger profitable financial investment in targeted municipalities are 23.6 and 148.2 days, respectively (see Table 2.18). On average, the planning of financial resources takes a longer time in Akhalkalaki (29.6 days), while the planning period for larger profitable financial investment is longer in Kazbegi (306.8 days). According to Table 2.19, more than 32 percent of the population do not have sufficient savings to invest in any business, while 41.5 percent of the population consider investing their savings in the agricultural sector and 19.1 percent in the non-agricultural sector. The largest shares of the population with no savings are in Akhalkalaki (45.9 percent) and Borjomi (45.6 percent), while in Lagodekhi, the proportion of the people that do not have any savings is the lowest across municipalities (14.8 percent). Lagodekhi, on the other hand, has the largest share of the population that invest their saving in the agricultural sector (57.9 percent). Investments in the non-agricultural sector are among the highest priority for the people living in Kazbegi (39 percent) and Borjomi (30 percent).

According to Table 2.20, more than 35 percent of the population in targeted municipalities have no desire to start any business. At the same time, among the highest priorities for starting a business, the population in targeted municipalities consider the following kinds of business: livestock (13.4 percent), cultivation of annual crops (7.4 percent), the opening of trade facility (6.5 percent), the opening of a family hotel (4.4 percent), cultivation of perennial plants (2.4 percent) and cultivation of greenhouses (2.2 percent). Akhalkalaki (54.3 percent) and Borjomi (41.5 percent) have the largest shares of the population that do not want to start a business, while in Kazbegi, the share of such people is the lowest across municipalities (16.7 percent). As regards other business priorities, the livestock is mostly emphasized in Khulo (19.4 percent); cultivation of annual crops in Dedoplistskaro (10.9 percent) and Borjomi (10 percent); opening of trade facility and opening of a family hotel in Khulo (9 and 8.2 percent, respectively); cultivation of perennial plants and cultivation of greenhouses in Lagodekhi (6.2 and 6.9 percent, respectively); viticulture in Keda (9.3 percent).

2.2.2. Former and future entrepreneurs.

Former entrepreneurs

Only less than 4 percent of the population in targeted municipalities owned or operated an enterprise/business before (3.8 percent in agriculture and 0.1 percent in trade) (see Table 2.21). The highest proportion of former entrepreneurs live in Kazbegi (9 percent) and Borjomi (7.5 percent), while the least number of people that were involved in business activities in the past can be found in Khulo (1.7 percent). Among the reasons for stopping business, as Table 2.22 suggests, the most important ones were: the lack of profitability (36.4 percent), personal reasons (16.6 percent), limited access to funding (13.5 percent), an unforeseen accident (11.7 percent). The problems with profitability were the main reason for stopping business in Khulo (49 percent) and Dedoplistskaro (47.7 percent); personal reasons for closing business activities dominate in Kazbegi (30.5 percent) and Lagodekhi (25.3 percent); in Tetritskaro, these are unforeseen accidents (27.7 percent) and lack of funding (23.7 percent). According to Table 2.23, almost 60 percent of former businesses were registered. The percentage of registered business is distributed across municipalities evenly, with the highest proportion found in Dedoplistskaro (72.1 percent) and the lowest one in Lagodekhi (40.6 percent). More than 70 percent of former entrepreneurs have cancelled the registration of closed businesses (see Table 2.24). This rate is the highest in Khulo (91.7 percent) and lowest in Keda (48.6 percent).

Potential start-ups

The personal perceptions of the population in targeted municipalities on their potential for starting and managing a business are shown in Table 2.25. According to the table, 61.2 percent of the population in targeted municipalities[12] consider themselves to have the right skills to manage a business, and 65.6 percent think that entrepreneurship is a good career choice for them. Only 42.3 percent of the population are afraid of failure when starting a business. In Khulo, one can see the highest proportion of the population who consider themselves as having the right skills to manage a business (76.3 percent) and who think that entrepreneurship is a good career choice for them (80.6 percent), while in Akhalkalaki, the proportion of the people with such attitudes are the lowest among municipalities (45.2 and 54.6 percent, respectively). In Keda and Khulo, there are the lowest proportions of the people who are afraid of failure when starting a business (32.8 and 35 percent, respectively), while in Akhalkalaki and Borjomi, the share of such attitudes among the population is the largest one (47.3 and 47.2 percent, respectively).

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[12] The data in this section refer only to the part of populations who answered the relevant question.

More than half of the population (58.7 percent) in targeted municipalities see some opportunities to start a business in their municipality (see table 2.26). The proportion of the people that see any opportunities for start-ups is the highest in Borjomi (93.7 percent), while the least optimistic people in this regard live in Khulo (43.9 percent) and Akhalkalaki (44.2 percent). Among the opportunities for starting a business, as Table 2.27 shows, the most important ones are favorable/good location for settlement (18 percent), the existence of fertile lands (10.2 percent), good natural environment (9.8 percent), availability of business supporting state programs (6.8 percent), proximity to the tourist zone (6.2 percent), sufficient natural resources and land (6.2 percent), favorable business environment (5.3 percent) and the existence of a large flow of tourists (5.2 percent). According to the population's opinion, the opportunities for starting a business vary across municipalities in the following way: the most favorable/good location for settlement is in Khulo (43.1 percent) and Dedoplistskaro (27.5 percent); the existence of fertile lands and sufficient natural resources and land are the main advantages of Akhalkalaki (28.9 and 10.9 percent, respectively); Lagodekhi (14.6 percent) and Khulo (12.1 percent) have a better natural environment than other municipalities; Tetritskaro outperforms other municipalities in terms of availability of business supporting state programs (37.5 percent); Borjomi has better proximity to the tourist zone (23.8 percent); Kazbegi substantially surpasses other municipalities regarding existence of a large flow of tourists (32.9 percent).

The intentions of the population to start their own business in targeted municipalities are presented in Table 2.28. According to the table, 42.2 percent of the population have never thought about this opportunity, 44.5 percent of the population have thought about this opportunity but was not able to implement it, and only 13.3 percent of the people in targeted municipalities have started or are planning to start a business. Kazbegi (34.2 percent) and Lagodekhi (23.4 percent) report the highest proportions of people that have started or plan to start a business, while the lowest percentage of such people live in Akhalkalaki (3 percent). The share of the population that was not able to start a business is the largest in Tetritskaro (55.6 percent) and the smallest in Keda (35.1 percent). Almost half of the females (48.3 percent) have never thought about starting a business, and about 42 percent of them have thought but were not able to implement it.

The proportion of females that have started or are planning to start a business is 3.4 percent lower than the corresponding proportion for the total population. On the contrary, the proportion of youth[13] that has started or plans to start a business only slightly differs from that for the whole population (12.7 percent). At the same time almost half of the youth (48.1 percent) have a problem with starting a business. Similar to the distribution of total population across municipalities, the highest proportion of females and youth that have or plan to have a business live in Kazbegi (32.1 and 30.7 percent, respectively), while their lowest proportion can be found in Akhalkalaki (2 and 2.3 percent, respectively).

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[13] People of 15-29 years old.

The above analysis shows that almost 90 percent of those in targeted municipalities have never thought or have thought but were not able to start a business. The main reasons for not considering business opportunities are presented in Table 2.29. According to the table, the major motives for not having intentions to start a business are inadequate resources (50.5 percent), risk aversion (12.4 percent), satisfaction with existing income (12.1 percent), and the lack of knowledge/skills (7.9 percent). The inadequate resources to start a business is an especially acute issue in Kazbegi (66.5 percent), Dedoplistskaro (64.2 percent), and Tetritskaro (61.9 percent), while in Khulo (32.7 percent) and Keda (41.4 percent) this reason is less important. The highest proportions of people who are distracted from starting a business by the lack of knowledge/skills live in Keda (19.2 percent) and Lagodekhi (19.1 percent). Lagodekhi also shows the largest share (20.3 percent) of people that do not plan their engagement in business activity due to the fear of failure. In Keda, the people do not consider business opportunities mainly because of satisfaction with existing incomes (41.9 percent). This motive is the least important in Tetritskaro (1.2 percent), Kazbegi (2.9 percent), and Akhalkalaki (3.9 percent).

According to Table 2.30, the main potential sectors for starting a business - agriculture (54.6 percent), trade (16.8 percent), and hospitality (10.3 percent) jointly comprise more than 80 percent of total choices. The agriculture sector is the least attractive choice for start-ups in Kazbegi (20 percent) and Borjomi (27,8 percent), while in other municipalities, the share of this choice is relatively high. The proportion of the population that has an intention to start a business in the trade sector is the highest in Akhalkalaki (30.8 percent), while Kazbegi shows the smallest percentage of people that are willing to engage in a trading business (4.1 percent). The people living in this municipality prefer to start a business in the hospitality sector (47.4 percent). Similar intentions are stated by the population from Borjomi (27.2 percent). The smallest proportion of the population across targeted municipalities planning to enter the latter sector can be found in Akhalkalaki (1.4 percent). More than 70 percent of the population in targeted municipalities, as Table 2.31 suggests, agree completely or rather agree with the statement that a woman needs exceptional support to start an enterprise/business.

According to Table 2.32, more than 80 percent of the population in targeted municipalities think that the local conditions/environment are rather favorable or favorable for starting a business. According to people's opinion, the most favorable conditions/environment are in Kazbegi (95.8 percent), while the least favorable is in Dedoplistskaro (70.4 percent). The most important reasons for the local conditions/environment not being favorable for starting a business, according to Table 2.33, are insufficient financial resources (20.7 percent), high levels of poverty (18.9 percent), lack of fertile agricultural land (11.4 percent), unfavorable natural conditions (9 percent), unfavorable location of settlement (8.8 percent), water supply problem/irrigation water (5.8 percent), lack of settlements (4.9 percent), lack of promotion for busi-

ness activities (4.2 percent), difficulty in selling the product (2.9 percent) and poor road infrastructure (2.3 percent). Across targeted municipalities, the importance of these reasons varies substantially. Specifically: insufficient financial resources are the most serious problem in Khulo (44.7 percent); high levels of poverty in Dedoplistskaro (31.5 percent) and Borjomi (28.3 percent); lack of fertile agricultural land in Borjomi (24.4 percent) and Keda (17.5 percent); unfavorable natural conditions in Kazbegi (30.9 percent) and Keda (29.1 percent); unfavorable location of settlement in Akhalkalaki (14.6 percent); water supply problem/irrigation water in Tetritskaro (26.7 percent) and Kazbegi (15.5 percent); lack of settlements in Dedoplistskaro (11.9 percent) and Tetritskaro (8 percent); difficulty in selling the product in Lagodekhi (11.8 percent) and Kazbegi (10.3 percent); poor road infrastructure in Kazbegi (15.5 percent).

2.2.3. Employment and labor market behavior

Employment status

The distribution of the population in targeted municipalities according to their employment status is reported in Table 2.34. As the table shows, 70 percent of the population participates in the labor market, including 47.6 percent of those who are employed and 22.4 percent of unemployed people. The highest labor market participation level shows Kazbegi (86.8 percent) followed by Khulo (84.5 percent), Keda (79.9 percent), and Lagodekhi (75.8 percent). At the same time, the lowest level is reported in Dedoplistskaro (54.8 percent). In terms of employment, the largest shares of employed people can be found in Kazbegi (83.7 percent) and Lagodekhi (70 percent). These municipalities also reveal the lowest levels of unemployment, 3.1 and 5.8 percent, respectively. Though Khulo shows one of the highest labor market participation levels across targeted municipalities, the employment rate in this municipality is below the average (39.3 percent). Khulo has the highest unemployment rate (45.2 percent) among targeted municipalities.

From the point of gender dimensions, the level of labor market participation by females is 60.7 percent, which is lower than that for the whole population by almost 10 percent. Both employment and unemployment levels for females are lower than those for the total labor market and comprise 40.7 and 20 percent, respectively. The distribution of the females' working status across municipalities generally has the same pattern as for the whole population, with Kazbegi having the highest levels of labor participation and employment (81 and 78.8 percent. respectively) and the lowest level of unemployment (2.3 percent). Again, Dedoplistskaro shows the lowest level of female labor participation (43.8 percent), while Khulo reveals the highest female unemployment level (44.2 percent).

The youth show a higher labor participation level (77.1 percent), but at the same time, the lower employment and substantially higher unemployment levels (43.2 and 33.9 percent, respectively) than the whole labor market. Khulo reveals the highest levels of both: labor market participation and unemployment (94.6 and 69.1 percent, respectively). Thus, despite the highest labor market participation level across the targeted municipalities, Khulo has one of the lowest proportions of employed youth (25.5 percent) along with Tetritskaro (24 percent). As expected, Kazbegi and Lagodekhi report the best employment figures for the youth (87.3 and 71.4 percent, respectively) and the lowest youth unemployment rates (6 and 12.4 percent, respectively) across municipalities.

According to Table 2.35, the distribution of the population in targeted municipalities by types of employment is as follows: 11.2 percent is employed in the public sector, 7.7 percent in the private sector, 19.1 percent is self-employed, and 4.3 percent work in family businesses. As expected, Kazbegi shows the highest level of employment in public and private sectors as well as in family business (22.6, 22, and 49.2 percent, respectively). Relatively high proportions of employed in the public sector are reported in Khulo (19.4 percent) and Keda (16.8 percent). The private sector employment is also relatively high in Borjomi (15.4 percent). The largest shares of self-employed are revealed in Akhalkalaki (30.8 percent) and Lagodekhi (28.9 percent). Akhalkalaki shows the lowest rate of private employees (2.6 percent) and, along with Dedoplistskaro (7.6 percent), one of the lowest indicators of public employment (7.8 percent). The lowest level of employment in family businesses is reported in Khulo (0.6 percent), followed by Tetritskaro (0.8 percent) and Dedoplistskaro (1.1 percent).

Females have a public employment rate of 11.8 percent, which is similar to that for the whole population. At the same time, females have relatively lower rates of private employment (6.3 percent), self-employment (14.2 percent), and engagement in family businesses (3.3 percent). Across municipalities, the employment patterns of females are practically the same as those of the whole population. Comparatively to the whole population, a higher proportion of young people are employed in the private sector (10.1 percent). In comparison, the proportions of public employment (6.7 percent), self-employment (16.9 percent), and participation in the family business (3.2 percent) among the youth are relatively lower than those of the total labor market. The highest proportion of youth employed in the public sector is reported in Borjomi (12.5 percent), followed by Khulo (9.5 percent) and Kazbegi (8.8 percent), while the lowest ones are in Akhalkalaki (3.2 percent) and Dedoplistskaro (3.7 percent). Kazbegi (47.2 percent) and Borjomi (24.9 percent) reveal the highest private employment rates of youth, while Akhalkalaki (2.1 percent) and Khulo (4.8 percent) the lowest. The highest levels of youth self-employment are indicated in Akhalkalaki (26.5 percent), followed by Lagodekhi (24.8 percent) and Dedoplistskaro (20.6 percent). The smallest proportion of self-employed youth is Khulo (2.4 percent) and

Tetritskaro (2.6 percent). In family businesses, the youth are engaged only in three municipalities: Kazbegi (39 percent), Lagodekhi (9.2 percent), and Akhalkalaki (2.6 percent).

Sectoral and spatial distribution of employment

The overwhelming majority (more than 80 percent) of public employees are concentrated in the following five sectors: education (51.6 percent), public administration/self-government (19.6 percent), health/social protection (7.3 percent), other community, social and personal services (4.4 percent), and transport (2.8 percent) (see Table 2.36). The individual share of the rest of the sectors in public employment is minimal. Across municipalities, Keda reveals the highest public employment rate in the education sector (64.7 percent); Kazbegi in the public administration/self-government sector (41.3 percent); Lagodekhi and Kazbegi in health/social protection (13.1 and 11 percent, respectively); Dedoplistskaro and Tetritskaro in other community, social and personal services (18.4 and 13.1 percent, respectively); Borjomi in transport (12.4 percent).

According to Table 2.37, the private sector employs people mainly in the following industries: hospitality (13.6 percent), agriculture (13.2 percent), trade (12.7 percent), other community, social and personal services (9.6 percent), production and distribution of electricity, gas, and water (9.3 percent), construction (7.7 percent), financial services (6 percent), communications (5.2 percent), health/social protection (5.1 percent), transport (4 percent) and education (3.1 percent). As expected, the hospitality sector reveals the highest private employment levels in Borjomi (28.6 percent) and Kazbegi (26 percent), while private employment in the agriculture sector is concentrated in three municipalities: Dedoplistskaro (28.9 percent), Lagodekhi (28.5 percent), and Tetritskaro (20.6 percent). Dedoplistskaro (18.8 percent) and Lagodekhi (17.2 percent) also show the highest levels of private employment in the trade sector. Across targeted municipalities, Keda reveals the highest private employment rates in Other community, social and personal services sector (15.3 percent); Khulo in the construction sector (31 percent) and production and distribution of electricity, gas, and water sector (20.4 percent) followed by Akhalkalaki and Kazbegi (15.7 and 15 percent, respectively); Borjomi in the financial services sector (34.4 percent); Kazbegi in Communications sector (12.7 percent); Akhalkalaki and Kazbegi in the transport sector (13 and 11.1 percent, respectively). Within the other important sectors, variation of employment rates across municipalities is not significant.

Almost 75 percent self-employed comes to Agriculture sector (see Table 2.38). This finding for targeted municipalities coincides with the general employment patterns in Georgia. The other important sectors for self-employed people are trade (6.6 percent), construction (4.4 percent), transport (3.1 percent), and hospitality (2 percent). The rest of the sectors have only negligible proportions of those self-employed. Across municipalities, the highest level of those self-employed in the agri-

culture sector is reported in Akhalkalaki (91.4 percent), followed by Lagodekhi (83.1 percent), and Dedoplistskaro (60.9 percent), while the lowest ones are in Kazbegi (27.2 percent) and Borjomi (30.4 percent). In turn, Kazbegi shows the highest rate of self-employment in such sectors as hospitality (44.8 percent) and transport (14.9 percent), while Borjomi in the trade sector (20.4 percent). The highest rate of self-employment in the construction sector is revealed in Tetritskaro (20.4 percent), followed by Keda (16 percent) and Borjomi (14.2 percent).

The share of family business employees in the agriculture sector is even higher than that for self-employed people and amounts to 82.7 percent (see Table 2.39). Other important sectors for family business employment are real estate renting (4.1 percent), trade (2.8 percent), mining and quarrying (2.8 percent), and production and distribution of electricity, gas, and water (2.5 percent). In Dedoplistskaro, agriculture is the only sector of family business engagement, while in Kazbegi, the employment in this sector amounts to 98.1 percent. Family business employment in the agriculture sector is also very high in Lagodekhi (89.8 percent). On the contrary, Borjomi has the lowest rate of family business participation in this sector (18.5 percent). At the same time, this municipality reveals the highest family business employment level in the real estate renting sector (59.7 percent). Family businesses are involved in Mining and quarrying sector only in Lagodekhi (6.7 percent). Similarly, Akhalkalaki is a major employer of family business workers in the production and distribution of electricity, gas, and water sector (14.8 percent) and trade sector (13.1 percent).

According to Table 2.40, the main spatial locations for the public sector employees are village/settlement (57.4 percent), municipal centers (31.4 percent), and towns (11.2 percent). Across municipalities, the importance of different types of localities varies in the following way: villages/settlements is a key location for public employees in Keda (74.9 percent) and Khulo (70.2 percent); municipal centers in Kazbegi (62.1 percent) followed by Borjomi (46.3 percent); and towns in Borjomi (25.5 percent) and Akhalkalaki (22.9 percent). For private-sector employees, the main location for their job becomes municipal centers (41 percent), followed by villages/settlements (34.1 percent) and towns (24.9 percent).

The importance of location for private employees shows a little bit different patterns compared to those for employed in the public sector. Village/settlement is the most important private employment location in Tetritskaro (50 percent), Dedoplistskaro (49.9 percent), and Lagodekhi (49.1 percent). Borjomi and Kazbegi reveal the highest proportion of private employees located in the municipal center (58 and 57.9 percent, respectively). The town is the most important location for private-sector employees in Akhalkalaki (82.9 percent), followed by Keda (54.8 percent).

More than 80 percent of the self-employed work in villages/settlements, while 12.4 percent work in municipal centers, 5.4 percent in towns, and only a negligible 0.3 percent in Turkey. The highest proportion of self-employed working in villages/settlements is reported in Akhalkalaki (93.5 percent), followed by Dedoplistskaro (86.8

percent), Lagodekhi (80.4 percent), and Tetritskaro (80.3 percent). As in the previous case, Kazbegi and Borjomi show the highest proportion of self-employed workers located in the municipal center (49.9 and 30.2 percent, respectively). Borjomi also reveals the highest proportion of self-employed in towns (25.5 percent), followed by Akhalkalaki (22.9 percent). Turkey as a location for the self-employed is important mainly in Khulo (3.8 percent).

For the people employed in a family business, the importance of village/settlement as employment location is even higher than for the category of self-employed population (90.6 percent).   Municipal centers and towns employ 6.3 and 3.1 percent of family business workers, respectively. Village/settlement is responsible for 100 percent of employment for family business workers in Keda and Dedoplistskaro and almost 100 percent in Lagodekhi. Municipal centers are the most important locations for this category of employees in Khulo (33.3 percent) and Tetritskaro (32.1 percent), while towns are important in Akhalkalaki (16.9 percent).

Time dimensions of employment

Expectedly, most public employees (95.3 percent) have permanent kind of job, 3.8 percent temporary and only less than 1 percent seasonal or occasional (see Table 2.41). The distribution of the kind of work for public employees does not differ substantially across municipalities. The share of permanent jobs is also very high for private employees (70.7 percent), followed by temporary jobs (14.7 percent), seasonal jobs (13.1   percent), and occasional jobs (1 percent). The highest proportion of private-sector employees with permanent jobs is reported in Akhalkalaki (96.4 percent). The same indicator is the highest for temporary jobs in Keda (30.5 percent) and Khulo (30 percent) municipalities, for seasonal jobs in Lagodekhi (22.9 percent), and for occasional work in Khulo (5.8 percent). The proportion of self-employed people with permanent work is substantially lower than that for public and private employees and comprises 45.9 percent. The main kind of work for this category of employee is a seasonal job (46 percent). Temporary and occasional kinds of work for the self-employed population constitute 5.1 and 3.1 percent, respectively. The highest proportions of permanently self-employed people are reported in Tetritskaro (57.4 percent), Khulo (53.6 percent), and Dedoplistskaro (52.2 percent). The seasonal kind of work among self-employees has the highest share in Kazbegi (66.2 percent). Keda (14.1 percent) and Khulo (9.6 percent) reveal the largest shares of self-employees who have temporary or occasional kinds of work, respectively. Most of the population employed in a family business are engaged in a seasonal kind of work (73.4 percent), while 23.9 percent of them have permanent jobs. The share of the rest kind of works is a negligible one. In Khulo and Tetritskaro a 100 percent of family business employees have permanent and seasonal kinds of work, respectively.

As Table 2.42 shows, private-sector employees work harder than other categories of workers (8.38 hours per day and 39.85 hours per week), followed by public em-

ployees (7.14 hours per day and 33.74 hours per week), self-employed persons (6.58 hours per day and 30.41 hours per week) and family business employees (4.5 hours per day and 28.22 hours per week). For public employees, the daily workload does not differ substantially across municipalities, while in terms of weekly hour loading, the highest rate is reported in Borjomi (42.2 hours) and the lowest one in Akhalkalaki (26.28 hours). For private employees, the daily working hours rate is the highest in Keda (9.68 hours) and the lowest in Kazbegi (7.68 hours), while the weekly hours rate is the highest in Tetritskaro (49.04 hours) and the lowest in Dedoplistskaro (21.16 hours). The daily working hours rate for self-employed persons is the highest in Tetritskaro (7.68 hours) and the lowest in Kazbegi (4.44 hours), while the same indicator for a family business employee is the highest in Lagodekhi (7.58 hours) and the lowest in Kazbegi (2.58 hours).[14]

Distribution of income from employment

According to Table 2.43, public employees have income only from non-agricultural sector, which is distributed in the following way: up to 250 GEL (21.4 percent); from 250 to 500 GEL (38.3 percent); from 500 to 1,500 GEL (26.2 percent); from 1,500 to 3,000 GEL (4.8 percent); from 3,000 to 5,000 GEL (4.9 percent); from 5,000 to 10,000 GEL (1.7 percent); from 10,000 to 40,000 GEL (2.5 percent); 40,000 GEL and more (0.2 percent). Thus, more than eighty 5 percent of public workers have an average monthly income of less than 1,500 GEL. Public employees receiving the lowest income work in Tetritskaro (37.1 percent) and Dedoplistskaro (30 percent). Borjomi and Kazbegi reveal the highest proportion of income categories – from 250 to 500 GEL (60.2 percent) and from 500 to 1,500 GEL (50.2 percent), respectively. Lagodekhi shows the highest proportions among municipalities in the following income' categories – from 1,500 to 3,000 GEL (8.5 percent) followed by Keda (8.4 percent); from 3,000 to 5,000 GEL (15.7 percent); and from 10,000 to 40,000 GEL (13.8 percent). At the same time, Akhalkalaki has the largest share of public employees with incomes that range from 5,000 to 10,000 GEL (4.3 percent). The only municipality that shows income higher than 40,000 GEL is Tetritskaro (2 percent). For income categories of more than 10,000 GEL, most municipalities have no records.

A substantial percent of private employees (76 percent) have no income from the agricultural sector, as Table 2.44 illustrates. For other private employees, incomes from the agricultural sector are distributed in the following way: up to 250 GEL (7 percent), from 250 to 500 GEL (7.9 percent), from 500 to 1,500 GEL (1.7 percent), from 1,500 to 3,000 GEL (2.8 percent), from 3,000 to 5,000 GEL (2.3 percent), from 5,000 to 10,000 GEL (1.5 percent), from 10,000 to 40,000 GEL (0.6 percent), 40,000 GEL and more (0.1 percent). Private employees in Keda and Khulo are mainly located in low-income categories. In Keda, private employees' incomes from agriculture

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[14] The weekly data for self-employed and family business employees is not complete for some municipalities due to missing data, thus we discuss only hourly working loads for these categories.

are mainly distributed across the following income categories: up to 250 GEL (17.3 percent), from 250 to 500 GEL (10.7 percent), and 40,000 GEL and more (1.9 percent). Keda is the only municipality where the latter income category was recorded. In Khulo, the income distribution is as follows: up to 250 GEL (15.1 percent) and from 250 to 500 GEL (17.3 percent). In Dedoplistskaro, middle-income categories have relatively higher proportions: from 1,500 to 3,000 GEL (7.4 percent) and from 3,000 to 5,000 GEL (15.8 percent). In Lagodekhi, the incomes of private employees from agricultural activities cover all categories except the highest one. Though more than 22 percent of private employees in this municipality receive less than 500 GEL per month, Lagodekhi reports the highest proportions in income categories – from 500 to 1,500 GEL (13 percent) and relatively high proportions in the following income categories: from 1,500 to 3,000 GEL (5.4 percent), from 3,000 to 5,000 GEL (3.3 percent), from 5,000 to 10,000 GEL (2.1 percent), from 10,000 to 40,000 GEL (1.6 percent).

In Kazbegi, most of the private employees (94.1 percent) have no agricultural incomes, while the rest of them receive incomes of less than 500 GEL. The same is true for Borjomi, where the share of private employees with no incomes from agriculture amounts to 98.5 percent. In Akhalkalaki, almost 30 percent of private employees have an income of less than 500 GEL, and 7.4 percent have income from 500 to 3,000 GEL. Tetritskaro shows comparatively high shares of high-income categories: 'from 5,000 to 10,000 GEL' (7.9 percent); from '10,000 to 40,000 GEL' (1.9 percent).

According to the same table, almost 21 percent of private employees have no income from the non-agricultural sector, 44.5 percent have an income of less than 500 GEL, 32.2 percent have income from 500 to 3,000 GEL, and 2.5 percent earn more than 3,000 GEL per month. Across municipalities, the highest proportion of private employees with no income from the non-agricultural sector is reported in Dedoplistskaro (60.2 percent), Lagodekhi (31.9 percent), and Tetritskaro (21.9 percent), while the lowest proportion in Khulo (3.1 percent) and Keda (4.8 percent). The largest shares of low income (less than 500 GEL) are found in Akhalkalaki (79.7 percent) and Keda (66.1 percent). Other income categories are distributed across municipalities in the following way: the category from 500 up to 1,500 GEL has the highest proportion in Khulo (43.5 percent) followed by Kazbegi (42.7 percent) and Borjomi (40.7 percent); the category from 1,500 to 3,000 GEL is the most frequent in Khulo (8.9 percent) and Kazbegi (8.8 percent); the category from 3,000 to 5,000 GEL has the highest proportion in Khulo (5.7 percent), while in Keda, Kazbegi, Akhalkalaki and Borjomi there are no employees with such incomes. The only municipality where private employees receive income from 5,000 to 10,000 GEL is Keda (4.8 percent), while Tetritskaro (3.4 percent) and Lagodekhi are the only municipalities where private employees earn income from 10,000 to 40,000 GEL per month.

As Table 2.45 shows, 23.1 percent of self-employed people do not have any income from agricultural activities. The majority of self-employed persons get income from agriculture in the following ranges: up to 250 GEL (28.2 percent), from 250 to

500 GEL (21.5 percent), from 500 to 1,500 GEL (12.1 percent). For approximately 15 percent of self-employed monthly oncome from agricultural activities exceeds 1,500 GEL. Across Borjomi (75.7 percent) and Kazbegi (71.6 percent), these municipalities show the highest proportion of self-employees that have no income from agriculture, while in Lagodekhi, the proportion of such people is the smallest one (12 percent). The highest proportion of self-employees with low income (less than 500 GEL) is reported in Akhalkalaki (80.5 percent). The largest shares of self-employed population with incomes ranging from 500 to 1,500 GEL are revealed in Lagodekhi (18.4 percent), Tetritskaro (17.2 percent), and Dedoplistskaro (15.1 percent). In the next income category, from 1,500 to 3,000 GEL dominate self-employees from Dedoplistskaro (8.8 percent), Tetritskaro (5.5 percent), Keda (5.4 percent), and Lagodekhi (3.5 percent). Only three municipalities, Tetritskaro (8.8 percent), Lagodekhi (7.8 percent), and Dedoplistskaro (7 percent), have sufficient shares of self-employees in the income range of from 3,000 to 5,000 GEL. Self-employees with incomes higher than 5,000 GEL are revealed only in Lagodekhi (20.8 percent) and Dedoplistskaro (9.8 percent). Thus, Lagodekhi, Dedoplistskaro, and Tetritskaro substantially outperform other municipalities regarding self employees' monthly incomes from agricultural activities.

According to Table 2.45, more than 76 percent of self-employees do not earn any income from non-agricultural activities. The proportion of this category of self-employees is the highest in Akhalkalaki (91.1 percent) and Lagodekhi (87.7 percent), whereas, in Kazbegi (28.4 percent) and Borjomi (24.1 percent), this proportion is the lowest. The low income of less than 500 GEL gets 12.9 percent of self-employees; incomes from 500 to 1,500 GEL – 7.4 percent; incomes from 1,500 to 5,000 GEL – 2.7 percent; and incomes higher than 5,000 GEL - 0.6 percent. The low incomes from non-agricultural activities are the most common in Borjomi (36.7 percent) and Kazbegi (31.6 percent) and the least common in Akhalkalaki (5.4 percent) and Lagodekhi (9.2 percent). In the income category from 500 up to 1,500 GEL, again Borjomi (31.2 percent) and Kazbegi (20.4 percent) along with Khulo (28.7 percent) reveal the highest proportion of self-employees. Kazbegi (19.5 percent) and Keda (13.5 percent) show the largest shares of self-employees in the income category from 1,500 to 5,000 GEL. Only in three municipalities do self-employees receive monthly non-farm income of more than 5,000 GEL. These are Borjomi (3.2 percent), Tetritskaro (2.6 percent) and Dedoplistskaro (2.5 percent).

3. Analysis of the Determinants of Business Startups and Business Expansion in Targeted Municipalities.

The main objective of the current part of the report is to find answers to the following two research questions:

1. What are the factors that help/hamper the process of establishment of new non-farm activities in rural areas?
2. What are the stimuli/obstacles for the expansion of existing non-farm activities in rural areas?

These research questions are discussed respectively in the first and the second sections of this part of the report.

3.1. The determinants of business startups in targeted municipalities.

To get the answer to the first research question, in this section, we analyze the influence of the group of factors, including personal and household characteristics, travel destinations, environmental changes, problems in the local settlements, business attractiveness of local conditions, and spatial effects, on population's intentions to start a business and households' actual participation in farm and on-farm business.

This section is organized as follows. First, we describe the empirical strategy, including sample selection issues, econometric models, and measures. Next, we discuss the main results of the analysis. Finally, the major findings and conclusions are summarized.

3.1.1. Methodology

Sample Description

The design of the sampling assumes the multistage stratified (cluster) sampling. Stratification was made according to territorial units, as follows: urban settlement and rural settlement. This means that strata in this survey are urban and rural set-

tlements. As to the clusters, they are so-called census units, which were defined for towns/municipal centers and villages. In the process of clusterization, primary, secondary and final sampling units (PSU's, SSUs, and FSU's were defined): Primary Sampling Unit (PSU) - Census units in urban and rural settlements; Secondary Sampling Unit (SSU) – household; Final Sampling Unit (FSU) - 18 and more years old individuals. All cases when it was impossible to conduct interviews and replacement became unavoidable have been registered by interviewers.

At the beginning, from the complete base of census units (provided by the National Statistics Office of Georgia), the number of respondents and sampling units (i.e., census units) were defined according to types of settlements: towns (municipal centers) and villages. The number of respondents was distributed proportionally to the sizes of different settlement types. As to the number of census units, it was defined by dividing the number of respondents by 10. While defining census units, it did occur that in some municipalities the required number of census units were more than real number; in this case, the number of interviews have been distributed equally and increased the number of household in each census unit. The final sample comprises a total of 4,740 observations in all eight targeted municipalities[15].

Econometric model

For the purposes of the present research, we employ a logistic regression model.[16] Given the fact that such an outcome variable as the population's intention to start a business or a household's engagement in business activity is a binary variable, we apply logistic estimation techniques to explore its determinants. Let us denote x_i as the vector of explanatory variables for subject i, then the probability that subject i will choose to expand or innovate can be determined as:

$$P\left(y_i = 1 \mid x_i\right) = \frac{e^{\beta' x_i}}{1 + e^{\beta' x_i}} \qquad (1)$$

Where the manager either has a plan to expand and innovate *(Y=1)* or does not have such a plan *(Y=0)*, β is a set of parameters to be estimated and that reflects the impacts of changes in x_i on the dependent variable. The coefficients of the model are estimated by maximizing the log likelihood function:

$$L(y_i | x_i; \beta; \gamma) = \Pi_{i=1}^{n} P[y_i = 1 | x_i]^{y_i} (1 - P[y_i = 1 | x_i])^{1-y_i} \quad (2)$$

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[15] For more detail information on sampling procedure please refer to: "Non-farm economy needs survey," Technical Report, ISSA, 2018.

[16] Green H. William., (2003). *Econometric analysis.* 5th ed. Prentice-Hall, Inc. Englewood Cliffs, New Jersey.

where *N* is the number of subjects on which data have been collected. Maximization of this function was accomplished through the Newton-Raphson algorithm used by the SPSS program. In addition, the Forward Wald estimation technique is applied. The specification of dependent and independent variables for both models are presented below.

Measures

As already mentioned above, the study involves a discrete type dependent variables. All the models (with some exceptions) share practically the same list of independent variables.

Dependent variables

The study utilizes the following set of dependent variables:

Population's Intention to Start a Business – a dummy variable which shows whether a person has an intention to start a business (1 if such an extension exists; 0-otherwise).

Household's engagement in a non-farm business – a dummy variable which shows whether a household owns a non-farm business (1 -yes; 0-otherwise).

Household's engagement in a farm business – a dummy variable which shows whether a household owns a farm business (1 -yes; 0-otherwise).

Independent variables

The set of exogenous variables is defined as follows:

- HH_head_male - a dummy variable, which equals 1 if a household head is a male and equals 0 otherwise.
- HH_head_age – age of a households head in years.
- HH_head_age_2 – squared age of a households head in years.
- Respondent_age - age of a respondent in years.
- Respondent_age_2 - squared age of a respondent in years.
- Female - a dummy variable, which equals 1 if a respondent is a female and equals 0 otherwise.
- High_edu - a dummy variable, which equals 1 if a respondent has a higher education and equals 0 otherwise.
- Prof_edu - a dummy variable, which equals 1 if a respondent has professional education and equals 0 otherwise.
- Family_size – the number of family members.
- Dependecy ratio - a ratio of number of dependents (children and pensioners) to a family size.

- Land_ownership - a dummy variable, which equals 1 if a household owns a land and equals 0 otherwise.

- HH_remittances - a dummy variable, which equals 1 if a household receives remittances and equals 0 otherwise.

- HH_TSA - a dummy variable, which equals 1 if a household receives TSA, pensions or other social assistances and equals 0 otherwise.

- HH_extra_money - a dummy variable, which equals 1 if a household has an disposable income and equals 0 otherwise.

- Location - a dummy variable, which equals 1 if a household is located in a municipal center and equals 2 if a household is located in a village type settlement.

- Destination_1 - a dummy variable, which equals 1 if the main travelling destinations (for shopping and personal issues) is village and equals 0 otherwise.

- Destination_2 - a dummy variable, which equals 1 if the main travelling destinations (for shopping and personal issues) is own municipality and equals 0 otherwise.

- Destination_3 - a dummy variable, which equals 1 if the main travelling destinations (for shopping and personal issues) is another municipality and equals 0 otherwise.

- Destination_4 - a dummy variable, which equals 1 if the main travelling destinations (for shopping and personal issues) is Tbilisi and equals 0 otherwise.

- Destination_5 - a dummy variable, which equals 1 if the main travelling destinations (for shopping and personal issues) is big cities (Batumi, Kutaisi, Rustavi) and equals 0 otherwise.

- Destination_6 - a dummy variable, which equals 1 if the main travelling destinations (for shopping and personal issues) is a foreign country and equals 0 otherwise.

- Environment_1 - a dummy variable, which equals 1 if the main environmental change noticed in the local settlement was deforestation and equals 0 otherwise.

- Environment_2 - a dummy variable, which equals 1 if the main environmental change noticed in the local settlement was soil erosion or degradation and equals 0 otherwise.

- Environment_4 - a dummy variable, which equals 1 if the main environmental change noticed in the local settlement was a decrease in the number of species of plants and equals 0 otherwise.

- Environment_5 - a dummy variable, which equals 1 if the main environmental change noticed in the local settlement was invasive (intruding) new species and equals 0 otherwise.

- Environment_6 - a dummy variable, which equals 1 if the main environmental change noticed in the local settlement was increase in the frequency of the natural disasters and equals 0 otherwise.
- Environment_7 - a dummy variable, which equals 1 if the main environmental change noticed in the local settlement was deterioration of water quality and equals 0 otherwise.
- Environment_8 - a dummy variable, which equals 1 if the main environmental change noticed in the local settlement was increase in the frequency of draughts and equals 0 otherwise.
- Problem_1 - a dummy variable, which equals 1 if the main issue for people in the local settlement are problems with drinking water and equals 0 otherwise.
- Problem_2 - a dummy variable, which equals 1 if the main issue for people in the local settlement are problems with internet and equals 0 otherwise.
- Problem_3 - a dummy variable, which equals 1 if the main issue for people in the local settlement are problems with drinking sewage and equals 0 otherwise.
- Problem_4 - a dummy variable, which equals 1 if the main issue for people in the local settlement are problems with gas supply and equals 0 otherwise.
- Problem_5 - a dummy variable, which equals 1 if the main issue for people in the local settlement are problems with unemployment and equals 0 otherwise.
- Problem_6 - a dummy variable, which equals 1 if the main issue for people in the local settlement are problems with poor road infrastructure and equals 0 otherwise.
- Infrastructure_m – index that reflects people's satisfaction with local infrastructure (road transport communications, transport service, electricity supply, natural gas supply, drinking water supply, irrigation system, sewage, waste disposal, internet). The performance of each variable was evaluated with a 6-item interval scale (0- infrastructure not available; 1- no satisfactory; 5- fully satisfactory). The index was constructed by summing and averaging the scores of individual variables and further by aggregating them by villages.
- Social_Services_m – index that reflects people's satisfaction with local social services (healthcare facilities; education services; sport-recreation facilities; and kindergartens). The performance of each variable was evaluated with 6-item interval scale (0- infrastructure not available; 1- no satisfactory; 5- fully satisfactory). The index was constructed by summing and averaging the scores of individual variables and further by aggregating them by villages.

- Local_conditions_mean – index that reflects people's perceptions of favorability of the conditions of the local environment for starting business. The variable equals 0 if conditions are not favorable; equals 1 if conditions are rather not favorable than favorable; equals 2 if conditions are rather favorable than not; equals 3 if conditions are rather favorable. The index was constructed by aggregating the score by villages.

The study also employs Municipality dummies to control for spatial effects (Tetritskaro is used as a baseline municipality).

3.1.2. Study Results

The results of the analysis of the population's intentions to start a business and household's engagement in non-farm and farm businesses are presented in Tables 3.1- 3.3.

Intentions to start a business

The results of the estimation of the population's intentions to start a business are presented in Table 3.1. According to the table, among the key factors[17] that influence the intentions of the population in targeted municipalities to start a business are personal and household characteristics, environmental shocks and problems that exist in the locality, the attractiveness of local conditions for starting a business, and spatial effects. Specifically, the odds of starting a business increase with the age of the respondent (1.091 times) but at a slowing rate (0.999 times). The odds that a female has an intention to start a business is almost as twice as low as that for a male (0.553). The important determinant of the intentions to start a business is the educational level of the respondent. When a respondent achieves higher or professional education, the corresponding odds of starting a business increase by 2.418 and 1.9, respectively. The household's dependency ratio substantially lowers the intentions to start a business (0.667 times), as does the receipt of TSA and pensions by a household member (0.678 times). The latter case can be explained by a negative income substitution effect on the willingness of a person to work. On the contrary, when a household receives remittances or has disposable income the odds of starting a business increase (1.444 and 2.783 times, respectively). Thus, depending on the source of income, additional money can affect the intentions to start a business in both directions.

Among the external factors, the increase in the frequency of droughts can substantially reduce the odds of startups (0.566 times). Similarly, when the locality has

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[17] Here we report only the effects that are statistically significant at 1 percent and 5 percent levels.

problems with sewage (0.394 times)[18], gasification (0.231 times), unemployment (0.580 times) as well as when the locality has poor road infrastructure (0.523 times), the odds of starting a business is substantially lower. As expected, when the evaluations of the local business environment are higher, the higher are the intentions to start a business (2.274 times). In the context of spatial effects, compared to the Tetritskaro, the population in Kazbegi (3.074 times), Dedoplistskaro (2.397 times), and Lagodekhi (1.997 times) have substantially higher odds for starting a business, while in Akhalkalaki (0.441 times) and Khulo (0.552 times)[19] the odds of such intentions are lower. In the rest of the municipalities, the odds of starting a business are not significantly different from those in Tetritskaro.

Household engagement in a non-farm business

Table 3.2 shows that the personal characteristics of the household head, such as age and gender, have no statistically significant impact on household engagement in non-agricultural business. At the same time the educational level of the respondent is an important determinant of the household business activity. Having a higher or professional education increases the odds of household participation in non-farm activity 1.919 and 1.518 times, respectively. Family size has a positive effect on the dependent variable. Each additional member of the household increases its odds of having non-farm business 1.162 times. Both household's incomes from remittances and the receipt of TSA and pensions reduce the odds of participation in non-farm business. Thus, these two income sources have a negative substitution effect on non-farm activity.

In this study, we have found no statistically significant impact of the main travelling destinations (for shopping and personal issues), type of locality or environmental shocks on the decision of households to have a non-farm business. Still, the results of the analysis show that when the locality faces such problems as unemployment and poor road infrastructure the odds of household participation in non-agricultural business reduces substantially (0.716[20] and 0552 times, respectively). In compliance with these findings, when the conditions of local infrastructure are better, the odds of household engagement in non-farm activity increases as well (2.39 times). Across municipalities, Kazbegi, Borjomi, Dedoplistskaro and Akhalkalaki show the highest odds of a households' involvement in non-farm business (3.294, 3.139, 2.747, and 2.211 times, respectively). The other municipalities show no statistically different effect from the Tetritskaro baseline.

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[18] Statistically significant only at 10 percent

[19] Statistically significant only at 10 percent

[20] Statistically significant only at 10 percent

According to Table 3.3, when a household is headed by a male, the odds of its engagement in a farm business increases 1.757 times. The achieved educational level of the respondent also matters, but not like in other models discussed above; the odds of professional education are greater than that of higher education (1.290 and 1.201[21], respectively). Each additional member of the household increases the odds of participation in farm business by 1.068, while the increase in dependency ratio lowers the odds by more than half. Expectedly, land ownership has the greatest effect (among non-spatial factors) on the odds of household participation in farm activity (10.639). Also, each additional member of a household and living in a village settlement increase the relevant odds by 1.068 and 2.005, respectively.

As for incomes from remittances and TSA and pensions, these sources have opposite effects on the farming activities of households. While remittances increase the odds of household participation (1.463 times), receiving TSA and pensions has a negative impact on the odds (0.782). The main travelling destinations (for shopping and personal issues) for the members of households engaged in farming businesses are big cities (Batumi, Kutaisi, and Rustavi). The results of the analysis reveal a positive relationship between a household's involvement in agricultural activity and environmental degradation caused by deforestation, soil erosion or degradation, or a decrease in the number of species of plants. We think that this positive link can be explained by the fact that households engaged in a farm business are more sensitive to such environmental shocks compared to households not involved in agricultural activities. Like in the previous model, high unemployment and better ratings of the local business environment respectively decrease and increase the odds of household participation in farm activities. Among municipalities, Lagodekhi shows the highest odds of households' engagement in agricultural business (19.830) followed by Dedoplistskaro (6.375), Akhalkalaki (5.538), Keda (3.021) and Borjomi (2.767) municipalities.

3.1.3. Summary

The above analysis examines the effects of the group of factors including personal and household characteristics, travel destinations, environmental changes, problems in the local settlements, business attractiveness of local conditions, and spatial effects on the population's intentions to start a business and a households' actual participation in farm and on-farm business. The results of the analysis show that personal characteristics, like age, gender, education reveal different effects in alternative models. In the intention model, all three variables are important and indicate that

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[21] Statistically significant only at 10 percent

older males with higher and professional education have greater odds of starting a business. In both actual participation equations, the age of the household's head plays no role, while gender is a significant factor only in the farm business model. Education shows a statistical effect across all the models, with higher education having a greater effect than a professional one (except in the case of participation in the agricultural business model). Among household factors, the important determinants are family size, dependency ratio, and incomes.

The results of the analysis show that while such income sources as TSA and pensions always have a negative effect on business participation, the effect of remittances can vary depending on the type of business. As expected, having disposable income has positive implications for the intention to start a business. In the agricultural model, crucial determinants of business engagement are land ownership and the type of settlement. The study results reveal that households involved in agricultural businesses are more sensitive to such environmental shocks as deforestation, soil erosion or degradation, or a decrease in the number of species of plants. Also, the problems with sewage, gas supply, unemployment, and road infrastructure substantially reduce the stimulus for doing business, while better local conditions for starting a business have an opposite effect. Across municipalities, the population in Kazbegi, Lagodekhi and Dedoplistskaro is more inclined to start a business, while in Khulo and Akhalkalaki such an intention has substantially lower odds. Households in Kazbegi and Borjomi are more involved in non-farm business, while households in Lagodekhi, Dedoplistskaro, and Akhalkalaki prefer to engage in agricultural activities.

The results of the study provide some insights for policymaking. Specifically, the study highlights several areas where policy intervention can bring positive outcomes for both farm non-farm business performance in targeted municipalities. First, more opportunities and stimulus must be provided for people to upgrade their own educational level, either higher or professional. The special measures must be elaborated with the aim of stimulating females' and youth business participation. Second, special programs must be introduced that will ease access to finance for potential and actual entrepreneurs. As for TSA and other social assistance programs, they must undergo some changes that will ensure business participation incentives for the recipients. Third, some measures must be introduced that will help households engaged in farm businesses to cope with environmental degradation. Fourth, the government and local authorities must ensure solving of the most acute local problems (e.g. poor road and gas infrastructure) and enhancing local conditions and business environment. Fifth, the authorities in Akhalkalaki and Khulo must undertake more efforts to stimulate the local population's engagement in business activity.

3.2. The determinants of business expansion and performance in targeted municipalities

In this section, we discuss the influence of selected factors on the performance of non-farm businesses and their expansion in targeted municipalities. Specifically, the aim of this analysis is to identify the factors that have a significant impact on such dimensions of non-farm businesses' performance as productivity, growth potential, intentions to expand operations, and to innovate. First, we describe the empirical strategy, including sample selection issues, econometric models, and measures. Next, we discuss the study results conclude with final remarks.

3.2.1. Methodology

Sample Description

The sample was drawn randomly from the sampling frame (complete base of business organizations in all eight targeted municipalities) provided by the National Statistics office of Georgia (http://br.geostat.ge/register_geo/). The database has been filtered through two stages: 1) In the first stage, only those business organizations were left in the base, which is officially registered and run their business in targeted municipalities; additionally, those organizations were selected, activities of which comply with codes of activities in the questionnaire. 2) In the second stage, filtration happened according to the legal status of business organizations. Namely, only a) one-person business organizations and b) Limited Liability Companies (LLCs) were left. From the filtered list of business organizations, 100 entities from each municipality were chosen randomly (in total, 800 enterprises). As to the selection of the legitimate person from a business organization to be interviewed, the following approach was used: Those individuals were interviewed who are the main responsible people, i.e., decision-makers (this could be owner or manager of the organization). The final sample comprises a total of 818 observations in all eight targeted municipalities.[22]

Econometric model

For the purposes of the present research, two different econometric models are employed in this study: linear (OLS) regression and logistic regression.[23]

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[22] For more detail information on sampling procedure please refer to: "Non-farm economy needs survey," Technical Report, ISSA, 2018.

[23] Green H. William., (2003). *Econometric analysis.* 5th ed. Prentice-Hall, Inc. Englewood Cliffs, New Jersey.

OLS regression

The OLS regression model is utilized to study the effects of the factors of interest on the continuous outcome variables (productivity, employment, and capital growth equations).

$$y_i = x_i'\beta + \varepsilon \quad (3)$$

Where y_i is the continuous dependent variable, x_i is the vector of explanatory variables for subject i, β is a set of parameters to be estimated, and is the disturbance term. The parameters of the model are estimated through the maximization of the least-squares procedure. A stepwise estimation procedure is applied.

Logistic regression

Given that such an outcome variable as a manager's plan to expand and innovate is a binary choice variable, we apply logistic estimation techniques to explore its determinants. This model is already discussed in section 3.1.1 (equations 1 and 2). Thus we omit the description of this model here.

Measures

As already mentioned above, the study involves two different types of dependent variables: continuous and discrete. All the models share practically the same list of independent variables.

Dependent variables

The study utilizes the following set of dependent variables:

- Productivity - is measured as a natural log of the ratio of the total sales to the number of employees.
- Employment growth - is measured as a difference between the current number of employees and the number of employees three years ago.
- Capital growth - is measured as a natural log of the difference between the current value of capital and the value of capital three years ago. Since the value of the capital was presented as a range, we used the median points of the corresponding range for the analysis.
- Expansion plan - a dummy variable that shows whether a business plans to expand during the next three years (1 if such a plan exists; 0-otherwise).
- Expansion_1 - a dummy variable that shows whether a business expansion assumes the introduction of new products/services (1 -yes; 0-otherwise).
- Expansion_2 - a dummy variable that shows whether a business expansion assumes penetration of existing products/services (1 -yes; 0-otherwise).

- Expansion_3 - a dummy variable that shows whether a business expansion assumes territorial expansion (1 -yes; 0-otherwise).
- Expansion_4 - a dummy variable that shows whether a business expansion assumes the introduction of new technologies (1 -yes; 0-otherwise).

Independent variables

The set of exogenous variables is defined as follows:

- Edu_1 - a dummy variable, which equals 1 if a manager has both higher and professional education and equals 0 otherwise;
- Edu_2 - a dummy variable, which equals 1 if a manager has a higher education and equals 0 otherwise;
- Edu_3 - a dummy variable, which equals 1 if a manager has professional education and equals 0 otherwise;
- Gender - a dummy variable, which equals 1 if a manager is female and equals 0 otherwise;
- Youth - a dummy variable, which equals 1 if a manager is 15-29 years old and equals 0 otherwise;
- Experience – the years of experience of a manager in the relevant field;
- Working_status_1 - a dummy variable, which equals 1 if a manager was employed in the public sector and equals 0 otherwise;
- Working_status_2 - a dummy variable, which equals 1 if a manager was employed in the private sector and equals 0 otherwise;
- Working_status_3 - a dummy variable, which equals 1 if a manager was unemployed and equals 0 otherwise;
- Value_1[24] - a factor score that reflects manager's values that are focused on environment protection and innovation;
- Value_2 - a factor score that reflects manager's selfishness;
- Value_3 - a factor score that reflects manager's sociable values;
- Training_manager - a dummy variable, which equals 1 if a manager participated in any training program in the last three years and equals 0 otherwise;
- Training_employee - a dummy variable, which equals 1 if an employee participated in any training program in the last three years and equals 0 otherwise;
- Strategic_planning - an ordinal variable, which reflects the time horizon of strategic planning in business. The variable equals 1 if there is not any

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[24] The indicators which reflect manager's values were constructed using principal component factor analysis. The initial 11 indicators of managers values were reduced to three components. See Table 3.4 for the more detailed description of the results of factor analysis.

strategy planning; equals 2 if planning period is less than one year; equals 3 if planning period is between one to three years; equals 4 if planning period is more than three years;

- Land_owned – number of sq.m. of owned land;

- Equip_owned – number of units of owned engines/equipment;

- Realestate_owned – number of sq.m. of owned real estate;

- Transport_owned – number of units of owned transport vehicles;

- Land_rented – number of sq.m. of rented land;

- Equip_ rented – number of units of rented engines/equipment;

- Realestate_ rented – number of sq.m. of rented real estate;

- Transport_ rented – number of units of rented transport vehicles;

- Starting_capital – reflects the amount of starting capital of a business. Since the value of the capital was presented as a range, we used the median points of the corresponding range for the analysis.

- Access_finance - a dummy variable, which equals 1 if a loan was spent fully or partially on business in the last three years and equals 0 otherwise;

- Government_support - a dummy variable, which equals 1 if a business is the recipient of any state or donor support program and equals 0 otherwise;

- Local_environment – an ordinal variable which measures the conditions of the local environment for starting a business. The variable equals 0 if conditions are not favorable; equals 1 if conditions are rather not favorable than favorable; equals 2 if conditions are rather favorable than not; equals 3 if conditions are rather favorable.

The study also employs municipality and industry dummies to control for spatial and industry effects.

3.2.2. Study results

The results of the analysis are presented in Tables 3.5- 3.10. Since we applied stepwise estimation procedure in linear regression models and Forward Wald estimation in logistic regression models, only statistically significant effects are reported.

Productivity performance.

The results of the estimation of the productivity equation are presented in the third column of Table 3.5. According to the table, among the key factors that influence the productivity of non-farm businesses in targeted municipalities are education and experience levels of manager/owner, his/her personal values, the attractiveness of

local business environment, owned or rented capital assets, spatial and industrial differences. For instance, managers with higher education usually show a 40 percent higher productivity performance than managers without higher education. Each additional year of experience within the field of activity adds 0.3 percent of the increase in productivity. Managers with personal values oriented towards environmental protection and innovations show almost 42 percent higher productivity performance, while sociable persons usually achieve 26 percent lower productivity levels at their businesses.

Access to credit improves productivity performance by almost 30 percent, while an attractive business environment makes local businesses more productive by 22.6 percent. Each extra vehicle owned by a manager improves the productivity of his/her businesses by 4.4 percent. Also, the productivity of non-farm businesses increases by 3.62 percent per 1,000m^2 of rented land and by 6 percent per 10m^2 of rented real estate. Other factors being equal, doing business in Lagodekhi and Kazbegi increases productivity level by 98.1 and 68 percent, respectively, as compared to baseline municipality (Keda). On the contrary, businesses in Borjomi show on average 52.7 percent lower productivity performance. Among the industries, the higher productivity performance than the baseline industry (tourism) are mining (129.8 percent), transport (95.6 percent) and trade (63.8 percent) sectors. Education has a 194 percent lower productivity compared to the baseline industry.

Employment growth

According to the fourth column of Table 3.5, managers with higher education and young managers have managed to expand their businesses on average by 0.365 and 0.98 employees, respectively, during the last three years. The previous working status of a manager (private sector employee) has a negative impact on business expansion (0.683 employees less than average). An additional 100,000 GEL of starting capital increases employment growth by 1.329 persons. Land ownership decreases while vehicle ownership increases employment growth for non-farm businesses during the last three years. The rented and owned real estate increases employment expansion by six and two employees (per 1,000m^2), respectively. None of the municipalities has shown a statistically significant effect on employment expansion. Among the industries, repair of vehicles and household goods (1.378), as well as hospitality (1.253), show an increase in employment rates while the construction industry experienced a decrease in employment (on average by 2.194 employees).

Capital growth

The data presented in column five of Table 3.5 shows that, like in previous models, a manager's education is an important predictor of business performance. For instance, managers with higher education attained almost 35 percent higher capital

growth during the recent three-year period. Another important factor predictor of capital expansion is the recent training experience of managers. According to the table, managers that participated in training programs during the recent three-year period achieved 52.6 percent higher capital growth of their businesses. Other important contributors to capital growth are access to credit (46.4 percent) and an attractive business environment (12.9 percent). It should be mentioned that female managers and managers with sociable values show poorer performance in terms of capital growth by almost 61 and 9 percent, respectively. Each additional unit of owned equipment and vehicle contributes to capital expansion by 1.2 and 3 percent, respectively. Among municipalities, only Kazbegi has a significant impact on capital growth. Businesses located in this municipality have experienced on average 64.8 percent higher capital growth as compared to the baseline municipality. In other communities, social and personal services (-88.7 percent), repair of vehicles and household goods (-76.5 percent), and trade (23.8 percent) industries show negative tendencies in capital expansion.

Expansion plan

Table 3.6 shows the results of the estimation of logistic regression for plans of non-farm businesses to expand their business operations. According to the table, the important determinants of this decision are Government support, Access to credit, manager's training, length of the strategic planning period, personal values of manager, manager's gender and experience, his/her previous working status as well as spatial and industry differences. Specifically, the beneficiaries of the government support programs have 4.48 times higher odds of having plans to expand operations as compared to non-beneficiaries. Similarly, the odds for having expansion plans are higher for managers that have participated in training programs (3.215 times), managers with values oriented on environment protection and innovation (1.999 times), businesses with longer time horizons (1.619 times), and businesses that have access to credit (1.573 times).

On the contrary, the odds of having an expansion plan for female managers is only 0.531times as high as for male managers. Similarly, the corresponding odds for managers who were unemployed are almost two times less (0.527). Surprisingly, the experience of the manager has a negative impact on the expansion plans. Each extra year of a manager's experience in the relevant field reduces the odds of having a plan by 0.003 times. Among municipalities, the highest odds of having a plan are in Borjomi, Lagodekhi, Tetritskaro, and Dedoplistskaro, which are correspondingly 14.159, 5.041, 2.845, and 2.579 times higher as compared to the baseline municipality (Keda). Among the industries, only transport has a statistically significant impact on the manager's decision to expand operations. The relevant odds are only 0.352 as high as for baseline industry (tourism).

Plan for the introduction of new products/services

Like in the above model, the important determinants of plans to introduce new products/services are government support, access to credit, length of strategic planning period, personal values of the manager. According to Table 3.7, the respective odds of these factors are 2.003, 2.350, 5.437 and 3.444. Also, the training of employees increases the odds of having the plan by 1.645. The same group of municipalities has a higher odds of having the plan than the baseline one: Borjomi (6.869 times), Lagodekhi (3.103), Tetritskaro (6.226 times), and Dedoplistskaro (1.636 times). Among the industries, only the conditional rental of own housing has higher odds (2.733) of having an innovation plan. Surprisingly, the odds of having a plan are very low for managers who have both higher and professional education (only 0.006).

Plan for expansion of existing products/services

Table 3.8 shows that important factors that increase the odds for businesses to have a plan for expansion of existing products/services are the availability of government support (3.294), training of employees (3.955), manager's training (2.681), personal values of manager focused on environment protection and innovation (2.631), as well as spatial factors - Borjomi (12.109), Lagodekhi (7.217), and Dedoplistskaro (5.293 times). Among the factors that reduce the odds of having the plan are selfish personal values of manager (0.729), working experience in the same field (0.997), belonging to the construction industry (0.090).

Plan for territorial expansion

According to Table 3.9, the odds of having a territorial expansion plan are higher for businesses that have government support (3.490) and strategic planning (1.418), is managed by a manager with higher education (1.839), and perform in production of beverages (9.252) and financial services (5.610) industries. On the other hand, the businesses which are managed by female managers (0.541) and by managers who were unemployed (0.327), businesses located in Akhalqalaqi (0.262), or businesses from construction (0.132) and transport (0.426) industries have lower odds for having a territorial expansion plan.

Plan for the introduction of new technologies

The data from Table 3.10 suggest that access to credit (2.499), a manager's training (3.026), managers with professional education (2.951), managers with personal values oriented on environment protection and innovations (3.477), location in Tetritskaro (3.284) and Dedoplistskaro (3.395), as well as belonging to real estate renting (9.306), other community, social and personal services (4.253) and production of

beverages (5.054) increase the odds of having a plan of introduction of new technologies for businesses. Like in previous models, businesses that are managed by managers who were unemployed (0.123) and managers with sociable values (0.639) as well as businesses in the transport industry (0.184) have lower odds for having such a plan.

3.2.3. Summary

The results of statistical analysis revealed a number of factors that have a significant impact on the various dimensions of non-farm businesses performance in 8 targeted municipalities in Georgia. These factors include managers' personal characteristics, like age, gender, education, experience, previous working status, personal values; business characteristics and policies – rented and owned equity, starting capital, strategic planning, training of managers and employees; business environmental factors- access to credit; government support programs; attractiveness of business climate; as well as spatial and industry factors. On average, managers with higher education achieve better results in terms of productivity performance as well as employment and capital growth. The important role in business success depends on a manager's personal values. If values focused on environmental protection and innovation have a positive impact on business performance, sociable values are useful.

Young managers perform better in achieving employment growth, while female managers show poor performance in terms of capital growth and expansion planning. Managers who were unemployed usually show worse results. Participating in training programs of managers and/or employees and availability of strategic planning is very helpful for enhancing business performance. Owned and rented equity substantially facilities attaining productivity and business growth goals. Access to credit leads to better productivity performance and capital growth, as well as promotes expansion planning.

Participating in government support programs ensures expansion planning, specifically through the introduction of new products/services, penetration of existing products, and territorial expansion. Similarly, an attractive business environment enhances productivity performance and capital growth. Among municipalities, Lagodekhi and Kazbegi outperform others in terms of productivity, while Borjomi falls behind the others in this regard. The businesses located in Dedoplistskaro, Lagodekhi, Borjomi, and Tetritskaro usually are more likely to plan business expansion. Businesses in Trade and Transport industries show the highest productivity performance, while businesses from Education branch the lowest.

The results of the study provide some insights for policymaking. Specifically, the study highlights several areas where policy intervention can support non-farm businesses in expanding their activities in Georgia. First, more opportunities and stimulus must be provided for managers to upgrade their own educational level; participate

in training programs; intensify participation of employees in training programs; stimulate planning processes, and increase the length of the strategic planning process within the business. Second, the government and local authorities must ensure for non-farm businesses the ease of access to credit, enhancement of the business environment, expansion of government support programs, and raising the awareness level of this program among potential beneficiaries. Third, special incentives and opportunities should be provided for female managers that will help and stimulate them in planning their businesses expansion.

Main Findings and Conclusions

In this report, we analyzed the results of the business survey of non-farm economy needs in targeted municipalities. Specifically, we discuss the main characteristics of non-farm economies in terms of structure and distributions concerning various dimensions, production and sales issues, management and planning problems, access to financial resources and government and donor support, and various business performance indicators. In this report, we also analyzed the results of the population survey of non-farm economy needs in targeted municipalities. Specifically, we discuss the main characteristics of households in terms of their income structure, migration, land and house ownership, engagement in farm and non-farm business activities.

We address the specificity of local conditions, including main spatial linkages, environmental degradation issues, and assessments of local infrastructure and services, attitudes and intentions of the population towards potential business startups (including factors that encourage and hamper such intentions), employment and labor market patterns (including the working status of the population), types and kinds of jobs, sectors and locations of employment, time dimension, and incomes from employment. In addition to describing these dimensions of the non-farm sector, we analyzed the multiple interrelationships between various factors and determinants of businesses startups and business expansion in targeted municipalities.

The main findings of the descriptive analysis of the non-farm sector in targeted municipalities can be summarized as follows:

- The non-farm sector is dominated by trade (46.3 percent) and transport (17.5 percent) activities and, to a little extent, by hospitality (6.3 percent). The shares of all other sectors comprise less than 5 percent of the total number. However, non-farm sectors are unevenly distributed across municipalities. Seventy percent of non-farm businesses are located in municipal centers. Still, the spatial distribution patterns differ substantially across municipalities.

- The population of non-farm businesses compromises only two legal forms: individual entrepreneurs and solidarity society. Almost 80 percent

of non-business across targeted municipalities are individual entrepreneurs. The overwhelming majority of businesses was established in the period after the year 2000: 42.9 percent in the period of 2001-2000 and 39.5 percent in the period after 2010. The non-farm businesses in targeted municipalities are mainly owned/managed by males (57.6 percent).

- Most non-farm businesses (around 68 percent) are governed by older managers above 45 years, and only 5.4 percent of managers are young persons below 30 years. The distribution of non-farm businesses by educational level of managers across municipalities shows that more than half of the population of managers have gained either higher (48.6 percent) or professional (6 percent) education.

- The main motivation for stating business among the managers was the lack of income (46.8 percent), followed by availability of finance for investing in business (14.8 percent), availability of relevant skills (13.7 percent), and education (6.6 percent) as well as treating the business activity as a hobby (6.7 percent). Other reasons play a minor role in starting the business. Current managers of non-farm businesses mainly come from the public sector (33.2 percent) or were unemployed (27.1 percent). The proportions of managers previously employed in the private sector or self-employed are considerably smaller – 14 and 16 percent, respectively. The majority of non-farm businesses (about 80 percent) started their activity with capital of less than 10,000 GEL. As expected, the current capital of non-farm is substantially higher than the starting one. In particular, the proportion of non-farm businesses with more than 10,000 GEL of capital exceeds 45 percent.

- The most important criteria for selecting providers are the best quality, availability, and cost. Criteria related to any interconnections received substantially lower scores. Such preferences in provider's choice mean that non-farm businesses rely mainly on arm-length contracting and that long-lasting business-to-business relationships are not established yet. This pattern of provider's choice is generally shared in all municipalities except Keda and Khulo, where relationship-based choices received substantially higher than average scores. The majority of non-farm businesses (34 percent) consider overpriced products/services as the main problem on the supply side. This problem is especially acute in Dedoplistskaro (74.4 percent) and Lagodekhi (43.6 percent). Some managers believe that major problems for their businesses are the long distances of supply chains (4.7 percent) and the bad quality of products (3.4 percent). Other issues are not considered as a supply-side problem by an overwhelming majority of businesses.

- Almost 90 percent of non-farm businesses' sales comes from local village (45.8 percent) and municipality markets (43.64 percent), while sales at regional and national markets comprise only 4.4 and 2.94 percent, respec-

tively. Only a negligible (0.28 percent) amount of sales comes to international markets. The main customers of non-farm businesses are end-users (72.92 percent) and tourists (9.56 percent), while others have small shares of less than 5 percent. Almost 70 percent of non-farm businesses consider quality, 20 percent service, and 10 percent price as the main source of competitive advantage. Uniqueness and innovation are appraised as a source of competitive advantage by a very negligible proportion (0.5 percent) of non-farm businesses. Approximately 10 percent of total sales from non-farm businesses were spent on transport, 2.71 percent on services after selling, and less than 1 percent on marketing. The major problems in selling products/services are price-sensitive customers (52.8 percent), competition (21.4 percent), and quality demanding customers (12.8 percent).

- Only 12 percent of managers participated in training programs during the last three years, while the employees' training participation rate is almost twice as low as management. Among the reasons for no participation in training programs on the side of managers, the most important are no need (57.2 percent), the lack of information (30.5 percent), and the lack of time (9.4 percent). The majority of non-farm businesses (84.2 percent) have business planning, 57.1 percent have investment planning, and only 8.7 apply strategic planning. The most acute need for assistance that non-farm businesses look for is assistance in the preparation of business plans (37.9 percent). Most non-farm businesses think that their local conditions/environment for starting a business is favorable or rather favorable than not.

- Almost 53 percent of non-farm businesses took a loan in the last three years and spent it on their enterprise. Almost half of the non-farm businesses took a loan of less than 10,000 GEL, while for almost 30 percent of enterprises, the amount of credit comprised 10,000-50,000 GEL. Larger amounts of loan, specifically 50,000-100,000 GEL and more than 100,000 GEL, were distributed to 9.1 and 7.9 percent of non-farm businesses, respectively. The main loan providers are banks (88.4 percent), followed by microfinance institutions (4.8 percent) and family and friends (2.3 percent). State/ donor programs have an only negligible share. Running expenditures (68.8 percent) and capital expenditures (20.4 percent) are the major reasons for loan taking, while the other motives seem to be of minor importance. More than 42 percent of non-farm businesses need an additional loan for the same enterprise.

- Only 4.3 percent of non-farm businesses are recipients of governmental/ donor support programs. The small proportion of beneficiaries of governmental/donor support programs among non-farm businesses can be partially explained by the low awareness level about their availability. For example, only 14 percent of businesses in targeted municipalities are informed about the availability of such programs.

- The highest awareness level among informed entrepreneurs are associated with the Produced in Georgia program (69.4 percent), ENPARD program (5.9 percent), and the State Reform of Land Restoration program (5.4 percent) (see Table 1.33). The type of assistance mostly needed by non-farm entrepreneurs is subsidized loans (28.4 percent) and loan guarantees (22.5 percent). Other important types of assistance are the existence of support networking (9.3 percent), dissemination of information (7.6 percent), and regulatory compliance assistance (7 percent). Almost 9 percent of entrepreneurs have participated in state program competitions. Among the stated reasons for non-participation, the most prominent ones are the lack of information (33.1 percent) and the lack of willingness to participate (25 percent). 'grant volume' (7.8 percent).

- Non-farm enterprise, on average, employs 3.7 personnel. The average turnover volume of non-farm businesses comprises 111,691.5 GEL. The average productivity of non-farm businesses in targeted municipalities, calculated as an output per worker, amounts to 28,221.9 GEL. In terms of dynamics, during the last three years, the number of personnel grew by 31.2 percent, turnover volume by 80.7 percent, and productivity by 71.6 percent. To summarize, there is substantial variability in non-farm businesses performance and its dynamics across municipalities. Though non-farm businesses in Lagodekhi have significantly better current turnover and productivity performance than businesses in other municipalities, they show negative dynamics during the last three years. On the other hand, businesses in both Akhalkalaki and Khulo lag others in terms of current turnover and productivity levels. However, during the last three years, non-farm businesses in Khulo showed remarkable progress regarding these indicators, while businesses in Akhlakalaki had a very moderate growth rate.

- Most non-farm businesses assess their current business situation as satisfactory (70.6 percent), 16 percent of businesses think that the business situation is good and only 12.2 percent have pessimistic perceptions of their business situation. Ten percent of non-farm enterprises have a negative expectation of their business's development in the next six-month period, 43.6 percent expect no change, and 38.3 percent have optimistic anticipations. Almost 21 percent of non-farm businesses believe that the current situation is worse than one year ago, 43.4 percent consider that the situation was almost not changed, while 30.7 percent think that it was improved. Generally, the result of analysis of subjective evaluations of business performance shows that they are highly interrelated. Keda and Borjomi have a higher proportion of businesses with positive assessments, while most enterprises with negative evaluations are from Akhalkalaki and Dedoplistskaro.

- More than 41 percent of non-farm businesses plan to expand their activity during the next 3-year period. Most of the non-farm businesses that plan their expansion consider the introduction of new products/services (29.7 percent) among priorities for the realization of this plan. Among other priorities for business expansion implementation are increasing production of existing products and services (23.2 percent), territorial expansion (16.9 percent), targeting new customer markets (3.3 percent), acquiring new business (3.8 percent), introducing new technologies (8.2 percent), intensifying promotional activities (3.4 percent).

The main findings of the analysis of the population survey in targeted municipalities can be summarized as follows:

Migration patterns

Almost 8 percent of households in the targeted municipalities have at least one migrant. The main destination places of migration are foreign countries (2.7 percent) and towns (2 percent). Among the reasons for migration, the most important ones are work/source of income (4.7 percent), receiving services (2.6 percent), and personal matters (2.1 percent).

Business ownership

Twenty-two percent of households are involved in agricultural business and 5.3 percent in non-agricultural business. The most significant shares of households that run agricultural businesses are in Lagodekhi (48.7 percent), Akhalkalaki (26.3 percent), and Keda (25.5 percent), while Kazbegi (18.9 percent) and Borjomi (9.8 percent) have the highest proportion of households that are occupied with performing non-farm activities. About 32 percent of households in the targeted municipalities own unregistered businesses. Most households with unregistered businesses (77.8 percent) are ready to register their businesses in case of financial or other types of support.

Household incomes and ownership

Only 20 percent of households have income from agricultural activity, and this income for the majority is less than 1,500 GEL per month. The proportion of households that receive incomes from non-agricultural activities is even lower and comprises less than 5 percent. The majority of households involved in non-farm business receive a monthly income of less than 1,500 GEL. Pension, TSA, and food subsidies and other remain the most important source of income for households (36.7 percent), followed by salaries (27.3 percent), own agricultural business (16.3 percent), remittances (7.9 percent), and own non- agricultural business (5.1 percent).

Housing does not represent a problem for most of the population in targeted municipalities since 95.4 percent of them live in dwellings/apartment/houses which belong to the household. On average, a household in the targeted municipalities owns and uses for farming purposes small land parcels of less than 1 ha.

Local travel patterns

The most important destinations for shopping and personal reasons for the population in the targeted municipalities are local municipal centers (approximately 35 percent), villages (22 percent), main cities like Batumi (14.8 percent), and Tbilisi (12.5 percent), other municipalities (4.7 percent). A minor proportion of the population prefers to travel to other main cities — Rustavi (0.9 percent) and Kutaisi (0.4 percent), or to abroad (less than 1 percent).

Local conditions

The most critical issues for the people in their settlements are unemployment (33 percent), poor conditions of road infrastructure (14.9 percent), the problems with drinking water (12 percent), the absence of gasification system (4.2 percent), access to the internet (3.8 percent), severe socio-economic situation (3.6 percent), the absence of a central sewer system (2.4 percent), the lack of kindergartens (2 percent), problems with irrigation water (1.5 percent) and insufficient and poor infrastructure (1 percent). The most satisfactory performance of infrastructure/services across municipalities is shown by electricity supply (4.48), natural gas supply (4.28), education services (4.2), and kindergartens (4.07). At the same time, such infrastructure/services as irrigation system (2.59), sewage (2.75), and women's organization (2.75) show the lowest performance rates across municipalities.

Environmental issues

Almost 25 percent of the population saw no changes in the environmental conditions in the last year. Most of the population in targeted municipalities consider deforestation (34.2 percent), invasive new species (10.4 percent), soil erosion and degradation (8.5 percent), increase in the frequency of droughts (6.3 percent), deterioration of water quality (4.9 percent) and increase in the frequency of the natural disasters (2.9 percent) as the main environmental degradation issues. Among important ways for improving living standards or reducing cost by undertaking some energy efficiency measures at home, the population in target municipalities emphasizes better insulation (27.4 percent), reduced electricity consumption (14.5 percent), more energy-efficient heating (13.9 percent), renewable electricity supply (4.3 percent) and waste recycling (2.6 percent).

Household's financial resources

Half of the population in targeted municipalities has no disposable income. Those who have disposable income spend it on things the family normally cannot afford (26.2 percent), invest it into something that can make money or reduce expenses (11.5 percent), put it in a safe place as a reserve (e.g., bank) (7.8 percent). More than 32 percent of the population do not have sufficient savings to invest in any business, while 41.5 percent of the population consider investing their savings in the agricultural sector and 19.1 percent in the non-agricultural sector. More than 35 percent of the population in targeted municipalities have no desire to start any business. At the same time, among the highest priorities for starting a business, the population in targeted municipalities consider the following kinds of business: livestock (13.4 percent), cultivation of annual crops (7.4 percent), the opening of trade facility (6.5 percent), the opening of a family hotel (4.4 percent), cultivation of perennial plants (2.4 percent) and cultivation of greenhouses (2.2 percent).

Former entrepreneurs

Only less than 4 percent of the population in targeted municipalities owned or operated an enterprise/business before (3.8 percent in agriculture and 0.1 percent in trade). Among the reasons for stopping business, the most important ones were the lack of profitability (36.4 percent), personal reasons (16.6 percent), limited access to funding (13.5 percent), an unforeseen accident (11.7 percent). Almost 60 percent of former businesses were registered. More than 70 percent of former entrepreneurs have cancelled the registration of closed businesses.

Opportunities for Potential start-ups

The analysis of personal perceptions of the population in targeted municipalities on their potential for starting and managing business suggests that 61.2 percent of the population in targeted municipalities consider themselves as having the right skills to manage a business, and 65.6 percent think that entrepreneurship is a good career choice for them. Only 42.3 percent of the population are afraid of failure when starting a business. More than half of the population (58.7 percent) in targeted municipalities see some opportunities to start a business in their municipality. Among the opportunities for starting a business, the most important ones are favorable/good location for settlement (18 percent), the existence of fertile lands (10.2 percent), good natural environment (9.8 percent), availability of business supporting state programs (6.8 percent), proximity to the tourist zone (6.2 percent), sufficient natural resources and land (6.2 percent), favorable business environment (5.3 percent) and the existence of a large flow of tourists (5.2 percent).

Intentions to start a business

More than 40 percent of the population have never thought about this opportunity, 44.5 percent of the population have thought but could not implement it, and only 13.3 percent of people in targeted municipalities have started or are planning to start a business. Almost half of the interviewed females (48.3 percent) have never thought about starting a business, and about 42 percent of them have thought but were not able to implement it. The proportion of females that have started or are planning to start a business is 3.4 percent lower than the corresponding proportion for the total population. On the contrary, the proportion of youth that has started or plans to start a business only slightly differs from that for the whole population (12.7 percent). At the same time, almost half of the youth (48.1 percent) have a problem with starting a business.

The main reasons for not considering business opportunities are inadequate resources (50.5 percent), risk aversion (12.4 percent), satisfaction with existing income (12.1 percent), and the lack of knowledge/skills (7.9 percent).

More than 80 percent of the population in targeted municipalities think that the local conditions/environment are rather favorable or favorable for starting a business. The main potential sectors for starting a business—agriculture (54.6 percent), trade (16.8 percent) and hospitality (10.3 percent)—comprise more than 80 percent of total choices jointly.

The most important reasons for the local conditions/environment not being favorable for starting a business: insufficient financial resources (20.7 percent), high levels of poverty (18.9 percent), lack of fertile agricultural land (11.4 percent), unfavorable natural conditions (9 percent), unfavorable location of settlement (8.8 percent), water supply problem/irrigation water (5.8 percent), lack of settlements (4.9 percent), lack of promotion for business activities (4.2 percent).

Employment status

The distribution of the population in targeted municipalities according to their employment status indicates that 70 percent of the population participates in the labor market, including 47.6 percent of those who are employed and 22.4 percent unemployed. From the point of gender dimensions, the level of labor market participation for females is 60.7 percent, which is lower than that for the whole population by almost 10 percent. Both employment and unemployment levels for females are lower than those for the total labor market and comprise 40.7 and 20 percent, respectively. The youth show a higher labor participation level (77.1 percent), but at the same time the lower employment and substantially higher unemployment levels (43.2 and 33.9 percent, respectively) than the whole labor market.

Type of employment

The distribution of the population in targeted municipalities by types of employment is as follows: 11.2 percent is employed in the public sector, 7.7 percent in the private sector, 19.1 percent is self-employed, and 4.3 percent works in the family business. Females have a public employment rate of 11.8 percent. At the same time, females have relatively lower rates of private employment (6.3 percent), self-employment (14.2 percent), and engagement in the family business (3.3 percent). Across municipalities, the employment patterns of females are practically the same as those of the whole population. Comparatively to the whole population, the higher proportion of young people are employed in the private sector (10.1 percent), while the proportions of public employment (6.7 percent), self-employment (16.9 percent), and participation in the family business (3.2 percent) among the youth are relatively lower than those of total labor market.

Sectoral distribution of employment

The overwhelming majority (more than 80 percent) of public employees are concentrated in the following five sectors: education (51.6 percent), public administration/self-government (19.6 percent), health/social protection (7.3 percent), other community, social and personal services (4.4 percent), and transport (2.8 percent). The private sector employs people mainly in the following industries: hospitality (13.6 percent), agriculture (13.2 percent), and trade (12.7 percent). Almost 75 percent of those who are self-employed work in the agriculture sector. The other important sectors for self-employed people are trade (6.6 percent), construction (4.4 percent), transport (3.1 percent), and hospitality (2 percent). The share of family business employees in the agriculture sector is even higher than that for self-employed people and amounts to 82.7 percent.

Spatial distribution of employment

The main spatial locations for public sector employees are village/settlement (57.4 percent), municipal centers (31.4 percent), and towns (11.2 percent). The importance of location for private employees shows a few different patterns compared to those employed in the public sector. More than 80 percent of those who are self-employed work in villages/settlements, while 12.4 percent live in municipal centers, 5.4 percent in towns, and only a negligible 0.3 percent in Turkey. For the people employed in family businesses, the importance of village/settlement as employment location is even higher than for the category of the self-employed population (90.6 percent). Municipal centers and towns employ 6.3 and 3.1 percent of family business workers, respectively.

Public employees have income only from the non-agricultural sector, which comprises less than 1,500 GEL per month for more than 85 percent of employees. A substantial part of private employees (76 percent) has no income from the agricultural sector. Only less than 7 percent of private employees receive income from agricultural activities of more than 1,500 GEL per month. Almost 21 percent of private employees have no income from the non-agricultural sector, while the proportion of those who receive more than 1,500 GEL per is 6.4 percent. Twenty-three percent of the self-employed do not have any income from agricultural activities. Approximately 15 percent of those who are self-employed, monthly income from agricultural activities exceeds 1,500 GEL. More than 76 percent of self-employees do not earn any income from non-agricultural activities. Only 3.3 percent of self-employees receive non-farm income that exceeds 1,500 GEL per month.

The main conclusions of the analysis can be summarized as follows:

- Though households in the targeted municipalities are substantially more engaged in agricultural activities than in non-farm business, neither revenues from agriculture nor earnings from non-farm activities represent the main source of income for most of them. Pensions and social assistance remain the main source of income for most of the households in the targeted municipalities. This is not surprising since less than a quarter of households have any business and the level of diversification of households' economic strategy is very low. Relatively small landholdings indicate possible poor productivity of farm activities and, to an extent, explains relatively low incomes from this type of business. Moreover, less than half of the population is employed, and a substantial proportion of them are self-employed in the agriculture sector with low incomes (representing a concealed unemployment).

- A substantial proportion of the population (almost 90 percent) have never thought about starting a business or have thought but was not able to implement this intention. The main reason for such a choice, at least for half of these people, is the lack of resources. Generally, insufficient financial resources, high levels of poverty, and lack of fertile agricultural land are considered the most important reasons for the local conditions/environment not being favorable for starting a business. Only a small proportion of the population has some disposable income that they can invest in revenue-making activities. Thus, one may conclude that the substantial proportion of the population in the targeted municipalities is caught in the poverty trap. As worldwide experience suggests, it's very difficult to get out of this trap without external assistance.

- The environmental and local condition issues only aggravate such a situation. Specifically, the population in the targeted municipalities view deforestation, invasive new species, soil erosion, and degradation as main environmental issues in their localities. These environmental degradation issues can substantially limit the income-generating capabilities of the local population. The poor local conditions can also hamper opportunities for start-ups and business development. Specifically, high unemployment and inferior infrastructure were mentioned by the population among the most critical issues in their localities.

- The proportion of the population who reveals an intention to start a business is relatively small (about 10 percent), and more than half of them consider agriculture as the main sector for their start-ups. Among non-farm sectors dominate trade and Hospitality. Manufacturing and production activities received a minor interest for potential start-ups from the targeted population.

Based on these findings and general conclusions, we think that the priority directions for the economic development in targeted municipalities should be:

- Encouraging diversification of household incomes
- Increase employment opportunities
- Decrease the disguised unemployment or the number of people in low-income job positions

To attain these general goals, the following set of recommendations can be proposed:

- Stimulate business start-ups in both farm and non-farm sectors through introducing joint development plans based on the knowledge of necessary conditions and infrastructure that ensure the development of both the sectors in a synergic way.

- Since the results of the survey analysis show that the lack of finance is the most important impending factor for business development, a specific set of measures focused on easing access to finance for the population in targeted municipalities should be developed. Such measures may include: promoting non-banking institutions, leasing, dissemination of information on funding opportunities, and providing technical support for the population in getting loans.

- Provide opportunities for the intensification of farm businesses' productive capabilities by improving the efficiency of the land market and infrastructure and supporting land amalgamation.

- Encourage the population to focus their business activities on productive and innovative undertakings through consultative services on technological knowledge and innovations, management, planning, and marketing.

- Increase opportunities for business start-ups by enhancing the local environment (e.g., afforestation, upgrading of soil conditions, providing effective defense from invasive species) and improving local conditions and infrastructure (road, water, gas, and sewage infrastructure).

- To ensure business expansion, more opportunities and stimulus must be provided for managers to upgrade their educational level, participate in training programs, intensify participation of employees in training programs, stimulate planning processes, and increase the length of the strategic planning process within businesses.

- The government and local authorities must ensure for non-farm businesses ease of access to credit, enhance the business environment, expand government support programs, and raise the awareness of this program among potential beneficiaries.

- Special incentives and opportunities should be provided for female managers to help and stimulate them in planning their businesses expansion.

ATTACHMENT

TABLE 1.1. **Distribution of non-farm businesses across municipalities and industries**

Industry	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Mining and quarrying	Count	2	0	16	25	5	0	11	0	59
	% within Municipality	.8%	0.0%	3.5%	3.3%	2.6%	0.0%	1.3%	0.0%	1.5%
Production and distribution of electricity, gas, and water	Count	5	4	4	0	0	6	0	3	22
	% within Municipality	2.0%	.9%	.9%	0.0%	0.0%	.9%	0.0%	.9%	.6%
Household production	Count	7	4	15	10	0	12	61	6	115
	% within Municipality	2.9%	.9%	3.3%	1.3%	0.0%	1.7%	7.4%	1.8%	2.9%
Construction	Count	12	21	0	7	11	12	32	12	107
	% within Municipality	4.9%	4.6%	0.0%	.9%	5.8%	1.7%	3.9%	3.6%	2.7%
Trade	Count	133	153	229	320	55	535	324	92	1841
	% within Municipality	54.5%	33.5%	49.8%	41.6%	28.8%	76.4%	39.5%	27.8%	46.3%
Repair of vehicles and household goods	Count	5	4	13	15	9	0	27	6	79
	% within Municipality	2.0%	.9%	2.8%	2.0%	4.7%	0.0%	3.3%	1.8%	2.0%
Hospitality	Count	32	33	4	7	47	19	95	12	249
	% within Municipality	13.1%	7.2%	.9%	.9%	24.6%	2.7%	11.6%	3.6%	6.3%
Transport	Count	27	111	82	264	23	6	61	120	694
	% within Municipality	11.1%	24.3%	17.8%	34.3%	12.0%	.9%	7.4%	36.3%	17.5%

Communications	Count	0	9	0	0	0	0	0	0	9
	% within Municipality	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.2%
Financial services	Count	0	27	13	0	0	0	11	15	66
	% within Municipality	0.0%	5.9%	2.8%	0.0%	0.0%	0.0%	1.3%	4.5%	1.7%
Real Estate renting	Count	3	16	9	17	0	12	82	3	142
	% within Municipality	1.2%	3.5%	2.0%	2.2%	0.0%	1.7%	10.0%	.9%	3.6%
Conditional rental of own housing	Count	2	4	6	0	3	0	6	0	21
	% within Municipality	.8%	.9%	1.3%	0.0%	1.6%	0.0%	.7%	0.0%	.5%
Education	Count	2	4	0	7	0	0	11	0	24
	% within Municipality	.8%	.9%	0.0%	.9%	0.0%	0.0%	1.3%	0.0%	.6%
Health and social protection	Count	7	16	16	22	0	19	55	12	147
	% within Municipality	2.9%	3.5%	3.5%	2.9%	0.0%	2.7%	6.7%	3.6%	3.7%
Other community. social and personal services	Count	7	20	34	7	27	24	28	3	150
	% within Municipality	2.9%	4.4%	7.4%	.9%	14.1%	3.4%	3.4%	.9%	3.8%
Food processing/ services	Count	0	8	0	15	0	31	0	7	61
	% within Municipality	0.0%	1.8%	0.0%	2.0%	0.0%	4.4%	0.0%	2.1%	1.5%
Production of beverages	Count	0	8	9	0	0	6	0	31	54
	% within Municipality	0.0%	1.8%	2.0%	0.0%	0.0%	.9%	0.0%	9.4%	1.4%
Tourism	Count	0	0	0	7	0	0	0	0	7
	% within Municipality	0.0%	0.0%	0.0%	.9%	0.0%	0.0%	0.0%	0.0%	0.2%
Difficult to answer	Count	0	15	10	46	11	18	17	9	126
	% within Municipality	0.0%	3.3%	2.2%	6.0%	5.8%	2.6%	2.1%	2.7%	3.2%
Total	Count	244	457	460	769	191	700	821	331	3973
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 1.2. Spatial distribution of non-farm businesses across municipalities

Municipalities	Indicator	Type of settlement		Total
		Village	**Municipal center**	
Keda municipality	Count	95	147	242
	% within Municipality	39.3%	60.7%	100.0%
Khulo municipality	Count	112	344	456
	% within Municipality	24.6%	75.4%	100.0%
Dedoplistskaro municipality	Count	138	323	461
	% within Municipality	29.9%	70.1%	100.0%
Lagodekhi municipality	Count	392	377	769
	% within Municipality	51.0%	49.0%	100.0%
Kazbegi municipality	Count	0	191	191
	% within Municipality	0.0%	100.0%	100.0%
Akhalkalaki municipality	Count	133	567	700
	% within Municipality	19.0%	81.0%	100.0%
Borjomi municipality	Count	141	682	823
	% within Municipality	17.1%	82.9%	100.0%
Tetritskaro municipality	Count	162	168	330
	% within Municipality	49.1%	50.9%	100.0%
Total	Count	1173	2799	3972
	% within Municipality	29.5%	70.5%	100.0%

TABLE 1.3. Distribution of non-farm businesses by legal form across municipalities

Municipalities	Indicator	Legal form of the business		Total
		Individual entrepreneur	Solidarity Society (SPS)	
Keda municipality	Count	159	83	242
	% within Municipality	65.7%	34.3%	100.0%
Khulo municipality	Count	370	86	456
	% within Municipality	81.1%	18.9%	100.0%
Dedoplistskaro municipality	Count	364	97	461
	% within Municipality	79.0%	21.0%	100.0%
Lagodekhi municipality	Count	669	100	769
	% within Municipality	87.0%	13.0%	100.0%
Kazbegi municipality	Count	132	59	191
	% within Municipality	69.1%	30.9%	100.0%
Akhalkalaki municipality	Count	612	88	700
	% within Municipality	87.4%	12.6%	100.0%
Borjomi municipality	Count	609	214	823
	% within Municipality	74.0%	26.0%	100.0%
Tetritskaro municipality	Count	257	73	330
	% within Municipality	77.9%	22.1%	100.0%
Total	Count	3172	800	3972
	% within Municipality	79.9%	20.1%	100.0%

TABLE 1.4. Distribution of non-farm businesses by years of establishment across municipalities.

Municipalities	Indicator	Year of Establishment					Total
		unknown	before 1991	1991-2000	2001-2010	after 2010	
Keda municipality	Count	0	8	32	55	147	242
	% within Municipality	0.0%	3.3%	13.2%	22.7%	60.7%	100.0%
Khulo municipality	Count	8	0	28	156	265	457
	% within Municipality	1.8%	0.0%	6.1%	34.1%	58.0%	100.0%
Dedoplistskaro municipality	Count	0	9	58	194	200	461
	% within Municipality	0.0%	2.0%	12.6%	42.1%	43.4%	100.0%
Lagodekhi municipality	Count	15	17	122	330	285	769
	% within Municipality	2.0%	2.2%	15.9%	42.9%	37.1%	100.0%
Kazbegi municipality	Count	3	5	15	80	88	191
	% within Municipality	1.6%	2.6%	7.9%	41.9%	46.1%	100.0%
Akhalkalaki municipality	Count	0	6	55	334	305	700
	% within Municipality	0.0%	.9%	7.9%	47.7%	43.6%	100.0%
Borjomi municipality	Count	11	17	215	434	146	823
	% within Municipality	1.3%	2.1%	26.1%	52.7%	17.7%	100.0%
Tetritskaro municipality	Count	28	0	48	123	132	331
	% within Municipality	8.5%	0.0%	14.5%	37.2%	39.9%	100.0%
Total	Count	65	62	573	1706	1568	3974
	% within Municipality	1.6%	1.6%	14.4%	42.9%	39.5%	100.0%

TABLE 1.5. Distribution of non-farm businesses by manager's gender across municipalities

Municipalities	Indicator	Manager's gender		Total
		Male	Female	
Keda municipality	Count	161	81	242
	% within Municipality	66.5%	33.5%	100.0%
Khulo municipality	Count	284	172	456
	% within Municipality	62.3%	37.7%	100.0%
Dedoplistskaro municipality	Count	256	205	461
	% within Municipality	55.5%	44.5%	100.0%
Lagodekhi municipality	Count	432	337	769
	% within Municipality	56.2%	43.8%	100.0%
Kazbegi municipality	Count	98	93	191
	% within Municipality	51.3%	48.7%	100.0%
Akhalkalaki municipality	Count	445	255	700
	% within Municipality	63.6%	36.4%	100.0%
Borjomi municipality	Count	428	395	823
	% within Municipality	52.0%	48.0%	100.0%
Tetritskaro municipality	Count	182	148	330
	% within Municipality	55.2%	44.8%	100.0%
Total	Count	2286	1686	3972
	% within Municipality	57.6%	42.4%	100.0%

TABLE 1.6. Distribution of non-farm businesses by manager's age across municipalities

Municipalities	Indicator	Manager's age						Total
		20-29 years	30-34 years	35-44 years	45-54 years	55-64 years	+ 65 years	
Keda municipality	Count	18	8	66	62	58	30	242
	% within Municipality	7.4%	3.3%	27.3%	25.6%	24.0%	12.4%	100.0%
Khulo municipality	Count	39	52	96	100	110	58	455
	% within Municipality	8.6%	11.4%	21.1%	22.0%	24.2%	12.7%	100.0%
Dedoplistskaro municipality	Count	23	23	52	142	146	75	461
	% within Municipality	5.0%	5.0%	11.3%	30.8%	31.7%	16.3%	100.0%
Lagodekhi municipality	Count	39	54	134	231	251	61	770
	% within Municipality	5.1%	7.0%	17.4%	30.0%	32.6%	7.9%	100.0%
Kazbegi municipality	Count	24	17	46	61	25	18	191
	% within Municipality	12.6%	8.9%	24.1%	31.9%	13.1%	9.4%	100.0%
Akhalkalaki municipality	Count	24	61	170	207	194	43	699
	% within Municipality	3.4%	8.7%	24.3%	29.6%	27.8%	6.2%	100.0%
Borjomi municipality	Count	38	50	142	186	283	124	823
	% within Municipality	4.6%	6.1%	17.3%	22.6%	34.4%	15.1%	100.0%
Tetritskaro municipality	Count	9	9	72	64	115	62	331
	% within Municipality	2.7%	2.7%	21.8%	19.3%	34.7%	18.7%	100.0%
Total	Count	214	274	778	1053	1182	471	3972
	% within Municipality	5.4%	6.9%	19.6%	26.5%	29.8%	11.9%	100.0%

TABLE 1.7. Distribution of non-farm businesses by manager's educational level across municipalities

Municipalities	Indicator	Manager's education level				Total
		Basic education (VII-IX classes) or incomplete secondary education (X-XI classes)	Secondary education (X-XII classes) or incomplete higher education	Bachelor's degree or higher	Vocational education	
Keda municipality	Count	8	101	97	36	242
	% within Municipality	3.3%	41.7%	40.1%	14.9%	100.0%
Khulo municipality	Count	11	230	180	35	456
	% within Municipality	2.4%	50.4%	39.5%	7.7%	100.0%
Dedoplistskaro municipality	Count	43	117	241	60	461
	% within Municipality	9.3%	25.4%	52.3%	13.0%	100.0%
Lagodekhi municipality	Count	7	343	412	7	769
	% within Municipality	.9%	44.6%	53.6%	.9%	100.0%
Kazbegi municipality	Count	0	21	136	34	191
	% within Municipality	0.0%	11.0%	71.2%	17.8%	100.0%
Akhalkalaki municipality	Count	48	316	323	12	699
	% within Municipality	6.9%	45.2%	46.2%	1.7%	100.0%
Borjomi municipality	Count	0	397	426	0	823
	% within Municipality	0.0%	48.2%	51.8%	0.0%	100.0%
Tetritskaro municipality	Count	9	153	113	55	330
	% within Municipality	2.7%	46.4%	34.2%	16.7%	100.0%
Total	Count	126	1678	1928	239	3971
	% within Municipality	3.2%	42.3%	48.6%	6.0%	100.0%

TABLE 1.8. Reasons for quitting last business activity across municipalities

Reasons		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	Total
I had respective education	Count	47	8	23	36	15	18	6	19	172
	% within Municipality	26.6%	2.4%	6.5%	9.3%	17.9%	3.1%	1.1%	13.9%	6.6%
I had respective practical skills. experience	Count	8	4	43	136	38	55	50	24	358
	% within Municipality	4.5%	1.2%	12.1%	35.0%	45.2%	9.5%	9.1%	17.5%	13.7%
I had respective finances and decided to invest	Count	7	5	42	132	5	48	126	21	386
	% within Municipality	4.0%	1.5%	11.8%	33.9%	6.0%	8.2%	23.0%	15.3%	14.8%
My income was not enough for me	Count	50	288	230	64	17	358	158	55	1220
	% within Municipality	28.2%	86.5%	64.6%	16.5%	20.2%	61.5%	28.8%	40.1%	46.8%
This activity is my hobby	Count	0	0	9	7	3	91	61	3	174
	% within Municipality	0.0%	0.0%	2.5%	1.8%	3.6%	15.6%	11.1%	2.2%	6.7%
The idea was interesting for me/I had good idea	Count	33	20	0	7	0	12	63	6	141
	% within Municipality	18.6%	6.0%	0.0%	1.8%	0.0%	2.1%	11.5%	4.4%	5.4%
I did not have work for an employer	Count	5	0	0	7	6	0	11	0	29
	% within Municipality	2.8%	0.0%	0.0%	1.8%	7.1%	0.0%	2.0%	0.0%	1.1%
Accidentally - at the right time I found myself in the required place	Count	27	8	9	0	0	0	68	3	115
	% within Municipality	15.3%	2.4%	2.5%	0.0%	0.0%	0.0%	12.4%	2.2%	4.4%
Received by inheritance	Count	0	0	0	0	0	0	0	3	3
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.2%	.1%
Due to loss of job	Count	0	0	0	0	0	0	6	3	9
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	2.2%	.3%
Total	Count	177	333	356	389	84	582	549	137	2607
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 1.9. Activity status before starting non-farm businesses across municipalities

Reasons		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	Total
Refuse to answer	Count	0	0	0	0	0	6	0	0	6
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	.9%	0.0%	0.0%	.2%
Difficult to answer	Count	3	0	19	44	0	0	0	6	72
	% within Municipality	1.2%	0.0%	4.1%	5.7%	0.0%	0.0%	0.0%	1.8%	1.8%
Employee (public sector)	Count	72	66	198	202	58	189	400	136	1321
	% within Municipality	29.8%	14.5%	43.0%	26.2%	30.5%	27.0%	48.5%	41.1%	33.2%
Employee (private sector)	Count	58	52	66	91	66	30	124	70	557
	% within Municipality	24.0%	11.4%	14.3%	11.8%	34.7%	4.3%	15.0%	21.1%	14.0%
Self-employed	Count	34	23	105	221	24	141	57	30	635
	% within Municipality	14.0%	5.0%	22.8%	28.7%	12.6%	20.1%	6.9%	9.1%	16.0%
Working in family business for free	Count	10	4	9	73	0	6	17	3	122
	% within Municipality	4.1%	.9%	2.0%	9.5%	0.0%	.9%	2.1%	.9%	3.1%
Not economically active	Count	5	11	29	29	18	12	67	15	186
	% within Municipality	2.1%	2.4%	6.3%	3.8%	9.5%	1.7%	8.1%	4.5%	4.7%
Unemployed	Count	60	300	35	110	24	316	159	71	1075
	% within Municipality	24.8%	65.8%	7.6%	14.3%	12.6%	45.1%	19.3%	21.5%	27.1%
Total	Count	242	456	461	770	190	700	824	331	3974
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 1.10. Starting capital level of non-farm businesses across municipalities

| Municipalities | Indicator | The amount of starting capital | | | | | Total |
		less than 1 000 GEL	1 000 -10 000 GEL	10 000- 50 000 GEL	50 000 -100 000 GEL	more than 100 000 GEL	
Keda municipality	Count	97	106	36	0	3	242
	% within Municipality	40.1%	43.8%	14.9%	0.0%	1.2%	100.0%
Khulo municipality	Count	157	250	32	0	5	444
	% within Municipality	35.4%	56.3%	7.2%	0.0%	1.1%	100.0%
Dedoplistskaro municipality	Count	199	179	62	4	6	450
	% within Municipality	44.2%	39.8%	13.8%	.9%	1.3%	100.0%
Lagodekhi municipality	Count	243	389	130	7	0	769
	% within Municipality	31.6%	50.6%	16.9%	.9%	0.0%	100.0%
Kazbegi municipality	Count	41	80	35	21	14	191
	% within Municipality	21.5%	41.9%	18.3%	11.0%	7.3%	100.0%
Akhalkalaki municipality	Count	139	413	93	13	0	658
	% within Municipality	21.1%	62.8%	14.1%	2.0%	0.0%	100.0%
Borjomi municipality	Count	194	325	204	28	32	783
	% within Municipality	24.8%	41.5%	26.1%	3.6%	4.1%	100.0%
Tetritskaro municipality	Count	163	113	18	0	13	307
	% within Municipality	53.1%	36.8%	5.9%	0.0%	4.2%	100.0%
Total	Count	1233	1855	610	73	73	3844
	% within Municipality	32.1%	48.3%	15.9%	1.9%	1.9%	100.0%

TABLE 1.11. Current capital level of non-farm businesses across municipalities.

Municipalities	Indicator	The amount of starting capital					Total
		less than 1 000 GEL	1 000 -10 000 GEL	10 000-50 000 GEL	50 000 -100 000 GEL	more than 100 000 GEL	
Keda municipality	Count	10	130	77	9	15	241
	% within Municipality	4.1%	53.9%	32.0%	3.7%	6.2%	100.0%
Khulo municipality	Count	19	188	153	34	23	417
	% within Municipality	4.6%	45.1%	36.7%	8.2%	5.5%	100.0%
Dedoplistskaro municipality	Count	106	167	127	9	33	442
	% within Municipality	24.0%	37.8%	28.7%	2.0%	7.5%	100.0%
Lagodekhi municipality	Count	51	357	231	85	45	769
	% within Municipality	6.6%	46.4%	30.0%	11.1%	5.9%	100.0%
Kazbegi municipality	Count	6	64	60	24	32	186
	% within Municipality	3.2%	34.4%	32.3%	12.9%	17.2%	100.0%
Akhalkalaki municipality	Count	48	412	134	44	25	663
	% within Municipality	7.2%	62.1%	20.2%	6.6%	3.8%	100.0%
Borjomi municipality	Count	40	197	163	131	127	658
	% within Municipality	6.1%	29.9%	24.8%	19.9%	19.3%	100.0%
Tetritskaro municipality	Count	26	165	51	19	0	261
	% within Municipality	10.0%	63.2%	19.5%	7.3%	0.0%	100.0%
Total	Count	306	1680	996	355	300	3637
	% within Municipality	8.4%	46.2%	27.4%	9.8%	8.2%	100.0%

TABLE 1.12. Main criteria for selecting major providers across municipalities.

Municipalities	Indicator	Main criteria for selecting providers					
		Availability	Cheapest	Best Quality	Familiarity-friendship	Relationship-connections	Financial relations forms
Keda municipality	Mean	4.68	4.59	4.73	4.02	3.74	4.08
	Std. Deviation	.490	.554	.493	.776	.689	.736
	N	148	159	221	120	108	129
Khulo municipality	Mean	4.59	4.39	4.71	3.34	3.33	3.88
	Std. Deviation	.680	.834	.710	1.275	1.239	1.166
	N	386	374	382	378	378	374
Dedoplistskaro municipality	Mean	3.54	3.85	4.08	1.34	1.30	2.78
	Std. Deviation	.641	.674	.672	.790	.784	1.049
	N	452	457	448	431	431	426
Lagodekhi municipality	Mean	4.43	4.57	4.36	1.91	1.77	2.13
	Std. Deviation	.706	.697	.955	1.020	.923	1.350
	N	696	674	664	664	667	696
Kazbegi municipality	Mean	4.03	4.20	4.67	1.67	1.60	3.49
	Std. Deviation	.903	.897	1.019	.961	.828	.756
	N	95	92	92	84	84	87
Akhalkalaki municipality	Mean	4.61	4.21	4.05	3.10	2.72	3.16
	Std. Deviation	.662	.832	.901	1.010	.961	.910
	N	548	603	609	462	438	438
Borjomi municipality	Mean	4.45	4.13	4.48	2.47	2.04	3.03
	Std. Deviation	.872	1.007	.819	1.254	1.016	1.478
	N	669	652	724	713	707	595
Tetritskaro municipality	Mean	3.32	3.68	4.05	1.82	1.55	2.84
	Std. Deviation	1.397	1.174	1.259	1.311	1.188	1.444
	N	278	290	284	279	275	275
Total	Mean	4.26	4.21	4.34	2.37	2.14	2.95
	Std. Deviation	.921	.897	.902	1.319	1.210	1.363
	N	3272	3301	3424	3131	3088	3021

TABLE 1.13. **Major problems on supply-side across municipalities**

Problems	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	20	52	0	7	50	68	6	3	206
	% within Municipality	8.3%	11.4%	0.0%	.9%	26.3%	9.7%	.7%	.9%	5.2%
Difficult to answer	Count	85	183	62	155	108	333	363	111	1400
	% within Municipality	35.1%	40.1%	13.4%	20.2%	56.8%	47.6%	44.1%	33.6%	35.2%
No problem	Count	5	4	0	132	0	0	23	72	236
	% within Municipality	2.1%	.9%	0.0%	17.2%	0.0%	0.0%	2.8%	21.8%	5.9%
Overpriced products/ services	Count	70	137	343	335	14	165	213	72	1349
	% within Municipality	28.9%	30.0%	74.4%	43.6%	7.4%	23.6%	25.8%	21.8%	34.0%
Bad quality of products	Count	5	23	28	10	3	25	38	3	135
	% within Municipality	2.1%	5.0%	6.1%	1.3%	1.6%	3.6%	4.6%	.9%	3.4%
Limited choice of products/ service	Count	5	4	15	22	0	6	23	0	75
	% within Municipality	2.1%	.9%	3.3%	2.9%	0.0%	.9%	2.8%	0.0%	1.9%
Long distance for supplying of the product	Count	28	26	9	54	3	18	34	15	187
	% within Municipality	11.6%	5.7%	2.0%	7.0%	1.6%	2.6%	4.1%	4.5%	4.7%
Faulty or inadequate transport	Count	15	0	4	15	3	0	17	3	57
	% within Municipality	6.2%	0.0%	.9%	2.0%	1.6%	0.0%	2.1%	.9%	1.4%
Problems related to the business partners' unreability/non-punctuality	Count	2	8	0	0	0	24	6	0	40
	% within Municipality	.8%	1.8%	0.0%	0.0%	0.0%	3.4%	.7%	0.0%	1.0%
Problems related to business partners' inflexibility	Count	5	0	0	17	6	18	0	0	46
	% within Municipality	2.1%	0.0%	0.0%	2.2%	3.2%	2.6%	0.0%	0.0%	1.2%

Reclamations	Count	2	19	0	15	0	19	11	0	66
	% within Municipality	.8%	4.2%	0.0%	2.0%	0.0%	2.7%	1.3%	0.0%	1.7%
Conditional rental of own housing	Count	0	0	0	0	0	0	6	33	39
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.7%	10.0%	1.0%
Seasonality	Count	0	0	0	0	0	12	23	9	44
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	2.8%	2.7%	1.1%
Consumer scarcity	Count	0	0	0	0	3	12	0	0	15
	% within Municipality	0.0%	0.0%	0.0%	0.0%	1.6%	1.7%	0.0%	0.0%	.4%
High level of competition	Count	0	0	0	0	0	0	27	0	27
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	0.0%	.7%
Outdated equipment	Count	0	0	0	0	0	0	11	9	20
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	2.7%	.5%
Arrears -ნისიები	Count	0	0	0	7	0	0	0	0	7
	% within Municipality	0.0%	0.0%	0.0%	.9%	0.0%	0.0%	0.0%	0.0%	.2%
Lack of information	Count	0	0	0	0	0	0	17	0	17
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.1%	0.0%	.4%
Volatility of GEL rate	Count	0	0	0	0	0	0	6	0	6
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.7%	0.0%	.2%
Age / health status	Count	242	456	461	769	190	700	824	330	3972
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	Count	20	52	0	7	50	68	6	3	206
	% within Municipality	8.3%	11.4%	0.0%	.9%	26.3%	9.7%	.7%	.9%	5.2%

TABLE 1.14. Major problems in the production of products/services across municipalities

Problems	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	10	56	0	15	50	68	6	3	208
	% within Municipality	4.1%	12.3%	0.0%	1.9%	26.2%	9.7%	.7%	.9%	5.2%
Difficult to answer	Count	74	177	41	126	115	345	308	105	1291
	% within Municipality	30.5%	38.8%	8.9%	16.4%	60.2%	49.4%	37.4%	31.7%	32.5%
No problem	Count	5	4	0	154	0	0	23	75	261
	% within Municipality	2.1%	.9%	0.0%	20.0%	0.0%	0.0%	2.8%	22.7%	6.6%
Overpriced products/ services	Count	103	162	330	345	11	171	298	87	1507
	% within Municipality	42.4%	35.5%	71.6%	44.8%	5.8%	24.5%	36.2%	26.3%	37.9%
Bad quality of products	Count	0	15	55	0	6	19	54	0	149
	% within Municipality	0.0%	3.3%	11.9%	0.0%	3.1%	2.7%	6.6%	0.0%	3.7%
Limited choice of products/ service	Count	28	11	9	22	3	0	17	0	90
	% within Municipality	11.5%	2.4%	2.0%	2.9%	1.6%	0.0%	2.1%	0.0%	2.3%
Long distance for supplying of the product	Count	5	8	4	54	0	30	17	3	121
	% within Municipality	2.1%	1.8%	.9%	7.0%	0.0%	4.3%	2.1%	.9%	3.0%
Faulty or inadequate transport	Count	7	0	9	15	3	0	6	7	47
	% within Municipality	2.9%	0.0%	2.0%	1.9%	1.6%	0.0%	.7%	2.1%	1.2%
Problems related to the business partners' unreability/non-punctuality	Count	2	8	0	0	0	30	11	0	51
	% within Municipality	.8%	1.8%	0.0%	0.0%	0.0%	4.3%	1.3%	0.0%	1.3%
Problems related to business partners' inflexibility	Count	5	0	4	17	3	12	0	0	41
	% within Municipality	2.1%	0.0%	.9%	2.2%	1.6%	1.7%	0.0%	0.0%	1.0%

Reclamations	Count	2	15	9	15	0	6	32	3	82
	% within Municipality	.8%	3.3%	2.0%	1.9%	0.0%	.9%	3.9%	.9%	2.1%
Conditional rental of own housing	Count	0	0	0	0	0	0	0	33	33
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	10.0%	.8%
Seasonality	Count	0	0	0	0	0	6	23	9	38
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	.9%	2.8%	2.7%	1.0%
Consumer scarcity	Count	0	0	0	0	0	12	0	0	12
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	0.0%	0.0%	.3%
High level of competition	Count	2	0	0	0	0	0	11	6	19
	% within Municipality	.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	1.8%	.5%
Arrears -ნისიები	Count	0	0	0	7	0	0	0	0	7
	% within Municipality	0.0%	0.0%	0.0%	.9%	0.0%	0.0%	0.0%	0.0%	.2%
Lack of information	Count	0	0	0	0	0	0	11	0	11
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	.3%
Volatility of GEL rate	Count	0	0	0	0	0	0	6	0	6
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.7%	0.0%	.2%
Age / health status	Count	243	456	461	770	191	699	823	331	3974
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	Count	10	56	0	15	50	68	6	3	208
	% within Municipality	4.1%	12.3%	0.0%	1.9%	26.2%	9.7%	.7%	.9%	5.2%

TABLE 1.15. Percentage of sales by locality of markets and across municipalities (%)

Municipalities	Indicator	Type of market				
		Local village market	Municipality market	Regional market	National market	International market
Keda municipality	Mean	38.18	43.10	15.55	0.00	1.75
	Std. Deviation	47.89	49.35	35.23	0.00	12.07
	N	242.00	242.00	242.00	242.00	242.00
Khulo municipality	Mean	34.36	54.67	8.04	1.08	0.20
	Std. Deviation	47.02	48.66	24.85	5.70	1.98
	N	456.00	456.00	456.00	456.00	456.00
Dedoplistskaro municipality	Mean	42.11	52.36	0.76	4.77	0.00
	Std. Deviation	49.43	49.75	6.02	19.92	0.00
	N	461.00	461.00	461.00	461.00	461.00
Lagodekhi municipality	Mean	58.59	27.87	2.37	6.07	0.38
	Std. Deviation	46.31	42.47	10.03	22.88	3.87
	N	769.00	769.00	769.00	769.00	769.00
Kazbegi municipality	Mean	22.43	72.75	0.00	0.00	0.00
	Std. Deviation	41.82	44.64	0.00	0.00	0.00
	N	191.00	191.00	191.00	191.00	191.00
Akhalkalaki municipality	Mean	31.00	59.53	8.53	0.76	0.18
	Std. Deviation	45.34	47.88	25.85	4.59	1.33
	N	700.00	700.00	700.00	700.00	700.00
Borjomi municipality	Mean	58.92	30.44	2.05	4.23	0.21
	Std. Deviation	46.89	43.26	11.33	18.36	2.49
	N	823.00	823.00	823.00	823.00	823.00
Tetritskaro municipality	Mean	54.70	35.76	0.60	0.97	0.00
	Std. Deviation	49.33	47.09	4.22	9.42	0.00
	N	330.00	330.00	330.00	330.00	330.00
Total	Mean	45.80	43.64	4.40	2.94	0.28
	Std. Deviation	48.49	48.19	18.25	15.39	3.73
	N	3972.00	3972.00	3972.00	3972.00	3972.00

TABLE 1.16. Percentage of sales by types of customers and across municipalities

Municipalities	Indicator	Types of customers					
		Farmers	End-user popula-tion	Merchants	Govern-ment	Busin-esses	Tourists
Keda municipality	Mean	*5.76*	*59.14*	*6.75*	*3.20*	*4.78*	*9.31*
	Std. Deviation	16.249	38.728	16.388	7.981	16.383	19.756
	N	242	242	242	242	242	242
Khulo municipality	Mean	*3.71*	*71.18*	*4.40*	*3.74*	*5.18*	*7.78*
	Std. Deviation	16.510	37.462	13.822	15.694	17.952	17.740
	N	456	456	456	456	456	456
Dedoplistskaro municipality	Mean	*2.85*	*87.18*	*2.26*	*0.00*	*4.17*	*2.61*
	Std. Deviation	15.243	27.603	11.473	0.000	19.499	5.315
	N	461	461	461	461	461	461
Lagodekhi municipality	Mean	*1.72*	*90.37*	*1.11*	*.33*	*.74*	*3.36*
	Std. Deviation	8.004	24.708	5.589	1.978	3.233	15.974
	N	769	769	769	769	769	769
Kazbegi municipality	Mean	*.48*	*50.56*	*.16*	*3.83*	*4.16*	*40.80*
	Std. Deviation	2.801	40.561	1.261	15.926	12.391	42.310
	N	191	191	191	191	191	191
Akhalkalaki municipality	Mean	*2.88*	*76.53*	*8.73*	*3.50*	*5.12*	*3.21*
	Std. Deviation	8.961	27.818	16.175	10.736	13.185	7.728
	N	700	700	700	700	700	700
Borjomi municipality	Mean	*.48*	*57.03*	*3.71*	*5.81*	*5.80*	*17.19*
	Std. Deviation	3.619	39.972	12.055	20.579	17.316	25.545
	N	823	823	823	823	823	823
Tetritskaro municipality	Mean	*8.02*	*69.75*	*.20*	*2.22*	*.44*	*12.76*
	Std. Deviation	19.667	32.500	1.406	11.231	4.690	22.262
	N	330	330	330	330	330	330
Total	Mean	*2.74*	*72.92*	*3.72*	*2.88*	*3.86*	*9.56*
	Std. Deviation	11.846	35.571	12.004	12.947	14.328	21.565
	N	3972	3972	3972	3972	3972	3972

TABLE 1.17. The main source of business's competitive advantage across municipalities

Municipalities	Indicator	Competitive advantage source				Total
		Quality	Service	Price	Uniqueness/ innovation	
Keda municipality	Count	199	30	13	0	242
	% within Municipality	82.2%	12.4%	5.4%	0.0%	100.0%
Khulo municipality	Count	310	86	35	0	431
	% within Municipality	71.9%	20.0%	8.1%	0.0%	100.0%
Dedoplistskaro municipality	Count	345	49	58	0	452
	% within Municipality	76.3%	10.8%	12.8%	0.0%	100.0%
Lagodekhi municipality	Count	567	115	73	0	755
	% within Municipality	75.1%	15.2%	9.7%	0.0%	100.0%
Kazbegi municipality	Count	116	52	17	3	188
	% within Municipality	61.7%	27.7%	9.0%	1.6%	100.0%
Akhalkalaki municipality	Count	348	152	110	0	610
	% within Municipality	57.0%	24.9%	18.0%	0.0%	100.0%
Borjomi municipality	Count	450	198	68	17	733
	% within Municipality	61.4%	27.0%	9.3%	2.3%	100.0%
Tetritskaro municipality	Count	166	61	15	0	242
	% within Municipality	68.6%	25.2%	6.2%	0.0%	100.0%
Total	Count	2501	743	389	20	3653
	% within Municipality	68.5%	20.3%	10.6%	.5%	100.0%

TABLE 1.18. Types of expenses as a percentage of the total sales across municipalities

Municipalities	Indicator	Types of expenses		
		Transport	Service after selling	Marketing
Keda municipality	Mean	*16.84*	*5.01*	*.64*
	Std. Deviation	22.288	8.377	3.824
	N	164	242	242
Khulo municipality	Mean	*13.87*	*.51*	*.05*
	Std. Deviation	14.512	4.577	.496
	N	221	456	456
Dedoplistskaro municipality	Mean	*9.19*	*1.32*	*.18*
	Std. Deviation	9.871	7.103	1.233
	N	246	461	461
Lagodekhi municipality	Mean	*4.62*	*6.22*	*2.14*
	Std. Deviation	7.678	19.744	10.154
	N	236	708	747
Kazbegi municipality	Mean	*20.96*	*2.54*	*1.16*
	Std. Deviation	15.127	12.476	4.405
	N	105	191	191
Akhalkalaki municipality	Mean	*7.96*	*.87*	*1.28*
	Std. Deviation	7.698	5.744	6.530
	N	383	486	626
Borjomi municipality	Mean	*10.09*	*2.40*	*.75*
	Std. Deviation	11.015	10.353	4.373
	N	250	806	817
Tetritskaro municipality	Mean	*10.35*	*1.94*	*.46*
	Std. Deviation	11.143	10.697	2.873
	N	125	308	323
Total	Mean	*10.55*	*2.71*	*.94*
	Std. Deviation	12.922	11.778	5.841
	N	1731	3658	3864

TABLE 1.19. Major problems sales of product/services across municipalities

Municipalities	Indicator	Major problems in sales of products/services									Total
		Customers only look at price	Customers want higher quality	Irregularity of demand	Inconvenient forms of payment	Difficulty related to finding additional markets	Faulty or inadequate transport	Low demand for product/service in my municipality	Insufficient number or lack of branches to provide service to clients	Competition	
Keda municipality	Count	120	38	13	8	2	3	7	2	18	211
	% within Municipality	56.9%	18.0%	6.2%	3.8%	.9%	1.4%	3.3%	.9%	8.5%	100.0%
Khulo municipality	Count	249	40	17	0	4	0	11	0	90	411
	% within Municipality	60.6%	9.7%	4.1%	0.0%	1.0%	0.0%	2.7%	0.0%	21.9%	100.0%
Dedoplistskaro municipality	Count	316	97	9	0	0	0	4	0	22	448
	% within Municipality	70.5%	21.7%	2.0%	0.0%	0.0%	0.0%	.9%	0.0%	4.9%	100.0%
Lagodekhi municipality	Count	364	149	51	73	0	0	7	0	17	661
	% within Municipality	55.1%	22.5%	7.7%	11.0%	0.0%	0.0%	1.1%	0.0%	2.6%	100.0%
Kazbegi municipality	Count	11	12	32	3	0	0	0	5	60	123
	% within Municipality	8.9%	9.8%	26.0%	2.4%	0.0%	0.0%	0.0%	4.1%	48.8%	100.0%
Akhalkalaki municipality	Count	281	12	6	6	6	6	30	6	286	639
	% within Municipality	44.0%	1.9%	.9%	.9%	.9%	.9%	4.7%	.9%	44.8%	100.0%
Borjomi municipality	Count	363	74	6	11	0	32	23	0	207	716
	% within Municipality	50.7%	10.3%	.8%	1.5%	0.0%	4.5%	3.2%	0.0%	28.9%	100.0%
Tetritskaro municipality	Count	108	18	23	0	0	0	37	3	33	222
	% within Municipality	48.6%	8.1%	10.4%	0.0%	0.0%	0.0%	16.7%	1.4%	14.9%	100.0%
Total	Count	1812	440	157	101	12	41	119	16	733	3431
	% within Municipality	52.8%	12.8%	4.6%	2.9%	.3%	1.2%	3.5%	.5%	21.4%	100.0%

Table 1.20. Proportion of managers participated in training program across municipalities

Municipalities	Indicator	Manager's participation in training program in last 3 years		Total
		No	Yes	
Keda municipality	Count	202	35	237
	% within Municipality	85.2%	14.8%	100.0%
Khulo municipality	Count	420	28	448
	% within Municipality	93.8%	6.3%	100.0%
Dedoplistskaro munici-pality	Count	436	21	457
	% within Municipality	95.4%	4.6%	100.0%
Lagodekhi municipality	Count	657	68	725
	% within Municipality	90.6%	9.4%	100.0%
Kazbegi municipality	Count	168	17	185
	% within Municipality	90.8%	9.2%	100.0%
Akhalkalaki municipality	Count	583	105	688
	% within Municipality	84.7%	15.3%	100.0%
Borjomi municipality	Count	591	166	757
	% within Municipality	78.1%	21.9%	100.0%
Tetritskaro municipality	Count	273	18	291
	% within Municipality	93.8%	6.2%	100.0%
Total	Count	3330	458	3788
	% within Municipality	87.9%	12.1%	100.0%

TABLE 1.21. **Proportion of employees participated in training program across municipalities**

| Municipalities | Indicator | Employees' participation in training program in last 3 years | | Total |
		No	Yes	
Keda municipality	Count	220	22	242
	% within Municipality	90.9%	9.1%	100.0%
Khulo municipality	Count	436	8	444
	% within Municipality	98.2%	1.8%	100.0%
Dedoplistskaro municipality	Count	438	18	456
	% within Municipality	96.1%	3.9%	100.0%
Lagodekhi municipality	Count	762	7	769
	% within Municipality	99.1%	.9%	100.0%
Kazbegi municipality	Count	183	8	191
	% within Municipality	95.8%	4.2%	100.0%
Akhalkalaki municipality	Count	638	56	694
	% within Municipality	91.9%	8.1%	100.0%
Borjomi municipality	Count	602	120	722
	% within Municipality	83.4%	16.6%	100.0%
Tetritskaro municipality	Count	323	0	323
	% within Municipality	100.0%	0.0%	100.0%
Total	Count	3602	239	3841
	% within Municipality	93.8%	6.2%	100.0%

TABLE 1.22. Reasons for not participating in training program by managers across municipalities

Municipalities	Indicator	Refuse to answer	I did not need	The training(s) was/were expensive	I had no confidence in training(s)/trainer(s)	The training(s) was/were physically unavailable for me	I did not have time to attend training sessions	I did not have information about training(s)	Total
Keda municipality	Count	0	112	0	0	3	18	68	201
	% within Municipality	0.0%	55.7%	0.0%	0.0%	1.5%	9.0%	33.8%	100.0%
Khulo municipality	Count	0	329	0	0	0	26	65	420
	% within Municipality	0.0%	78.3%	0.0%	0.0%	0.0%	6.2%	15.5%	100.0%
Dedoplistskaro municipality	Count	0	204	4	4	9	44	171	436
	% within Municipality	0.0%	46.8%	.9%	.9%	2.1%	10.1%	39.2%	100.0%
Lagodekhi municipality	Count	0	315	0	0	0	51	292	658
	% within Municipality	0.0%	47.9%	0.0%	0.0%	0.0%	7.8%	44.4%	100.0%
Kazbegi municipality	Count	0	116	3	0	5	3	41	168
	% within Municipality	0.0%	69.0%	1.8%	0.0%	3.0%	1.8%	24.4%	100.0%
Akhalkalaki municipality	Count	0	291	0	0	18	91	182	582
	% within Municipality	0.0%	50.0%	0.0%	0.0%	3.1%	15.6%	31.3%	100.0%
Borjomi municipality	Count	23	298	0	0	23	63	184	591
	% within Municipality	3.9%	50.4%	0.0%	0.0%	3.9%	10.7%	31.1%	100.0%
Tetritskaro municipality	Count	0	240	0	0	3	18	12	273
	% within Municipality	0.0%	87.9%	0.0%	0.0%	1.1%	6.6%	4.4%	100.0%
Total	Count	23	1905	7	4	61	314	1015	3329
	% within Municipality	.7%	57.2%	.2%	.1%	1.8%	9.4%	30.5%	100.0%

TABLE 1.23. Availability of business. investment. and strategic planning on enterprise across municipalities

Municipalities	Indicator	Business planning			Investment planning			Strategic planning		
		No	Yes	Total	No	Yes	Total	No	Yes	Total
Keda municipality	Count	21	164	185	37	77	114	225	13	238
	% within Municipality	11.4%	88.6%	100.0%	32.5%	67.5%	100.0%	94.5%	5.5%	100.0%
Khulo municipality	Count	50	236	286	64	185	249	421	32	453
	% within Municipality	17.5%	82.5%	100.0%	25.7%	74.3%	100.0%	92.9%	7.1%	100.0%
Dedoplistskaro municipality	Count	41	119	160	136	4	140	438	23	461
	% within Municipality	25.6%	74.4%	100.0%	97.1%	2.9%	100.0%	95.0%	5.0%	100.0%
Lagodekhi municipality	Count	83	402	485	307	141	448	737	32	769
	% within Municipality	17.1%	82.9%	100.0%	68.5%	31.5%	100.0%	95.8%	4.2%	100.0%
Kazbegi municipality	Count	0	150	150	6	117	123	171	17	188
	% within Municipality	0.0%	100.0%	100.0%	4.9%	95.1%	100.0%	91.0%	9.0%	100.0%
Akhalkalaki municipality	Count	19	304	323	25	230	255	619	56	675
	% within Municipality	5.9%	94.1%	100.0%	9.8%	90.2%	100.0%	91.7%	8.3%	100.0%
Borjomi municipality	Count	78	302	380	120	217	337	650	139	789
	% within Municipality	20.5%	79.5%	100.0%	35.6%	64.4%	100.0%	82.4%	17.6%	100.0%
Tetritskaro municipality	Count	45	119	164	45	15	60	290	25	315
	% within Municipality	27.4%	72.6%	100.0%	75.0%	25.0%	100.0%	92.1%	7.9%	100.0%
Total	Count	337	1796	2133	740	986	1726	3551	337	3888
	% within Municipality	15.8%	84.2%	100.0%	42.9%	57.1%	100.0%	91.3%	8.7%	100.0%

TABLE 1.24. Need for assistance across municipalities

Needs	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	10	56	0	15	50	68	6	3	208
	% munic.	4.1%	12.3%	0.0%	1.9%	26.2%	9.7%	.7%	.9%	5.2%
Difficult to answer	Count	74	177	41	126	115	345	308	105	1291
	% within Municipality	30.5%	38.8%	8.9%	16.4%	60.2%	49.4%	37.4%	31.7%	32.5%
No need for assistance	Count	5	4	0	154	0	0	23	75	261
	% within Municipality	2.1%	.9%	0.0%	20.0%	0.0%	0.0%	2.8%	22.7%	6.6%
Business plan preparation	Count	103	162	330	345	11	171	298	87	1507
	% within Municipality	42.4%	35.5%	71.6%	44.8%	5.8%	24.5%	36.2%	26.3%	37.9%
Management improvement	Count	0	15	55	0	6	19	54	0	149
	% within Municipality	0.0%	3.3%	11.9%	0.0%	3.1%	2.7%	6.6%	0.0%	3.7%
Attracting additional funding	Count	28	11	9	22	3	0	17	0	90
	% within Municipality	11.5%	2.4%	2.0%	2.9%	1.6%	0.0%	2.1%	0.0%	2.3%
Logistics	Count	5	8	4	54	0	30	17	3	121
	% within Municipality	2.1%	1.8%	.9%	7.0%	0.0%	4.3%	2.1%	.9%	3.0%
Production efficiency improvement	Count	7	0	9	15	3	0	6	7	47
	% within Municipality	2.9%	0.0%	2.0%	1.9%	1.6%	0.0%	.7%	2.1%	1.2%
Accounting and tax management	Count	2	8	0	0	0	30	11	0	51
	% within Municipality	.8%	1.8%	0.0%	0.0%	0.0%	4.3%	1.3%	0.0%	1.3%
Reduction of customs duties	Count	5	0	4	17	3	12	0	0	41
	% within Municipality	2.1%	0.0%	.9%	2.2%	1.6%	1.7%	0.0%	0.0%	1.0%
Business expansion	Count	2	15	9	15	0	6	32	3	82
	% within Municipality	.8%	3.3%	2.0%	1.9%	0.0%	.9%	3.9%	.9%	2.1%
Total	Count	10	56	0	15	50	68	6	3	208
	% within Municipality	4.1%	12.3%	0.0%	1.9%	26.2%	9.7%	.7%	.9%	5.2%

TABLE 1.25. Attractiveness of local conditions/environment across municipalities.

Municipalities	Indicator	The Assessment of local conditions environment for starting business					Total
		Difficult to answer	They are not favorable	They are rather not favorable than favorable	They are rather favorable than not	They are favorable	
Keda municipality	Count	0	5	18	40	178	241
	% within Municipality	0.0%	2.1%	7.5%	16.6%	73.9%	100.0%
Khulo municipality	Count	4	0	32	40	380	456
	% within Municipality	.9%	0.0%	7.0%	8.8%	83.3%	100.0%
Dedoplistskaro municipality	Count	0	6	0	43	412	461
	% within Municipality	0.0%	1.3%	0.0%	9.3%	89.4%	100.0%
Lagodekhi municipality	Count	0	0	64	116	589	769
	% within Municipality	0.0%	0.0%	8.3%	15.1%	76.6%	100.0%
Kazbegi municipality	Count	0	0	9	26	156	191
	% within Municipality	0.0%	0.0%	4.7%	13.6%	81.7%	100.0%
Akhalkalaki municipality	Count	0	97	67	176	360	700
	% within Municipality	0.0%	13.9%	9.6%	25.1%	51.4%	100.0%
Borjomi municipality	Count	28	28	135	268	363	822
	% within Municipality	3.4%	3.4%	16.4%	32.6%	44.2%	100.0%
Tetritskaro municipality	Count	39	92	48	58	94	331
	% within Municipality	11.8%	27.8%	14.5%	17.5%	28.4%	100.0%
Total	Count	71	228	373	767	2532	3971
	% within Municipality	1.8%	5.7%	9.4%	19.3%	63.8%	100.0%

Taking a loan in the last 3 years across municipalities

Municipalities	Indicator	Taking a loan in last 3 years		Total
		No	**Yes**	
Keda municipality	Count	124	118	242
	% within Municipality	51.2%	48.8%	100.0%
Khulo municipality	Count	202	250	452
	% within Municipality	44.7%	55.3%	100.0%
Dedoplistskaro municipality	Count	185	276	461
	% within Municipality	40.1%	59.9%	100.0%
Lagodekhi municipality	Count	335	412	747
	% within Municipality	44.8%	55.2%	100.0%
Kazbegi municipality	Count	131	60	191
	% within Municipality	68.6%	31.4%	100.0%
Akhalkalaki municipality	Count	340	354	694
	% within Municipality	49.0%	51.0%	100.0%
Borjomi municipality	Count	352	471	823
	% within Municipality	42.8%	57.2%	100.0%
Tetritskaro municipality	Count	195	135	330
	% within Municipality	59.1%	40.9%	100.0%
Total	Count	1864	2076	3940
	% within Municipality	47.3%	52.7%	100.0%

TABLE 1.27. Amount of loan in GEL across municipalities.

Municipalities	Indicator	Refuse to answer	Difficult to answer	less than 10.000 GEL	10.000- 50.000 GEL	50.000- 100.000 GEL	more than 100.000 GEL	Total
Keda municipality	Count	0	0	63	52	3	0	118
	% within Municipality	0.0%	0.0%	53.4%	44.1%	2.5%	0.0%	100.0%
Khulo municipality	Count	0	0	85	119	32	14	250
	% within Municipality	0.0%	0.0%	34.0%	47.6%	12.8%	5.6%	100.0%
Dedoplistskaro municipality	Count	0	4	153	79	16	23	275
	% within Municipality	0.0%	1.5%	55.6%	28.7%	5.8%	8.4%	100.0%
Lagodekhi municipality	Count	7	7	238	75	52	32	411
	% within Municipality	1.7%	1.7%	57.9%	18.2%	12.7%	7.8%	100.0%
Kazbegi municipality	Count	0	0	29	9	0	21	59
	% within Municipality	0.0%	0.0%	49.2%	15.3%	0.0%	35.6%	100.0%
Akhalkalaki municipality	Count	0	6	152	141	18	37	354
	% within Municipality	0.0%	1.7%	42.9%	39.8%	5.1%	10.5%	100.0%
Borjomi municipality	Count	27	17	236	112	57	23	472
	% within Municipality	5.7%	3.6%	50.0%	23.7%	12.1%	4.9%	100.0%
Tetritskaro municipality	Count	3	0	78	32	10	13	136
	% within Municipality	2.2%	0.0%	57.4%	23.5%	7.4%	9.6%	100.0%
Total	Count	37	34	1034	619	188	163	2075
	% within Municipality	1.8%	1.6%	49.8%	29.8%	9.1%	7.9%	100.0%

TABLE 1.28. Loan provider across municipalities.

Municipalities	Indicator	Type of loan provider						Total
		Refuse to answer	Difficult to answer	Bank	Microfinance institution	State/donor program	Friends/ family	
Keda municipality	Count	0	0	105	8	0	5	118
	% within Municipality	0.0%	0.0%	89.0%	6.8%	0.0%	4.2%	100.0%
Khulo municipality	Count	0	8	231	8	0	4	251
	% within Municipality	0.0%	3.2%	92.0%	3.2%	0.0%	1.6%	100.0%
Dedoplistskaro municipality	Count	0	13	209	15	0	39	276
	% within Municipality	0.0%	4.7%	75.7%	5.4%	0.0%	14.1%	100.0%
Lagodekhi municipality	Count	0	22	383	7	0	0	412
	% within Municipality	0.0%	5.3%	93.0%	1.7%	0.0%	0.0%	100.0%
Kazbegi municipality	Count	0	0	53	6	0	0	59
	% within Municipality	0.0%	0.0%	89.8%	10.2%	0.0%	0.0%	100.0%
Akhalkalaki municipality	Count	0	6	342	6	0	0	354
	% within Municipality	0.0%	1.7%	96.6%	1.7%	0.0%	0.0%	100.0%
Borjomi municipality	Count	32	6	393	34	6	0	471
	% within Municipality	6.8%	1.3%	83.4%	7.2%	1.3%	0.0%	100.0%
Tetritskaro municipality	Count	0	0	120	15	0	0	135
	% within Municipality	0.0%	0.0%	88.9%	11.1%	0.0%	0.0%	100.0%
Total	Count	32	55	1836	99	6	48	2076
	% within Municipality	1.5%	2.6%	88.4%	4.8%	.3%	2.3%	100.0%

TABLE 1.29. Purpose of loan taking across municipalities

Municipalities	Indicator	Refuse to answer	Difficult to answer	Running expenditures	Capital expenditure	Other loan repayment	Business expansion	To renovate / build a business facility	For tender implementation	Total
		Purpose of taking a loan								
Keda municipality	Count	0	0	110	8	0	0	0	0	118
	% within Municipality	0.0%	0.0%	93.2%	6.8%	0.0%	0.0%	0.0%	0.0%	100.0%
Khulo municipality	Count	0	4	205	34	0	0	8	0	251
	% within Municipality	0.0%	1.6%	81.7%	13.5%	0.0%	0.0%	3.2%	0.0%	100.0%
Dedoplistskaro municipality	Count	0	22	219	30	4	0	0	0	275
	% within Municipality	0.0%	8.0%	79.6%	10.9%	1.5%	0.0%	0.0%	0.0%	100.0%
Lagodekhi municipality	Count	0	32	205	168	0	7	0	0	412
	% within Municipality	0.0%	7.8%	49.8%	40.8%	0.0%	1.7%	0.0%	0.0%	100.0%
Kazbegi municipality	Count	0	3	18	38	0	0	0	0	59
	% within Municipality	0.0%	5.1%	30.5%	64.4%	0.0%	0.0%	0.0%	0.0%	100.0%
Akhalkalaki municipality	Count	0	12	318	24	0	0	0	0	354
	% within Municipality	0.0%	3.4%	89.8%	6.8%	0.0%	0.0%	0.0%	0.0%	100.0%
Borjomi municipality	Count	6	44	260	84	11	50	11	6	472
	% within Municipality	1.3%	9.3%	55.1%	17.8%	2.3%	10.6%	2.3%	1.3%	100.0%
Tetritskaro municipality	Count	0	3	93	37	3	0	0	0	136
	% within Municipality	0.0%	2.2%	68.4%	27.2%	2.2%	0.0%	0.0%	0.0%	100.0%
Total	Count	6	120	1428	423	18	57	19	6	2077
	% within Municipality	.3%	5.8%	68.8%	20.4%	.9%	2.7%	.9%	.3%	100.0%

TABLE 1.30. Need a loan for the same business across municipalities.

Municipalities	Indicator	Need a loan				Total
		Refuse to answer	Difficult to answer	No. I do not need	Yes. I need	
Keda municipality	Count	2	7	192	42	243
	% within Municipality	.8%	2.9%	79.0%	17.3%	100.0%
Khulo municipality	Count	0	20	307	129	456
	% within Municipality	0.0%	4.4%	67.3%	28.3%	100.0%
Dedoplistskaro municipality	Count	4	13	244	199	460
	% within Municipality	.9%	2.8%	53.0%	43.3%	100.0%
Lagodekhi municipality	Count	22	44	409	295	770
	% within Municipality	2.9%	5.7%	53.1%	38.3%	100.0%
Kazbegi municipality	Count	0	3	105	82	190
	% within Municipality	0.0%	1.6%	55.3%	43.2%	100.0%
Akhalkalaki municipality	Count	6	30	474	190	700
	% within Municipality	.9%	4.3%	67.7%	27.1%	100.0%
Borjomi municipality	Count	6	38	120	660	824
	% within Municipality	.7%	4.6%	14.6%	80.1%	100.0%
Tetritskaro municipality	Count	0	24	228	78	330
	% within Municipality	0.0%	7.3%	69.1%	23.6%	100.0%
Total	Count	40	179	2079	1675	3973
	% within Municipality	1.0%	4.5%	52.3%	42.2%	100.0%

TABLE 1.31. Proportion of recipients of state/donor support programs across municipalities

Municipalities	Indicator	Recipient of the program		Total
		No	Yes	
Keda municipality	Count	218	24	242
	% within Municipality	90.1%	9.9%	100.0%
Khulo municipality	Count	432	24	456
	% within Municipality	94.7%	5.3%	100.0%
Dedoplistskaro municipality	Count	452	9	461
	% within Municipality	98.0%	2.0%	100.0%
Lagodekhi municipality	Count	754	15	769
	% within Municipality	98.0%	2.0%	100.0%
Kazbegi municipality	Count	177	14	191
	% within Municipality	92.7%	7.3%	100.0%
Akhalkalaki municipality	Count	694	6	700
	% within Municipality	99.1%	.9%	100.0%
Borjomi municipality	Count	779	44	823
	% within Municipality	94.7%	5.3%	100.0%
Tetritskaro municipality	Count	295	35	330
	% within Municipality	89.4%	10.6%	100.0%
Total	Count	3801	171	3972
	% within Municipality	95.7%	4.3%	100.0%

TABLE 1.32. Proportion of managers who have any information on state or donor support programs across municipalities.

Municipalities	Indicator	Availability of information				Total
		Refuse to answer	Difficult to answer	No	Yes	
Keda municipality	Count	2	32	135	74	243
	% within Municipality	.8%	13.2%	55.6%	30.5%	100.0%
Khulo municipality	Count	5	31	329	91	456
	% within Municipality	1.1%	6.8%	72.1%	20.0%	100.0%
Dedoplistskaro municipality	Count	4	38	410	9	461
	% within Municipality	.9%	8.2%	88.9%	2.0%	100.0%
Lagodekhi municipality	Count	29	316	380	44	769
	% within Municipality	3.8%	41.1%	49.4%	5.7%	100.0%
Kazbegi municipality	Count	0	75	84	32	191
	% within Municipality	.0%	39.3%	44.0%	16.8%	100.0%
Akhalkalaki municipality	Count	67	103	499	30	699
	% within Municipality	9.6%	14.7%	71.4%	4.3%	100.0%
Borjomi municipality	Count	0	118	561	145	824
	% within Municipality	.0%	14.3%	68.1%	17.6%	100.0%
Tetritskaro municipality	Count	0	40	161	130	331
	% within Municipality	.0%	12.1%	48.6%	39.3%	100.0%
Total	Count	107	753	2559	555	3974
	% within Municipality	2.7%	18.9%	64.4%	14.0%	100.0%

TABLE 1.33. Name on state or donor support programs known by managers across municipalities.

Name of program	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Difficult to answer	Count	2	0	0	0	3	0	0	24	29
	%	2.7%	0.0%	0.0%	0.0%	9.1%	0.0%	0.0%	18.5%	5.2%
Produce in Georgia	Count	65	79	4	15	25	12	118	67	385
	%	87.8%	86.8%	50.0%	34.1%	75.8%	40.0%	81.4%	51.5%	69.4%
Agri-business Promotion Program	Count	2	0	0	0	0	0	0	7	9
	%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.4%	1.6%
LAG	Count	0	0	0	0	0	12	0	3	15
	%	0.0%	0.0%	0.0%	0.0%	0.0%	40.0%	0.0%	2.3%	2.7%
Ministry of Health and social protection program	Count	3	8	0	0	5	0	0	0	16
	%	4.1%	8.8%	0.0%	0.0%	15.2%	0.0%	0.0%	0.0%	2.9%
ENPARD	Count	2	4	0	7	0	0	0	20	33
	%	2.7%	4.4%	0.0%	15.9%	0.0%	0.0%	0.0%	15.4%	5.9%
State Reform of Land Restoration	Count	0	0	0	0	0	0	27	3	30
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	18.6%	2.3%	5.4%
Danerge momavali	Count	0	0	4	7	0	0	0	0	11
	%	0.0%	0.0%	50.0%	15.9%	0.0%	0.0%	0.0%	0.0%	2.0%
Kea program	Count	0	0	0	15	0	0	0	0	15
	%	0.0%	0.0%	0.0%	34.1%	0.0%	0.0%	0.0%	0.0%	2.7%
Startup Georgia	Count	0	0	0	0	0	0	0	3	3
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.3%	.5%
USAID	Count	0	0	0	0	0	6	0	0	6
	%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%	1.1%
'Growth' program	Count	0	0	0	0	0	0	0	3	3
	%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.3%	.5%
Total	Count	74	91	8	44	33	30	145	130	555
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 1.34. Types of assistance mostly needed by managers across municipalities.

Assistance type	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Difficult to answer	Count	23	15	9	15	8	55	57	37	219
	% within Municipality.	21.5%	11.8%	17.3%	3.9%	7.5%	27.5%	21.8%	21.8%	15.5%
Loan guarantees	Count	10	46	15	95	56	42	44	10	318
	% within Municipality	9.3%	36.2%	28.8%	24.4%	52.3%	21.0%	16.8%	5.9%	22.5%
Subsidized loans	Count	32	53	9	156	40	0	61	51	402
	% within Municipality	29.9%	41.7%	17.3%	40.1%	37.4%	0.0%	23.3%	30.0%	28.4%
Capacity building training	Count	5	0	4	7	3	0	0	15	34
	% within Municipality	4.7%	0.0%	7.7%	1.8%	2.8%	0.0%	0.0%	8.8%	2.4%
Existing of support networking	Count	8	0	0	73	0	18	23	9	131
	% within Municipality	7.5%	0.0%	0.0%	18.8%	0.0%	9.0%	8.8%	5.3%	9.3%
Mentorship	Count	12	0	0	7	0	12	6	15	52
	% within Municipality	11.2%	0.0%	0.0%	1.8%	0.0%	6.0%	2.3%	8.8%	3.7%
Regulatory compliance assistance	Count	10	5	0	7	0	43	28	6	99
	% within Municipality	9.3%	3.9%	0.0%	1.8%	0.0%	21.5%	10.7%	3.5%	7.0%
Dissemination of information	Count	7	0	15	29	0	30	11	15	107
	% within Municipality	6.5%	0.0%	28.8%	7.5%	0.0%	15.0%	4.2%	8.8%	7.6%
Grant from the state or donor organization	Count	0	8	0	0	0	0	32	12	52
	% within Municipality	0.0%	6.3%	0.0%	0.0%	0.0%	0.0%	12.2%	7.1%	3.7%
Total	Count	107	127	52	389	107	200	262	170	1414
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 1.35. Participation in state programs competition across municipalities.

	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi mnicipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Difficult to answer	Count	2	5	4	0	21	6	6	3	47
	% within Municipality.	2.4%	4.8%	9.5%	0.0%	22.6%	3.1%	2.8%	2.2%	3.8%
Yes	Count	7	8	0	36	3	37	11	9	111
	% within Municipality	8.3%	7.7%	0.0%	9.6%	3.2%	19.0%	5.0%	6.6%	8.9%
No	Count	75	91	38	338	69	152	201	125	1089
	% within Municipality	89.3%	87.5%	90.5%	90.4%	74.2%	77.9%	92.2%	91.2%	87.3%
Total	Count	84	104	42	374	93	195	218	137	1247
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 1.36. Reasons for not participating in state programs competition across municipalities.

Reasons	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	0	5	0	0	0	0	0	0	5
	% within Municipality	0.0%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.4%
Difficult to answer	Count	33	25	9	42	38	12	72	21	252
	% within Municipality	42.9%	26.0%	20.9%	12.4%	42.2%	7.6%	34.8%	16.4%	22.2%
Application procedures and forms are too difficult	Count	0	0	0	22	5	6	0	0	33
	% within Municipality	0.0%	0.0%	0.0%	6.5%	5.6%	3.8%	0.0%	0.0%	2.9%
I do not meet eligibility criteria	Count	0	0	0	17	6	0	0	0	23
	% within Municipality	0.0%	0.0%	0.0%	5.0%	6.7%	0.0%	0.0%	0.0%	2.0%
I think selection is not fair	Count	7	0	0	7	12	0	0	3	29
	% within Municipality	9.1%	0.0%	0.0%	2.1%	13.3%	0.0%	0.0%	2.3%	2.6%
I did not submit application since they might use/steal my idea	Count	2	0	0	29	0	6	0	0	37
	% within Municipality	2.6%	0.0%	0.0%	8.6%	0.0%	3.8%	0.0%	0.0%	3.3%
I did not want	Count	17	35	0	80	0	55	57	40	284
	% within Municipality	22.1%	36.5%	0.0%	23.7%	0.0%	34.8%	27.5%	31.3%	25.0%
Required co-finance requirements (if applicable) were to high	Count	0	0	0	0	0	0	0	3	3
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.3%	.3%
I did not hope for winning	Count	3	8	0	22	6	18	11	21	89
	% within Municipality	3.9%	8.3%	0.0%	6.5%	6.7%	11.4%	5.3%	16.4%	7.8%

I do not have information	Count	15	23	34	119	23	61	61	40	376
	% within Municipality	19.5%	24.0%	79.1%	35.2%	25.6%	38.6%	29.5%	31.3%	33.1%
Because of lack of finance	Count	0	0	0	0	0	0	6	0	6
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	0.0%	.5%
Total	Count	77	96	43	338	90	158	207	128	1137
	% within Municipality	4.1%	12.3%	0.0%	1.9%	26.2%	9.7%	.7%	.9%	5.2%

TABLE 1.37. Recommended changes in state programs across municipalities.

Recommenda-tions	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	0	5	0	0	0	0	0	0	5
	% within Municipality	0.0%	5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.4%
Difficult to answer	Count	33	25	9	42	38	12	72	21	252
	% within Municipality	42.9%	26.0%	20.9%	12.4%	42.2%	7.6%	34.8%	16.4%	22.2%
Nothing	Count	0	0	0	22	5	6	0	0	33
	% within Municipality	0.0%	0.0%	0.0%	6.5%	5.6%	3.8%	0.0%	0.0%	2.9%
Application procedures and forms	Count	0	0	0	17	6	0	0	0	23
	% within Municipality	0.0%	0.0%	0.0%	5.0%	6.7%	0.0%	0.0%	0.0%	2.0%
Selection criteria	Count	7	0	0	7	12	0	0	3	29
	% within Municipality	9.1%	0.0%	0.0%	2.1%	13.3%	0.0%	0.0%	2.3%	2.6%
Co-finance requirements (if applicable)	Count	2	0	0	29	0	6	0	0	37
	% within Municipality	2.6%	0.0%	0.0%	8.6%	0.0%	3.8%	0.0%	0.0%	3.3%
Relationship/ communication system	Count	17	35	0	80	0	55	57	40	284
	% within Municipality	22.1%	36.5%	0.0%	23.7%	0.0%	34.8%	27.5%	31.3%	25.0%
Monitoring and control system	Count	0	0	0	0	0	0	0	3	3
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.3%	.3%
Increase grant volume	Count	3	8	0	22	6	18	11	21	89
	% within Municipality	3.9%	8.3%	0.0%	6.5%	6.7%	11.4%	5.3%	16.4%	7.8%
Total	Count	77	96	43	338	90	158	207	128	1137
	% within Municipality	4.1%	12.3%	0.0%	1.9%	26.2%	9.7%	.7%	.9%	5.2%

TABLE 1.38. Main business performance indicators across municipalities.

Municipalities	Indicator	Business performance indicators					
		Number of personnel	Volume of turnover	Productivity	Growth of personnel (%)	Growth of turnover (%)	Growth of productivity (%)
Keda municipality	Mean	*4.1*	*37435.6*	*10970.9*	*37.3*	*55.3*	*46.4*
	Std. Deviation	7.2	79188.7	14963.9	94.5	152.0	155.9
	N	242.0	178.8	178.8	238.5	37.0	37.0
Khulo municipality	Mean	*3.7*	*22116.5*	*13222.1*	*28.4*	*317.3*	*317.3*
	Std. Deviation	11.8	26253.0	20309.0	161.1	668.6	668.6
	N	456.0	81.5	81.5	456.0	22.7	22.7
Dedoplistskaro municipality	Mean	*3.7*	*91504.6*	*24539.9*	*63.9*	*33.7*	*10.3*
	Std. Deviation	4.0	194618.9	42741.6	143.3	150.0	157.1
	N	461.0	367.4	367.4	461.0	160.3	160.3
Lagodekhi municipality	Mean	*2.5*	*228403.4*	*76123.9*	*35.3*	*-19.3*	*-19.3*
	Std. Deviation	2.7	467562.4	153702.4	155.6	17.0	17.0
	N	769.0	317.2	317.2	769.0	17.3	17.3
Kazbegi municipality	Mean	*3.7*	*93979.0*	*29094.7*	*76.0*	*40.5*	*41.2*
	Std. Deviation	4.6	104621.8	21904.2	240.9	58.8	56.1
	N	191.0	62.6	62.6	191.0	39.8	39.8
Akhalkalaki municipality	Mean	*1.8*	*14980.2*	*11861.7*	*3.9*	*16.2*	*16.2*
	Std. Deviation	1.8	24050.6	21126.2	40.0	46.6	46.6
	N	700.0	280.1	280.1	700.0	219.5	219.5
Borjomi municipality	Mean	*7.0*	*164020.3*	*18957.5*	*28.2*	*172.3*	*162.8*
	Std. Deviation	13.3	386309.7	43180.1	110.9	425.0	425.6
	N	817.3	497.4	491.8	773.5	250.4	244.7
Tetritskaro municipality	Mean	*1.9*	*53487.1*	*24384.4*	*14.7*	*11.7*	*7.4*
	Std. Deviation	1.2	107847.4	45442.7	76.2	37.5	41.4
	N	330.0	117.9	117.9	327.1	33.7	33.7
Total	Mean	*3.7*	*111691.5*	*28221.9*	*31.2*	*80.7*	*71.6*
	Std. Deviation	8.0	299821.5	74224.3	130.9	288.5	288.3
	N	3966.3	1903.0	1897.3	3916.1	780.6	774.9

TABLE 1.39. Assessment of current business situation across municipalities.

Municipalities	Indicator	How do you assess your current business situation?				Total
		Difficult to answer	Poor	Satisfactory	Good	
Keda municipality	Count	0	7	127	109	243
	% within Municipality	0.0%	2.9%	52.3%	44.9%	100.0%
Khulo municipality	Count	0	16	377	63	456
	% within Municipality	0.0%	3.5%	82.7%	13.8%	100.0%
Dedoplistskaro municipality	Count	17	66	344	34	461
	% within Municipality	3.7%	14.3%	74.6%	7.4%	100.0%
Lagodekhi municipality	Count	15	15	674	66	770
	% within Municipality	1.9%	1.9%	87.5%	8.6%	100.0%
Kazbegi municipality	Count	0	5	142	44	191
	% within Municipality	0.0%	2.6%	74.3%	23.0%	100.0%
Akhalkalaki municipality	Count	0	188	450	61	699
	% within Municipality	0.0%	26.9%	64.4%	8.7%	100.0%
Borjomi municipality	Count	6	127	473	217	823
	% within Municipality	.7%	15.4%	57.5%	26.4%	100.0%
Tetritskaro municipality	Count	9	62	219	40	330
	% within Municipality	2.7%	18.8%	66.4%	12.1%	100.0%
Total	Count	47	486	2806	634	3973
	% within Municipality	1.2%	12.2%	70.6%	16.0%	100.0%

TABLE 1.40. Attractiveness of local conditions/environment across municipalities.

Municipalities	Indicator	How do you expect your enterprise/business to develop in the next 6 months?				Total
		Difficult to answer	It will be worse	Almost no change	Will be improved	
Keda municipality	Count	15	20	43	164	242
	% within Municipality	6.2%	8.3%	17.8%	67.8%	100.0%
Khulo municipality	Count	11	19	275	151	456
	% within Municipality	2.4%	4.2%	60.3%	33.1%	100.0%
Dedoplistskaro municipality	Count	17	116	278	49	460
	% within Municipality	3.7%	25.2%	60.4%	10.7%	100.0%
Lagodekhi municipality	Count	32	22	416	299	769
	% within Municipality	4.2%	2.9%	54.1%	38.9%	100.0%
Kazbegi municipality	Count	11	0	69	111	191
	% within Municipality	5.8%	0.0%	36.1%	58.1%	100.0%
Akhalkalaki municipality	Count	30	133	335	202	700
	% within Municipality	4.3%	19.0%	47.9%	28.9%	100.0%
Borjomi municipality	Count	125	72	223	403	823
	% within Municipality	15.2%	8.7%	27.1%	49.0%	100.0%
Tetritskaro municipality	Count	78	20	91	141	330
	% within Municipality	23.6%	6.1%	27.6%	42.7%	100.0%
Total	Count	319	402	1730	1520	3971
	% within Municipality	8.0%	10.1%	43.6%	38.3%	100.0%

TABLE 1.41. Assessment of current business situation across municipalities.

Municipalities	Indicator	How would you assess your situation now in relation to 1 year ago?					Total
		Refuse to answer	Difficult to answer	It became worse	Almost was not changed	It was improved	
Keda municipality	Count	0	10	42	77	114	243
	% within Municipality	0.0%	4.1%	17.3%	31.7%	46.9%	100.0%
Khulo municipality	Count	0	5	39	251	162	457
	% within Municipality	0.0%	1.1%	8.5%	54.9%	35.4%	100.0%
Dedoplistskaro municipality	Count	0	30	150	204	77	461
	% within Municipality	0.0%	6.5%	32.5%	44.3%	16.7%	100.0%
Lagodekhi municipality	Count	0	29	36	390	314	769
	% within Municipality	0.0%	3.8%	4.7%	50.7%	40.8%	100.0%
Kazbegi municipality	Count	3	5	3	112	69	192
	% within Municipality	1.6%	2.6%	1.6%	58.3%	35.9%	100.0%
Akhalkalaki municipality	Count	6	13	254	274	153	700
	% within Municipality	.9%	1.9%	36.3%	39.1%	21.9%	100.0%
Borjomi municipality	Count	0	23	230	291	279	823
	% within Municipality	0.0%	2.8%	27.9%	35.4%	33.9%	100.0%
Tetritskaro municipality	Count	0	73	83	122	51	329
	% within Municipality	0.0%	22.2%	25.2%	37.1%	15.5%	100.0%
Total	Count	9	188	837	1721	1219	3974
	% within Municipality	.2%	4.7%	21.1%	43.3%	30.7%	100.0%

TABLE 1.42. Plans for expansion across municipalities.

Municipalities	Indicator	Plan to expand business		Total
		No	Yes	
Keda municipality	Count	167	75	242
	% within Municipality	69.0%	31.0%	100.0%
Khulo municipality	Count	353	103	456
	% within Municipality	77.4%	22.6%	100.0%
Dedoplistskaro municipality	Count	312	149	461
	% within Municipality	67.7%	32.3%	100.0%
Lagodekhi municipality	Count	402	367	769
	% within Municipality	52.3%	47.7%	100.0%
Kazbegi municipality	Count	124	67	191
	% within Municipality	64.9%	35.1%	100.0%
Akhalkalaki municipality	Count	547	153	700
	% within Municipality	78.1%	21.9%	100.0%
Borjomi municipality	Count	230	593	823
	% within Municipality	27.9%	72.1%	100.0%
Tetritskaro municipality	Count	190	140	330
	% within Municipality	57.6%	42.4%	100.0%
Total	Count	2325	1647	3972
	% within Municipality	58.5%	41.5%	100.0%

TABLE 1.43. Plans to introduce new product/services across municipalities.

| Municipalities | Indicator | Plan to introduce new product/services | | Total |
		No	Yes	
Keda municipality	Count	220	22	242
	% within Municipality	90.9%	9.1%	100.0%
Khulo municipality	Count	409	47	456
	% within Municipality	89.7%	10.3%	100.0%
Dedoplistskaro municipality	Count	360	101	461
	% within Municipality	78.1%	21.9%	100.0%
Lagodekhi municipality	Count	473	296	769
	% within Municipality	61.5%	38.5%	100.0%
Kazbegi municipality	Count	151	40	191
	% within Municipality	79.1%	20.9%	100.0%
Akhalkalaki municipality	Count	589	111	700
	% within Municipality	84.1%	15.9%	100.0%
Borjomi municipality	Count	344	479	823
	% within Municipality	41.8%	58.2%	100.0%
Tetritskaro municipality	Count	248	82	330
	% within Municipality	75.2%	24.8%	100.0%
Total	Count	2794	1178	3972
	% within Municipality	70.3%	29.7%	100.0%

TABLE 1.44. Plans of increasing production of existing products/services across municipalities.

Municipalities	Indicator	Plan of increasing production of existing products/services		Total
		No	Yes	
Keda municipality	Count	204	38	242
	% within Municipality	84.3%	15.7%	100.0%
Khulo municipality	Count	416	40	456
	% within Municipality	91.2%	8.8%	100.0%
Dedoplistskaro municipality	Count	385	76	461
	% within Municipality	83.5%	16.5%	100.0%
Lagodekhi municipality	Count	534	235	769
	% within Municipality	69.4%	30.6%	100.0%
Kazbegi municipality	Count	182	9	191
	% within Municipality	95.3%	4.7%	100.0%
Akhalkalaki municipality	Count	669	31	700
	% within Municipality	95.6%	4.4%	100.0%
Borjomi municipality	Count	380	443	823
	% within Municipality	46.2%	53.8%	100.0%
Tetritskaro municipality	Count	279	51	330
	% within Municipality	84.5%	15.5%	100.0%
Total	Count	3049	923	3972
	% within Municipality	76.8%	23.2%	100.0%

TABLE 1.45. Plans of expansion to new territories across municipalities.

Municipalities	Indicator	Plan of expansion to new territories		Total
		No	Yes	
Keda municipality	Count	208	34	242
	% within Municipality	86.0%	14.0%	100.0%
Khulo municipality	Count	397	59	456
	% within Municipality	87.1%	12.9%	100.0%
Dedoplistskaro municipality	Count	351	110	461
	% within Municipality	76.1%	23.9%	100.0%
Lagodekhi municipality	Count	616	153	769
	% within Municipality	80.1%	19.9%	100.0%
Kazbegi municipality	Count	151	40	191
	% within Municipality	79.1%	20.9%	100.0%
Akhalkalaki municipality	Count	651	49	700
	% within Municipality	93.0%	7.0%	100.0%
Borjomi municipality	Count	660	163	823
	% within Municipality	80.2%	19.8%	100.0%
Tetritskaro municipality	Count	265	65	330
	% within Municipality	80.3%	19.7%	100.0%
Total	Count	3299	673	3972
	% within Municipality	83.1%	16.9%	100.0%

TABLE 1.46. Plans of targeting new customer markets across municipalities.

| Municipalities | Indicator | Plans of targeting new customer markets | | Total |
		No	Yes	
Keda municipality	Count	232	10	242
	% within Municipality	95.9%	4.1%	100.0%
Khulo municipality	Count	444	12	456
	% within Municipality	97.4%	2.6%	100.0%
Dedoplistskaro municipality	Count	457	4	461
	% within Municipality	99.1%	.9%	100.0%
Lagodekhi municipality	Count	730	39	769
	% within Municipality	94.9%	5.1%	100.0%
Kazbegi municipality	Count	188	3	191
	% within Municipality	98.4%	1.6%	100.0%
Akhalkalaki municipality	Count	681	19	700
	% within Municipality	97.3%	2.7%	100.0%
Borjomi municipality	Count	783	40	823
	% within Municipality	95.1%	4.9%	100.0%
Tetritskaro municipality	Count	324	6	330
	% within Municipality	98.2%	1.8%	100.0%
Total	Count	3839	133	3972
	% within Municipality	96.7%	3.3%	100.0%

TABLE 1.47. Plans of acquiring new business across municipalities.

| Municipalities | Indicator | Plans of acquiring new business | | Total |
		No	Yes	
Keda municipality	Count	239	3	242
	% within Municipality	98.8%	1.2%	100.0%
Khulo municipality	Count	442	14	456
	% within Municipality	96.9%	3.1%	100.0%
Dedoplistskaro municipality	Count	457	4	461
	% within Municipality	99.1%	.9%	100.0%
Lagodekhi municipality	Count	744	25	769
	% within Municipality	96.7%	3.3%	100.0%
Kazbegi municipality	Count	191	0	191
	% within Municipality	100.0%	0.0%	100.0%
Akhalkalaki municipality	Count	663	37	700
	% within Municipality	94.7%	5.3%	100.0%
Borjomi municipality	Count	766	57	823
	% within Municipality	93.1%	6.9%	100.0%
Tetritskaro municipality	Count	318	12	330
	% within Municipality	96.4%	3.6%	100.0%
Total	Count	3820	152	3972
	% within Municipality	96.2%	3.8%	100.0%

TABLE 1.48. Plans of introducing of new technologies across municipalities.

Municipalities	Indicator	Plans of introducing of new technologies		Total
		No	Yes	
Keda municipality	Count	224	18	242
	% within Municipality	92.6%	7.4%	100.0%
Khulo municipality	Count	440	16	456
	% within Municipality	96.5%	3.5%	100.0%
Dedoplistskaro municipality	Count	417	44	461
	% within Municipality	90.5%	9.5%	100.0%
Lagodekhi municipality	Count	740	29	769
	% within Municipality	96.2%	3.8%	100.0%
Kazbegi municipality	Count	174	17	191
	% within Municipality	91.1%	8.9%	100.0%
Akhalkalaki municipality	Count	687	13	700
	% within Municipality	98.1%	1.9%	100.0%
Borjomi municipality	Count	674	149	823
	% within Municipality	81.9%	18.1%	100.0%
Tetritskaro municipality	Count	292	38	330
	% within Municipality	88.5%	11.5%	100.0%
Total	Count	3648	324	3972
	% within Municipality	91.8%	8.2%	100.0%

TABLE 1.49. Plans to intensify promotional activities across municipalities.

Municipalities	Indicator	Plans to intensify promotional activities		Total
		No	Yes	
Keda municipality	Count	240	2	242
	% within Municipality	99.2%	.8%	100.0%
Khulo municipality	Count	456	0	456
	% within Municipality	100.0%	0.0%	100.0%
Dedoplistskaro municipality	Count	452	9	461
	% within Municipality	98.0%	2.0%	100.0%
Lagodekhi municipality	Count	752	17	769
	% within Municipality	97.8%	2.2%	100.0%
Kazbegi municipality	Count	191	0	191
	% within Municipality	100.0%	0.0%	100.0%
Akhalkalaki municipality	Count	614	86	700
	% within Municipality	87.7%	12.3%	100.0%
Borjomi municipality	Count	806	17	823
	% within Municipality	97.9%	2.1%	100.0%
Tetritskaro municipality	Count	327	3	330
	% within Municipality	99.1%	.9%	100.0%
Total	Count	3838	134	3972
	% within Municipality	96.6%	3.4%	100.0%

TABLE 2.1. Having a migrant within a household across municipalities.

Municipalities	Indicator	Having a migrant within a household		Total
		No	Yes	
Keda municipality	Count	3322	493	3815
	% within Municipality	87.1%	12.9%	100.0%
Khulo municipality	Count	4079	1293	5372
	% within Municipality	75.9%	24.1%	100.0%
Dedoplistskaro municipality	Count	7341	71	7412
	% within Municipality	99.0%	1.0%	100.0%
Lagodekhi municipality	Count	12282	378	12660
	% within Municipality	97.0%	3.0%	100.0%
Kazbegi municipality	Count	1361	44	1405
	% within Municipality	96.9%	3.1%	100.0%
Akhalkalaki municipality	Count	9544	1548	11092
	% within Municipality	86.0%	14.0%	100.0%
Borjomi municipality	Count	7609	327	7936
	% within Municipality	95.9%	4.1%	100.0%
Tetritskaro municipality	Count	6399	307	6706
	% within Municipality	95.4%	4.6%	100.0%
Total	Count	51937	4461	56398
	% within Municipality	92.1%	7.9%	100.0%

TABLE 2.2. Distribution of households by spatial destination of migrants across municipalities.

Municipalities	Indicator	Spatial destination of migrants						
		Another village/ settlement within the same municipality	The municipal center of the same municipality	Village/settlement of another municipality	Another municipal center	Town (not a municipal center)	Capital / Tbilisi	Abroad
Keda municipality	Count	29	23	29	34	247	29	120
	% within Municipality	.8%	.6%	.8%	.9%	6.5%	.8%	3.1%
Khulo municipality	Count	222	384	34	43	758	169	76
	% within Municipality	4.1%	7.1%	.6%	.8%	14.1%	3.1%	1.4%
Dedoplistskaro municipality	Count	23	0	0	0	0	36	12
	% within Municipality	.3%	0.0%	0.0%	0.0%	0.0%	.5%	.2%
Lagodekhi municipality	Count	40	20	0	0	78	79	180
	% within Municipality	.3%	.2%	0.0%	0.0%	.6%	.6%	1.4%
Kazbegi municipality	Count	16	0	0	3	7	10	7
	% within Municipality	1.1%	0.0%	0.0%	.2%	.5%	.7%	.5%
Akhalkalaki municipality	Count	229	324	19	57	0	65	988
	% within Municipality	2.1%	2.9%	.2%	.5%	0.0%	.6%	8.9%
Borjomi municipality	Count	25	0	13	25	13	151	101
	% within Municipality	.3%	0.0%	.2%	.3%	.2%	1.9%	1.3%
Tetritskaro municipality	Count	32	43	0	11	53	116	63
	% within Municipality	.5%	.6%	0.0%	.2%	.8%	1.7%	.9%
Total	Count	616	794	95	173	1156	655	1547
	% within Municipality	1.1%	1.4%	.2%	.3%	2.0%	1.2%	2.7%

TABLE 2.3. Distribution of households by migration purpose across municipalities.

Municipalities	Indicator	Reasons for migration			
		Due to personal reasons	Due to work/ source of income	Receiving services	Other reasons
Keda municipality	Count	52	327	172	11
	% within Municipality	1.4%	8.6%	4.5%	.3%
Khulo municipality	Count	367	605	808	9
	% within Municipality	6.8%	11.3%	15.0%	.2%
Dedoplistskaro municipality	Count	36	12	0	12
	% within Municipality	.5%	.2%	0.0%	.2%
Lagodekhi municipality	Count	141	140	80	0
	% within Municipality	1.1%	1.1%	.6%	0.0%
Kazbegi municipality	Count	3	10	17	0
	% within Municipality	.2%	.7%	1.2%	0.0%
Akhalkalaki municipality	Count	496	1323	198	38
	% within Municipality	4.5%	11.9%	1.8%	.3%
Borjomi municipality	Count	38	138	113	13
	% within Municipality	.5%	1.7%	1.4%	.2%
Tetritskaro municipality	Count	74	106	63	11
	% within Municipality	1.1%	1.6%	.9%	.2%
Total	Count	1207	2661	1451	94
	% within Municipality	2.1%	4.7%	2.6%	.2%

TABLE 2.4. Distribution of households by ownership of agricultural and non-agricultural businesses across municipalities.

Municipalities	Indicator	Household member owns agricultural business		Household member owns non-agricultural business		Total
		No	Yes	No	Yes	
Keda municipality	Count	2841	974	3609	206	3815
	% within Municipality	74.5%	25.5%	94.6%	5.4%	100.0%
Khulo municipality	Count	4734	638	5199	173	5372
	% within Municipality	88.1%	11.9%	96.8%	3.2%	100.0%
Dedoplistskaro municipality	Count	6435	977	6920	492	7412
	% within Municipality	86.8%	13.2%	93.4%	6.6%	100.0%
Lagodekhi municipality	Count	6489	6171	12298	362	12660
	% within Municipality	51.3%	48.7%	97.1%	2.9%	100.0%
Kazbegi municipality	Count	1317	88	1140	265	1405
	% within Municipality	93.7%	6.3%	81.1%	18.9%	100.0%
Akhalkalaki municipality	Count	8177	2915	10594	498	11092
	% within Municipality	73.7%	26.3%	95.5%	4.5%	100.0%
Borjomi municipality	Count	7622	314	7156	780	7936
	% within Municipality	96.0%	4.0%	90.2%	9.8%	100.0%
Tetritskaro municipality	Count	6400	306	6515	191	6706
	% within Municipality	95.4%	4.6%	97.2%	2.8%	100.0%
Total	Count	44015	12383	53431	2967	56398
	% within Municipality	78.0%	22.0%	94.7%	5.3%	100.0%

TABLE 2.5. Distribution of households with unregistered businesses across municipalities.

| Municipalities | Indicator | Household owns an unregistered firm | | Total |
		No	Yes	
Keda municipality	Count	201	458	659
	% within Municipality	30.5%	69.5%	100.0%
Khulo municipality	Count	114	434	548
	% within Municipality	20.8%	79.2%	100.0%
Dedoplistskaro municipality	Count	670	246	916
	% within Municipality	73.1%	26.9%	100.0%
Lagodekhi municipality	Count	3316	849	4165
	% within Municipality	79.6%	20.4%	100.0%
Kazbegi municipality	Count	81	171	252
	% within Municipality	32.1%	67.9%	100.0%
Akhalkalaki municipality	Count	1755	700	2455
	% within Municipality	71.5%	28.5%	100.0%
Borjomi municipality	Count	377	277	654
	% within Municipality	57.6%	42.4%	100.0%
Tetritskaro municipality	Count	211	105	316
	% within Municipality	66.8%	33.2%	100.0%
Total	Count	6725	3240	9965
	% within Municipality	67.5%	32.5%	100.0%

TABLE 2.6. Distribution of households ready to register unregistered businesses in case of financial support across municipalities.

Municipalities	Indicator	Household ready to register unregistered firm		Total
		No	Yes	
Keda municipality	Count	80	200	280
	% within Municipality	28.6%	71.4%	100.0%
Khulo municipality	Count	188	238	426
	% within Municipality	44.1%	55.9%	100.0%
Dedoplistskaro municipality	Count	24	141	165
	% within Municipality	14.5%	85.5%	100.0%
Lagodekhi municipality	Count	61	707	768
	% within Municipality	7.9%	92.1%	100.0%
Kazbegi municipality	Count	16	112	128
	% within Municipality	12.5%	87.5%	100.0%
Akhalkalaki municipality	Count	90	553	643
	% within Municipality	14.0%	86.0%	100.0%
Borjomi municipality	Count	126	75	201
	% within Municipality	62.7%	37.3%	100.0%
Tetritskaro municipality	Count	11	63	74
	% within Municipality	14.9%	85.1%	100.0%
Total	Count	596	2089	2685
	% within Municipality	22.2%	77.8%	100.0%

TABLE 2.7. Distribution of households by monthly incomes from agricultural activities across municipalities.

Municipalities	Indicator	Household's monthly income from agricultural activities								Total
		I have no income from this area	Up to 250 GEL	250 - up to 500 GEL	500 – up to 1500 GEL	1500 – up to 3000 GEL	3000 – up to 5000 GEL	5000 – up to 10 000 GEL	10 000 – up to 40 000 GEL	
Keda municipality	Count	2933	424	206	92	34	57	6	6	3758
	% within Municipality	78.0%	11.3%	5.5%	2.4%	.9%	1.5%	.2%	.2%	100.0%
Khulo municipality	Count	4768	332	204	60	0	9	0	0	5373
	% within Municipality	88.7%	6.2%	3.8%	1.1%	0.0%	.2%	0.0%	0.0%	100.0%
Dedoplistskaro municipality	Count	6447	436	247	117	59	24	12	0	7342
	% within Municipality	87.8%	5.9%	3.4%	1.6%	.8%	.3%	.2%	0.0%	100.0%
Lagodekhi municipality	Count	6752	2915	1862	749	121	20	60	0	12479
	% within Municipality	54.1%	23.4%	14.9%	6.0%	1.0%	.2%	.5%	0.0%	100.0%
Kazbegi municipality	Count	1327	33	27	17	0	0	0	0	1404
	% within Municipality	94.5%	2.4%	1.9%	1.2%	0.0%	0.0%	0.0%	0.0%	100.0%
Akhalkalaki municipality	Count	8234	1153	900	301	172	95	19	0	10874
	% within Municipality	75.7%	10.6%	8.3%	2.8%	1.6%	.9%	.2%	0.0%	100.0%
Borjomi municipality	Count	7735	25	75	50	38	0	0	0	7923
	% within Municipality	97.6%	.3%	.9%	.6%	.5%	0.0%	0.0%	0.0%	100.0%
Tetritskaro municipality	Count	6453	63	42	84	42	0	11	0	6695
	% within Municipality	96.4%	.9%	.6%	1.3%	.6%	0.0%	.2%	0.0%	100.0%
Total	Count	44649	5381	3563	1470	466	205	108	6	55848
	% within Municipality	79.9%	9.6%	6.4%	2.6%	.8%	.4%	.2%	.0%	100.0%

TABLE 2.8. Distribution of households by monthly incomes from non-agricultural activities across municipalities.

Municipalities	Indicator	Household's monthly income from non-agricultural activities								Total
		I have no income from this area	Up to 250 GEL	250 - up to 500 GEL	500 – up to 1 500 GEL	1 500 – up to 3000 GEL	3000 – up to 5000 GEL	5000 – up to 10 000 GEL	10 000 – up to 40 000 GEL	
Keda municipality	Count	3649	17	86	40	6	6	6	0	3810
	% within Municipality	95.8%	.4%	2.3%	1.0%	.2%	.2%	.2%	0.0%	100.0%
Khulo municipality	Count	5224	16	83	33	0	0	0	0	5356
	% within Municipality	97.5%	.3%	1.5%	.6%	0.0%	0.0%	0.0%	0.0%	100.0%
Dedoplistskaro municipality	Count	6967	129	141	128	12	0	0	0	7377
	% within Municipality	94.4%	1.7%	1.9%	1.7%	.2%	0.0%	0.0%	0.0%	100.0%
Lagodekhi municipality	Count	12298	80	141	81	0	40	0	0	12640
	% within Municipality	97.3%	.6%	1.1%	.6%	0.0%	.3%	0.0%	0.0%	100.0%
Kazbegi municipality	Count	1153	53	58	56	32	18	0	3	1373
	% within Municipality	84.0%	3.9%	4.2%	4.1%	2.3%	1.3%	0.0%	.2%	100.0%
Akhalkalaki municipality	Count	10645	109	78	124	13	0	0	0	10969
	% within Municipality	97.0%	1.0%	.7%	1.1%	.1%	0.0%	0.0%	0.0%	100.0%
Borjomi municipality	Count	7207	101	252	264	50	13	0	13	7900
	% within Municipality	91.2%	1.3%	3.2%	3.3%	.6%	.2%	0.0%	.2%	100.0%
Tetritskaro municipality	Count	6557	53	43	32	11	11	0	0	6707
	% within Municipality	97.8%	.8%	.6%	.5%	.2%	.2%	0.0%	0.0%	100.0%
Total	Count	53700	558	882	758	124	88	6	16	56132
	% within Municipality	95.7%	1.0%	1.6%	1.4%	.2%	.2%	.0%	.0%	100.0%

TABLE 2.9. Distribution of households by monthly incomes by main sources across municipalities.

Municipalities	Indicator	Sources of household income						
		Salaries (%)	Own non-agricultural business(es) (%)	Own agricultural business(es) (production and sale of primary agricultural products) (%)	Remittances (%)	Pension. TSA. Aliments & other (%)	Capital (shares. bonds. deposits. landed funds. etc.) (%)	Rents (apartment. house. land. car. other property) (%)
Keda municipality	Mean	*37.94*	*3.68*	*11.71*	*1.16*	*39.20*	*.74*	*.15*
	Std. Deviation	38.848	14.562	24.551	9.461	39.433	8.029	2.384
	N	3694	3815	3815	3815	3815	3815	3815
Khulo municipality	Mean	*41.63*	*1.74*	*11.26*	*.66*	*44.08*	*.19*	*.08*
	Std. Deviation	41.110	10.678	27.581	6.584	41.920	4.060	1.164
	N	5347	5372	5372	5372	5372	5372	5372
Dedoplistskaro municipality	Mean	*22.86*	*4.96*	*9.35*	*6.72*	*46.83*	*.36*	*.43*
	Std. Deviation	35.716	18.232	24.196	20.915	44.398	4.752	4.465
	N	6729	7412	7412	7412	7412	7412	7412
Lagodekhi municipality	Mean	*19.14*	*7.55*	*26.35*	*8.02*	*24.36*	*.62*	*1.58*
	Std. Deviation	34.708	21.532	36.647	21.951	35.651	7.138	8.901
	N	11124	12660	12660	12660	12660	12640	12660
Kazbegi municipality	Mean	*43.56*	*11.06*	*3.17*	*1.22*	*35.90*	*0.00*	*2.96*
	Std. Deviation	40.220	26.263	13.833	9.687	41.646	0.000	13.860
	N	1358	1405	1405	1405	1405	1405	1405
Akhalkalaki municipality	Mean	*14.42*	*2.45*	*27.80*	*21.85*	*28.67*	*.73*	*.14*
	Std. Deviation	29.192	12.479	34.296	33.093	35.974	7.134	1.757
	N	10716	11092	11092	11092	11092	11092	11092
Borjomi municipality	Mean	*42.68*	*7.09*	*1.74*	*3.26*	*40.90*	*.02*	*1.62*
	Std. Deviation	41.487	21.327	11.212	15.986	41.680	.398	9.809
	N	7835	7936	7936	7936	7936	7936	7936
Tetritskaro municipality	Mean	*26.92*	*4.71*	*12.35*	*2.39*	*49.71*	*.27*	*.28*
	Std. Deviation	38.709	18.665	29.187	13.866	45.302	4.507	3.912
	N	6484	6706	6706	6706	6706	6706	6706
Total	Mean	**27.25**	**5.08**	**16.27**	**7.90**	**36.67**	**.43**	**.79**
	Std. Deviation	38.135	18.209	30.684	22.508	41.128	5.731	6.498
	N	53288	56398	56398	56398	56398	56378	56398

TABLE 2.10. Distribution of households by housing conditions across municipalities.

Municipalities	Indicator	To whom belong dwelling/apartment/house you live						Total
		belongs to your household	is rented	belongs to the state	belongs to a relative (no fee)	lbelongs to others	does not have own living space	
Keda municipality	Count	3763	11	0	0	0	0	3774
	% within Municipality	99.7%	.3%	0.0%	0.0%	0.0%	0.0%	100.0%
Khulo municipality	Count	5306	50	0	0	0	0	5356
	% within Municipality	99.1%	.9%	0.0%	0.0%	0.0%	0.0%	100.0%
Dedoplistskaro municipality	Count	6907	187	36	128	47	12	7317
	% within Municipality	94.4%	2.6%	.5%	1.7%	.6%	.2%	100.0%
Lagodekhi municipality	Count	12340	200	40	40	20	0	12640
	% within Municipality	97.6%	1.6%	.3%	.3%	.2%	0.0%	100.0%
Kazbegi municipality	Count	1357	22	9	17	0	0	1405
	% within Municipality	96.6%	1.6%	.6%	1.2%	0.0%	0.0%	100.0%
Akhalkalaki municipality	Count	10299	46	528	97	19	19	11008
	% within Municipality	93.6%	.4%	4.8%	.9%	.2%	.2%	100.0%
Borjomi municipality	Count	7521	214	113	75	0	0	7923
	% within Municipality	94.9%	2.7%	1.4%	.9%	0.0%	0.0%	100.0%
Tetritskaro municipality	Count	6080	212	149	148	117	0	6706
	% within Municipality	90.7%	3.2%	2.2%	2.2%	1.7%	0.0%	100.0%
Total	Count	53573	942	875	505	203	31	56129
	% within Municipality	95.4%	1.7%	1.6%	.9%	.4%	.1%	100.0%

TABLE 2.11. Distribution of households by land ownership across municipalities.

Municipalities	Indicator	Land usage (sq.m)		
		Total	Farming purposes	Other purposes
Keda municipality	Mean	*2721.51*	*2008.83*	*784.42*
	Std. Deviation	3285.688	2677.480	1617.528
	N	3211	3589	3386
Khulo municipality	Mean	*1858.94*	*1759.17*	*97.75*
	Std. Deviation	1585.324	1575.000	457.201
	N	5321	5329	5321
Dedoplistskaro municipality	Mean	*11650.40*	*8265.18*	*3302.12*
	Std. Deviation	31971.294	30888.172	9079.633
	N	7012	7106	7129
Lagodekhi municipality	Mean	*9011.88*	*6662.13*	*2281.42*
	Std. Deviation	24443.857	23805.545	5404.066
	N	11611	12055	11671
Kazbegi municipality	Mean	*1299.47*	*1160.45*	*152.91*
	Std. Deviation	2621.072	1900.477	1688.795
	N	1165	1185	1347
Akhalkalaki municipality	Mean	*8745.82*	*6808.77*	*1458.65*
	Std. Deviation	10725.081	10196.525	5213.405
	N	10638	10957	10703
Borjomi municipality	Mean	*998.17*	*679.47*	*225.63*
	Std. Deviation	4175.428	3058.831	1679.258
	N	7886	7898	7898
Tetritskaro municipality	Mean	*7234.08*	*5589.03*	*1184.83*
	Std. Deviation	37408.226	26297.343	12991.206
	N	6250	6441	6388
Total	Mean	*6641.01*	*5003.10*	*1458.19*
	Std. Deviation	21704.533	19011.438	6664.924
	N	53095	54560	53842

TABLE 2.12. The most important destination for shopping and personal reasons across municipalities.

Destinations	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	0	0	102	197	0	117	172	16	604
	% within Municipality	0.0%	0.0%	.6%	.6%	0.0%	.3%	.9%	.1%	.4%
Difficult to answer	Count	436	752	505	1311	204	5681	1233	939	11061
	% within Municipality	3.4%	4.4%	3.0%	4.1%	6.6%	16.7%	6.2%	5.7%	7.2%
Villages	Count	1239	1381	7428	14202	666	3993	3602	1399	33910
	% within Municipality	9.6%	8.0%	43.8%	44.2%	21.6%	11.7%	18.1%	8.5%	22.2%
Keda	Count	2304	0	0	0	0	0	0	28	2332
	% within Municipality	17.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.2%	1.5%
Khulo	Count	0	2896	0	0	0	91	0	0	2987
	% within Municipality	0.0%	16.8%	0.0%	0.0%	0.0%	.3%	0.0%	0.0%	2.0%
Dedoplistskaro	Count	0	0	6168	42	5	0	0	0	6215
	% within Municipality	0.0%	0.0%	36.3%	.1%	.2%	0.0%	0.0%	0.0%	4.1%
Lagodekhi	Count	0	0	78	8996	0	0	0	0	9074
	% within Municipality	0.0%	0.0%	.5%	28.0%	0.0%	0.0%	0.0%	0.0%	5.9%
Kazbegi	Count	0	0	0	0	945	0	0	0	945
	% within Municipality	0.0%	0.0%	0.0%	0.0%	30.6%	0.0%	0.0%	0.0%	.6%
Akhalkalaki	Count	0	0	25	0	0	20086	355	0	20466
	% within Municipality	0.0%	0.0%	.1%	0.0%	0.0%	59.1%	1.8%	0.0%	13.4%
Borjomi	Count	19	29	0	0	0	89	8231	0	8368
	% within Municipality	.1%	.2%	0.0%	0.0%	0.0%	.3%	41.3%	0.0%	5.5%

Tetritskaro	Count	0	77	0	0	0	30	0	4449	4556
	% within Municipality	0.0%	.4%	0.0%	0.0%	0.0%	.1%	0.0%	27.1%	3.0%
Other Municipalities	Count	86	17	209	907	138	1019	1301	3551	7228
	% within Municipality	.7%	.1%	1.2%	2.8%	4.5%	3.0%	6.5%	21.6%	4.7%
Tbilisi	Count	164	109	1939	5218	1097	1243	3816	5473	19059
	% within Municipality	1.3%	.6%	11.4%	16.2%	35.5%	3.7%	19.2%	33.3%	12.5%
Batumi	Count	8588	11897	337	247	0	612	785	72	22538
	% within Municipality	66.8%	69.0%	2.0%	.8%	0.0%	1.8%	3.9%	.4%	14.8%
Kutaisi	Count	0	41	0	97	0	32	315	107	592
	% within Municipality	0.0%	.2%	0.0%	.3%	0.0%	.1%	1.6%	.7%	.4%
Rustavi	Count	0	0	163	699	33	0	89	365	1349
	% within Municipality	0.0%	0.0%	1.0%	2.2%	1.1%	0.0%	.4%	2.2%	.9%
Turkey	Count	17	52	0	49	0	0	0	40	158
	% within Municipality	.1%	.3%	0.0%	.2%	0.0%	0.0%	0.0%	.2%	.1%
Armenia	Count	0	0	19	165	0	905	0	0	1089
	% within Municipality	0.0%	0.0%	.1%	.5%	0.0%	2.7%	0.0%	0.0%	.7%
Russia	Count	0	0	0	0	0	112	22	0	134
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	.3%	.1%	0.0%	.1%
Total	Count	12853	17251	16973	32130	3088	34010	19921	16439	152665
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.13. The most important issues in the settlement (I priority) across municipalities.

Destinations	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	35	52	33	567	0	30	76	59	852
	% within Municipality	.3%	.3%	.2%	1.8%	0.0%	.1%	.4%	.4%	.6%
Difficult to answer	Count	1509	548	1085	4760	470	1879	1984	1031	13266
	% within Municipality	11.7%	3.2%	6.4%	14.8%	15.2%	5.5%	10.0%	6.3%	8.7%
The problem of drinking water	Count	1875	2322	1488	1464	1179	4354	1887	3820	18389
	% within Municipality	14.6%	13.5%	8.8%	4.6%	38.2%	12.8%	9.5%	23.2%	12.0%
Access to internet	Count	395	473	353	2443	86	866	737	462	5815
	% within Municipality	3.1%	2.7%	2.1%	7.6%	2.8%	2.5%	3.7%	2.8%	3.8%
The absence of a central sewer system	Count	139	180	387	586	73	1106	190	943	3604
	% within Municipality	1.1%	1.0%	2.3%	1.8%	2.4%	3.3%	1.0%	5.7%	2.4%
Absence of gasification system	Count	824	114	290	222	0	2855	821	1357	6483
	% within Municipality	6.4%	.7%	1.7%	.7%	0.0%	8.4%	4.1%	8.3%	4.2%
Unemployment	Count	4225	6976	8525	11952	296	5602	8368	4404	50348
	% within Municipality	32.9%	40.4%	50.2%	37.2%	9.6%	16.5%	42.0%	26.8%	33.0%
Poor condition of roads	Count	1765	3882	1252	3201	312	8572	1240	2531	22755
	% within Municipality	13.7%	22.5%	7.4%	10.0%	10.1%	25.2%	6.2%	15.4%	14.9%
Severe socio-economic situation	Count	535	650	1411	851	13	503	1280	243	5486
	% within Municipality	4.2%	3.8%	8.3%	2.6%	.4%	1.5%	6.4%	1.5%	3.6%
Absence of kindergartens	Count	0	183	0	877	28	1796	84	71	3039
	% within Municipality	0.0%	1.1%	0.0%	2.7%	.9%	5.3%	.4%	.4%	2.0%

Insufficient and poor infrastructure	Count	34	97	75	240	27	0	971	145	1589
	% within Municipality	.3%	.6%	.4%	.7%	.9%	0.0%	4.9%	.9%	1.0%
Irrigation water problem	Count	222	140	0	49	0	1700	40	173	2324
	% within Municipality	1.7%	.8%	0.0%	.2%	0.0%	5.0%	.2%	1.1%	1.5%
Other Problems	Count	1299	1635	2074	4918	604	4745	2242	1200	18717
	% within Municipality	10.1%	9.5%	12.2%	15.3%	19.6%	14.0%	11.3%	7.3%	12.3%
Total	Count	12857	17252	16973	32130	3088	34008	19920	16439	152667
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Municipalities	Indicator	Infrastructure/services dimensions						
		Condition of road transport communications (roads. bridges. etc.)	Transport service	Electricity supply	Natural gas supply	Drinking water supply	Irrigation system	Sewage
Keda municipality	Mean	*4.06*	*4.05*	*4.66*	*2.09*	*4.08*	*3.81*	*3.71*
	Std. Deviation	12672	11639	12449	1605	11946	5526	3717
	N	1.051	1.154	.640	1.542	1.090	1.115	1.483
Khulo municipality	Mean	*3.08*	*3.45*	*3.91*	*1.65*	*3.00*	*2.32*	*1.98*
	Std. Deviation	16787	16829	17112	7747	16408	13316	10195
	N	1.297	1.201	1.109	1.030	1.468	1.290	1.271
Dedoplistskaro municipality	Mean	*3.85*	*3.70*	*4.66*	*4.23*	*3.60*	*1.92*	*2.08*
	Std. Deviation	16522	15885	16712	15631	16374	11221	11472
	N	1.237	1.328	.769	1.466	1.455	1.247	1.465
Lagodekhi municipality	Mean	*3.30*	*3.37*	*4.52*	*4.68*	*3.60*	*2.40*	*2.13*
	Std. Deviation	30608	31144	31707	31157	31471	28401	22203
	N	1.312	1.372	.791	.711	1.412	1.429	1.438
Kazbegi municipality	Mean	*3.40*	*2.76*	*4.68*	*4.91*	*3.30*	*2.77*	*4.19*
	Std. Deviation	3014	2675	3081	3088	3073	497	2722
	N	1.183	1.259	.627	.366	1.410	1.722	1.208
Akhalkalaki municipality	Mean	*2.42*	*3.09*	*4.52*	*4.51*	*3.90*	*3.02*	*3.09*
	Std. Deviation	32674	28591	33784	29440	33057	22774	13871
	N	1.419	1.533	.758	.882	1.332	1.478	1.501
Borjomi municipality	Mean	*4.24*	*4.43*	*4.67*	*4.63*	*4.33*	*2.94*	*4.16*
	Std. Deviation	19704	19317	19858	16616	19554	8077	16506
	N	.962	.860	.609	.732	1.111	1.520	1.180
Tetritskaro municipality	Mean	*3.02*	*3.43*	*4.31*	*4.12*	*2.67*	*2.24*	*2.07*
	Std. Deviation	16142	15552	16231	14446	16162	9457	9383
	N	1.411	1.243	.967	1.293	1.433	1.445	1.496
Total	Mean	**3.30**	**3.56**	**4.48**	**4.28**	**3.63**	**2.59**	**2.75**
	Std. Deviation	148123	141634	150934	119730	148046	99269	90068
	N	1.417	1.363	.842	1.257	1.436	1.474	1.639

TABLE 2.14. Evaluation of the environment - infrastructure and services - across municipalities. (Continued)

Municipalities	Indicator	Infrastructure/services dimensions						
		Waste disposal (removal. recycling. etc)	Internet	Healthcare facilities	Education services	Sport-recreation facilities	Kindergartens	"Women's room"*/women's organizations
Keda municipality	Mean	*4.62*	*3.76*	*4.38*	*4.55*	*3.93*	*4.67*	*3.45*
	Std. Deviation	11985	3614	11810	11953	9891	10397	2211
	N	.783	1.585	.841	.675	1.061	.734	1.790
Khulo municipality	Mean	*2.47*	*2.28*	*3.76*	*4.11*	*3.28*	*3.63*	*1.88*
	Std. Deviation	13421	11989	16706	16979	14735	15368	8496
	N	1.484	1.411	1.159	.942	1.222	1.429	1.348
Dedoplistskaro municipality	Mean	*4.11*	*3.51*	*4.24*	*4.20*	*3.33*	*4.49*	*2.43*
	Std. Deviation	15710	14182	16106	15717	14516	15881	7299
	N	1.256	1.598	1.032	1.114	1.313	.870	1.502
Lagodekhi municipality	Mean	*3.64*	*4.29*	*4.23*	*4.21*	*3.29*	*3.93*	*2.87*
	Std. Deviation	30161	29357	30790	30123	29165	29494	20414
	N	1.434	1.005	.936	.999	1.311	1.185	1.592
Kazbegi municipality	Mean	*4.68*	*4.24*	*3.28*	*4.21*	*3.58*	*4.34*	*1.97*
	Std. Deviation	3048	2766	2027	2535	1962	2685	144
	N	.686	1.194	1.471	1.159	1.430	1.120	1.502
Akhalkalaki municipality	Mean	*3.51*	*4.10*	*2.90*	*4.14*	*3.53*	*3.77*	*3.26*
	Std. Deviation	15347	28385	20545	29647	15509	13366	3149
	N	1.508	1.088	1.537	.994	1.309	1.305	1.541
Borjomi municipality	Mean	*4.12*	*4.39*	*3.92*	*4.29*	*3.86*	*4.14*	*3.50*
	Std. Deviation	19588	15530	19029	18408	16167	15107	4689
	N	1.088	.947	1.144	.959	1.261	1.265	1.331
Tetritskaro municipality	Mean	*3.82*	*3.79*	*3.41*	*4.02*	*3.33*	*4.05*	*3.06*
	Std. Deviation	15198	13192	13766	14632	11045	13733	2409
	N	1.301	1.325	1.384	1.144	1.402	1.251	1.625
Total	Mean	**3.77**	**3.89**	**3.83**	**4.20**	**3.47**	**4.07**	**2.75**
	Std. Deviation	124457	119016	130779	139994	112990	116031	48811
	N	1.413	1.350	1.271	1.004	1.307	1.224	1.604

Environmental changes	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	0	0	25	149	0	89	0	0	263
	% within Municipality	0.0%	0.0%	.1%	.5%	0.0%	.3%	0.0%	0.0%	.2%
Difficult to answer	Count	356	178	514	2205	124	1591	408	583	5959
	% within Municipality	2.8%	1.0%	3.0%	6.9%	4.0%	4.7%	2.0%	3.5%	3.9%
I have not noticed any changes	Count	1183	507	4104	3165	1835	18926	4717	3109	37546
	% within Municipality	9.2%	2.9%	24.2%	9.8%	59.4%	55.6%	23.7%	18.9%	24.6%
Deforestation	Count	2981	10573	6764	15718	280	1176	9965	4723	52180
	% within Municipality	23.2%	61.3%	39.9%	48.9%	9.1%	3.5%	50.0%	28.7%	34.2%
Soil erosion or degradation	Count	1529	2022	977	1280	63	5864	578	591	12904
	% within Municipality	11.9%	11.7%	5.8%	4.0%	2.0%	17.2%	2.9%	3.6%	8.5%
Decrease in the number and species of wild animals	Count	77	329	70	586	30	184	385	273	1934
	% within Municipality	.6%	1.9%	.4%	1.8%	1.0%	.5%	1.9%	1.7%	1.3%
Decrease in the number and species of plants	Count	773	693	351	1109	37	496	200	180	3839
	% within Municipality	6.0%	4.0%	2.1%	3.5%	1.2%	1.5%	1.0%	1.1%	2.5%
Invasive (intruding) new species (e.g. zoo tortoise beetle)	Count	5881	1917	314	725	59	422	2488	4068	15874
	% within Municipality	45.8%	11.1%	1.9%	2.3%	1.9%	1.2%	12.5%	24.7%	10.4%
Increase in the frequency of natural disasters	Count	19	84	141	2301	39	1069	412	333	4398
	% within Municipality	.1%	.5%	.8%	7.2%	1.3%	3.1%	2.1%	2.0%	2.9%
Deterioration of water quality	Count	17	381	1126	1752	524	2785	245	586	7416
	% within Municipality	.1%	2.2%	6.6%	5.5%	17.0%	8.2%	1.2%	3.6%	4.9%

Increase in the frequency of droughts	Count	35	541	2586	3142	36	1215	0	1993	9548
	% within Municipality	.3%	3.1%	15.2%	9.8%	1.2%	3.6%	0.0%	12.1%	6.3%
Drying of drinking water in the summer	Count	0	25	0	0	0	0	0	0	25
	% within Municipality	0.0%	.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.0%
Propagation of wild animals	Count	0	0	0	0	27	0	354	0	381
	% within Municipality	0.0%	0.0%	0.0%	0.0%	.9%	0.0%	1.8%	0.0%	.2%
Environmental pollution	Count	0	0	0	0	0	105	0	0	105
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	.3%	0.0%	0.0%	.1%
Forest burnout due to fire	Count	0	0	0	0	0	0	170	0	170
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.9%	0.0%	.1%
Environmental damage due to the construction of the HPP	Count	0	0	0	0	33	0	0	0	33
	% within Municipality	0.0%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	.0%
Climate change	Count	0	0	0	0	0	89	0	0	89
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	.3%	0.0%	0.0%	.1%
Total	Count	12851	17250	16972	32132	3087	34011	19922	16439	152664
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.16. Ways for improving living standards/reducing costs by undertaking energy efficiency measures at home across municipalities.

Municipalities	Indicator	Min ways for improving living standards								Total
		Difficult to answer	My living conditions will not improve	More energy-efficient heating	Better insulation	Reduced electricity consumption	Installation of renewable electricity supply	Water-saving	Waste recycling	
Keda municipality	Count	2743	1866	2904	2318	1840	907	225	50	12853
	% within Municipality	21.3%	14.5%	22.6%	18.0%	14.3%	7.1%	1.8%	.4%	100.0%
Khulo municipality	Count	2079	1217	2192	8285	2559	679	121	118	17250
	% within Municipality	12.1%	7.1%	12.7%	48.0%	14.8%	3.9%	.7%	.7%	100.0%
Dedoplistskaro municipality	Count	4140	2313	3798	2177	3249	646	368	281	16972
	% within Municipality	24.4%	13.6%	22.4%	12.8%	19.1%	3.8%	2.2%	1.7%	100.0%
Lagodekhi municipality	Count	5295	2066	4058	9289	6322	1804	686	2610	32130
	% within Municipality	16.5%	6.4%	12.6%	28.9%	19.7%	5.6%	2.1%	8.1%	100.0%
Kazbegi municipality	Count	595	450	727	702	459	123	0	32	3088
	% within Municipality	19.3%	14.6%	23.5%	22.7%	14.9%	4.0%	0.0%	1.0%	100.0%
Akhalkalaki municipality	Count	7436	11280	2119	9035	1909	1322	185	723	34009
	% within Municipality	21.9%	33.2%	6.2%	26.6%	5.6%	3.9%	.5%	2.1%	100.0%
Borjomi municipality	Count	3501	3209	3432	7005	1968	731	29	47	19922
	% within Municipality	17.6%	16.1%	17.2%	35.2%	9.9%	3.7%	.1%	.2%	100.0%
Tetritskaro municipality	Count	4775	2473	1934	3064	3812	334	16	33	16441
	% within Municipality	29.0%	15.0%	11.8%	18.6%	23.2%	2.0%	.1%	.2%	100.0%
Total	Count	30564	24874	21164	41875	22118	6546	1630	3894	152665
	% within Municipality	20.0%	16.3%	13.9%	27.4%	14.5%	4.3%	1.1%	2.6%	100.0%

TABLE 2.17. Main purposes for disposable income usage by population across municipalities.

Municipalities	Indicator	Refuse to answer	Difficult to answer	I do not have such money	I invest it into something with which I can make money or reduce expenses.	I put it in a safe place as reserve (e.g.. bank)	I spend it on things the family normally can't afford	Charity	In medicines and medical services	Total
Keda municipality	Count	0	606	6635	789	440	4384	0	0	12854
	% within Municipality	0.0%	4.7%	51.6%	6.1%	3.4%	34.1%	0.0%	0.0%	100.0%
Khulo municipality	Count	17	100	4284	1569	2010	9271	0	0	17251
	% within Municipality	.1%	.6%	24.8%	9.1%	11.7%	53.7%	0.0%	0.0%	100.0%
Dedoplistskaro municipality	Count	25	343	7489	1116	2204	5794	0	0	16971
	% within Municipality	.1%	2.0%	44.1%	6.6%	13.0%	34.1%	0.0%	0.0%	100.0%
Lagodekhi municipality	Count	261	2619	11599	6117	1830	9706	0	0	32132
	% within Municipality	.8%	8.2%	36.1%	19.0%	5.7%	30.2%	0.0%	0.0%	100.0%
Kazbegi municipality	Count	0	50	1490	418	378	752	0	0	3088
	% within Municipality	0.0%	1.6%	48.3%	13.5%	12.2%	24.4%	0.0%	0.0%	100.0%
Akhalkalaki municipality	Count	82	1377	24254	3868	3230	1105	0	92	34008
	% within Municipality	.2%	4.0%	71.3%	11.4%	9.5%	3.2%	0.0%	.3%	100.0%
Borjomi municipality	Count	0	554	10589	902	1004	6588	285	0	19922
	% within Municipality	0.0%	2.8%	53.2%	4.5%	5.0%	33.1%	1.4%	0.0%	100.0%
Tetritskaro municipality	Count	14	567	9930	2749	851	2328	0	0	16439
	% within Municipality	.1%	3.4%	60.4%	16.7%	5.2%	14.2%	0.0%	0.0%	100.0%
Total	Count	399	6216	76270	17528	11947	39928	285	92	152665
	% within Municipality	.3%	4.1%	50.0%	11.5%	7.8%	26.2%	.2%	.1%	100.0%

TABLE 2.18. Time horizon for planning of financial resources spending across municipalities.

Municipalities	Indicator	Time horizon for spending	
		Financial resources	Larger profi Table financial nvestments
Keda municipality	Mean	**25.20**	**171.41**
	Std. Deviation	16.331	140.494
	N	4829	2124
Khulo municipality	Mean	**26.67**	**197.38**
	Std. Deviation	22.597	173.962
	N	8340	5083
Dedoplistskaro munici-pality	Mean	**36.47**	**293.27**
	Std. Deviation	67.711	962.475
	N	6772	2774
Lagodekhi municipality	Mean	**13.99**	**107.97**
	Std. Deviation	31.030	169.513
	N	22889	17668
Kazbegi municipality	Mean	**23.39**	**306.77**
	Std. Deviation	33.029	339.151
	N	1710	795
Akhalkalaki municipality	Mean	**29.60**	**116.00**
	Std. Deviation	74.137	166.280
	N	15410	10517
Borjomi municipality	Mean	**26.36**	**192.12**
	Std. Deviation	30.587	122.038
	N	9107	3067
Tetritskaro municipality	Mean	**20.08**	**191.30**
	Std. Deviation	21.349	161.470
	N	6104	2007
Total	Mean	**23.55**	**148.19**
	Std. Deviation	46.213	297.327
	N	75160	44035

TABLE 2.19. Potential sectors for investing of household savings across municipalities.

Municipalities	Indicator	Main directions for investing household' savings					Total
		Refuse to answer	Difficult to answer	I do not have sufficient savings	Non-agricultural sector	Agricultural sector	
Keda municipality	Count	103	897	4412	1821	5619	12852
	% within Municipality	.8%	7.0%	34.3%	14.2%	43.7%	100.0%
Khulo municipality	Count	45	493	4321	3333	9058	17250
	% within Municipality	.3%	2.9%	25.0%	19.3%	52.5%	100.0%
Dedoplistskaro municipality	Count	255	1364	4853	2310	8191	16973
	% within Municipality	1.5%	8.0%	28.6%	13.6%	48.3%	100.0%
Lagodekhi municipality	Count	89	1943	4757	6734	18609	32132
	% within Municipality	.3%	6.0%	14.8%	21.0%	57.9%	100.0%
Kazbegi municipality	Count	0	336	589	1203	960	3088
	% within Municipality	0.0%	10.9%	19.1%	39.0%	31.1%	100.0%
Akhalkalaki municipality	Count	549	2771	15621	5950	9117	34008
	% within Municipality	1.6%	8.1%	45.9%	17.5%	26.8%	100.0%
Borjomi municipality	Count	195	768	9077	5980	3902	19922
	% within Municipality	1.0%	3.9%	45.6%	30.0%	19.6%	100.0%
Tetritskaro municipality	Count	33	1059	5601	1845	7902	16440
	% within Municipality	.2%	6.4%	34.1%	11.2%	48.1%	100.0%
Total	Count	1269	9631	49231	29176	63358	152665
	% within Municipality	.8%	6.3%	32.2%	19.1%	41.5%	100.0%

TABLE 2.20. Desirable kind of business for starting across municipalities.

| Destinations | Indicator | Municipalities | | | | | | | | Total |
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	59	28	38	342	21	509	166	94	1257
	% within Municipality	.5%	.2%	.2%	1.1%	.7%	1.5%	.8%	.6%	.8%
Difficult to answer	Count	1813	1344	3264	7918	332	3456	1573	2412	22112
	% within Municipality	14.1%	7.8%	19.2%	24.6%	10.8%	10.2%	7.9%	14.7%	14.5%
I do not want to start a business	Count	4491	5153	5243	6853	517	18478	8268	4850	53853
	% within Municipality	34.9%	29.9%	30.9%	21.3%	16.7%	54.3%	41.5%	29.5%	35.3%
Opening of a family hotel	Count	748	1409	321	492	1226	220	2088	208	6712
	% within Municipality	5.8%	8.2%	1.9%	1.5%	39.7%	.6%	10.5%	1.3%	4.4%
Cultivation of annual crops	Count	506	676	1851	2582	56	2858	1989	802	11320
	% within Municipality	3.9%	3.9%	10.9%	8.0%	1.8%	8.4%	10.0%	4.9%	7.4%
Beekeeping	Count	792	918	22	362	10	182	58	335	2679
	% within Municipality	6.2%	5.3%	.1%	1.1%	.3%	.5%	.3%	2.0%	1.8%
Viticulture	Count	1197	73	758	457	0	0	0	91	2576
	% within Municipality	9.3%	.4%	4.5%	1.4%	0.0%	0.0%	0.0%	.6%	1.7%
Cultivation of perennial plants	Count	326	528	216	2008	0	0	200	335	3613
	% within Municipality	2.5%	3.1%	1.3%	6.2%	0.0%	0.0%	1.0%	2.0%	2.4%
Livestock	Count	469	3350	2578	4061	614	3797	1013	4513	20395
	% within Municipality	3.6%	19.4%	15.2%	12.6%	19.9%	11.2%	5.1%	27.5%	13.4%
Opening of trade facility	Count	385	1545	930	1909	57	2604	1812	638	9880
	% within Municipality	3.0%	9.0%	5.5%	5.9%	1.8%	7.7%	9.1%	3.9%	6.5%

Cultivation of greenhouses	Count	442	254	98	2204	50	28	69	221	3366
	% within Municipality	3.4%	1.5%	.6%	6.9%	1.6%	.1%	.3%	1.3%	2.2%
Other businesses	Count	1683	2000	1691	3286	225	2385	2851	2032	16153
	% within Municipality	12.6%	11.4%	9.7%	9.2%	6.6%	5.5%	13.5%	11.8%	9.8%
Total	Count	12852	17250	16972	32132	3087	34008	19921	16437	152659
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.21. Owning or operating a business before across municipalities.

Municipalities	Indicator	Owing or operating an enterprise before						Total
		Refuse to answer	Difficult to answer	No	Agricul- ture	Hunting and for- estry	Trade	
Keda municipality	Count	17	84	12116	635	0	0	12852
	% within Municipality	.1%	.7%	94.3%	4.9%	0.0%	0.0%	100.0%
Khulo municipality	Count	84	167	16714	285	0	0	17250
	% within Municipality	.5%	1.0%	96.9%	1.7%	0.0%	0.0%	100.0%
Dedoplistskaro municipality	Count	20	272	15523	1061	26	70	16972
	% within Municipality	.1%	1.6%	91.5%	6.3%	.2%	.4%	100.0%
Lagodekhi municipality	Count	130	1083	29632	1285	0	0	32130
	% within Municipality	.4%	3.4%	92.2%	4.0%	0.0%	0.0%	100.0%
Kazbegi municipality	Count	20	7	2782	279	0	0	3088
	% within Municipality	.6%	.2%	90.1%	9.0%	0.0%	0.0%	100.0%
Akhalkalaki municipality	Count	224	203	33147	435	0	0	34009
	% within Municipality	.7%	.6%	97.5%	1.3%	0.0%	0.0%	100.0%
Borjomi municipality	Count	0	75	18348	1398	0	101	19922
	% within Municipality	0.0%	.4%	92.1%	7.0%	0.0%	.5%	100.0%
Tetritskaro municipality	Count	0	0	15942	465	0	33	16440
	% within Municipality	0.0%	0.0%	97.0%	2.8%	0.0%	.2%	100.0%
Total	Count	495	1891	144204	5843	26	204	152663
	% within Municipality	.3%	1.2%	94.5%	3.8%	.0%	.1%	100.0%

TABLE 2.22. Reasons for stopping last business across municipalities.

| Municipalities | Indicator | Main reasons for stopping business | | | | | | | | | Total |
		Refuse to answer	Difficult to answer	Production / business was not profitable	I started / expanded other production / business	For personal reasons	Due to problems in obtaining funding	Because of an un-foreseen accident	Due to a change of residence	Other reasons	
Keda municipality	Count	0	51	125	16	50	83	93	42	176	636
	% within Municipality	0.0%	8.0%	19.7%	2.5%	7.9%	13.1%	14.6%	6.6%	28%	100.0%
Khulo municipality	Count	29	0	154	0	20	39	0	0	72	314
	% within Municipality	9.2%	0.0%	49.0%	0.0%	6.4%	12.4%	0.0%	0.0%	23%	100.0%
Dedoplistskaro municipality	Count	0	46	552	0	167	57	102	157	76	1157
	% within Municipality	0.0%	4.0%	47.7%	0.0%	14.4%	4.9%	8.8%	13.6%	7%	100.0%
Lagodekhi municipality	Count	0	96	384	181	325	201	97	0	0	1284
	% within Municipality	0.0%	7.5%	29.9%	14.1%	25.3%	15.7%	7.6%	0.0%	0%	100.0%
Kazbegi municipality	Count	0	7	73	23	85	5	69	17	0	279
	% within Municipality	0.0%	2.5%	26.2%	8.2%	30.5%	1.8%	24.7%	6.1%	0%	100.0%
Akhalkalaki municipality	Count	0	76	163	0	40	62	0	0	94	435
	% within Municipality	0.0%	17.5%	37.5%	0.0%	9.2%	14.3%	0.0%	0.0%	22%	100.0%
Borjomi municipality	Count	0	25	585	0	283	257	215	25	109	1499
	% within Municipality	0.0%	1.7%	39.0%	0.0%	18.9%	17.1%	14.3%	1.7%	7%	100.0%
Tetritskaro municipality	Count	0	14	184	0	44	118	138	0	0	498
	% within Municipality	0.0%	2.8%	36.9%	0.0%	8.8%	23.7%	27.7%	0.0%	0%	100.0%
Total	Count	29	315	2220	220	1014	822	714	241	527	6102
	% within Municipality	.5%	5.2%	36.4%	3.6%	16.6%	13.5%	11.7%	3.9%	9%	100.0%

TABLE 2.23. Registration of former businesses across municipalities.

Municipalities	Indicator	Was your last (former/not current) enterprise/business registered or not?		Total
		No	Yes	
Keda municipality	Count	307	329	636
	% within Municipality	48.3%	51.7%	100.0%
Khulo municipality	Count	108	206	314
	% within Municipality	34.4%	65.6%	100.0%
Dedoplistskaro municipality	Count	289	747	1036
	% within Municipality	27.9%	72.1%	100.0%
Lagodekhi municipality	Count	734	502	1236
	% within Municipality	59.4%	40.6%	100.0%
Kazbegi municipality	Count	113	165	278
	% within Municipality	40.6%	59.4%	100.0%
Akhalkalaki municipality	Count	114	273	387
	% within Municipality	29.5%	70.5%	100.0%
Borjomi municipality	Count	508	953	1461
	% within Municipality	34.8%	65.2%	100.0%
Tetritskaro municipality	Count	164	314	478
	% within Municipality	34.3%	65.7%	100.0%
Total	Count	2337	3489	5826
	% within Municipality	40.1%	59.9%	100.0%

TABLE 2.24. Cancellation of registration of former businesses across municipalities.

Municipalities	Indicator	Have you cancelled the registration of your last (former/not current) enterprise/business?			Total
		Difficult to answer	No. I have not	Yes. I have	
Keda municipality	Count	42	127	160	329
	% within Municipality	12.8%	38.6%	48.6%	100.0%
Khulo municipality	Count	0	17	189	206
	% within Municipality	0.0%	8.3%	91.7%	100.0%
Dedoplistskaro municipality	Count	0	184	564	748
	% within Municipality	0.0%	24.6%	75.4%	100.0%
Lagodekhi municipality	Count	0	219	284	503
	% within Municipality	0.0%	43.5%	56.5%	100.0%
Kazbegi municipality	Count	7	14	145	166
	% within Municipality	4.2%	8.4%	87.3%	100.0%
Akhalkalaki municipality	Count	28	28	217	273
	% within Municipality	10.3%	10.3%	79.5%	100.0%
Borjomi municipality	Count	25	190	738	953
	% within Municipality	2.6%	19.9%	77.4%	100.0%
Tetritskaro municipality	Count	0	70	243	313
	% within Municipality	0.0%	22.4%	77.6%	100.0%
Total	Count	102	849	2540	3491
	% within Municipality	2.9%	24.3%	72.8%	100.0%

TABLE 2.25. Personal perceptions on their potential for starting and managing business a across municipalities.

Municipalities	Indicator	Do you consider yourself having the right skills to manage a business?			Do you consider entrepreneurship as good career choice for you?			Would you be or are you afraid of failure when starting a business?		
		No	Yes	Total	No	Yes	Total	No	Yes	Total
Keda municipality	Count	4355	7640	11995	4362	6607	10969	7246	3535	10781
	% within Municipality	36.3%	63.7%	100.0%	39.8%	60.2%	100.0%	67.2%	32.8%	100.0%
Khulo municipality	Count	3788	12200	15988	2958	12276	15234	10039	5417	15456
	% within Municipality	23.7%	76.3%	100.0%	19.4%	80.6%	100.0%	65.0%	35.0%	100.0%
Dedoplistskaro municipality	Count	5562	10368	15930	3820	10273	14093	8201	5929	14130
	% within Municipality	34.9%	65.1%	100.0%	27.1%	72.9%	100.0%	58.0%	42.0%	100.0%
Lagodekhi municipality	Count	9907	20313	30220	8080	17115	25195	14904	11999	26903
	% within Municipality	32.8%	67.2%	100.0%	32.1%	67.9%	100.0%	55.4%	44.6%	100.0%
Kazbegi municipality	Count	781	2026	2807	725	1748	2473	1611	996	2607
	% within Municipality	27.8%	72.2%	100.0%	29.3%	70.7%	100.0%	61.8%	38.2%	100.0%
Akhalkalaki municipality	Count	17504	14443	31947	12116	14594	26710	13647	12226	25873
	% within Municipality	54.8%	45.2%	100.0%	45.4%	54.6%	100.0%	52.7%	47.3%	100.0%
Borjomi municipality	Count	8031	10893	18924	6497	10679	17176	9161	8182	17343
	% within Municipality	42.4%	57.6%	100.0%	37.8%	62.2%	100.0%	52.8%	47.2%	100.0%
Tetritskaro municipality	Count	5698	9991	15689	4630	9232	13862	8475	5410	13885
	% within Municipality	36.3%	63.7%	100.0%	33.4%	66.6%	100.0%	61.0%	39.0%	100.0%
Total	Count	55626	87874	143500	43188	82524	125712	73284	53694	126978
	% within Municipality	38.8%	61.2%	100.0%	34.4%	65.6%	100.0%	57.7%	42.3%	100.0%

TABLE 2.26. Availability of opportunities for starting a business in the locality across municipalities.

Municipalities	Indicator	Do you see opportunities for people to start an enterprise/business in your municipality?		Total
		No	Yes	
Keda municipality	Count	3736	6807	10543
	% within Municipality	35.4%	64.6%	100.0%
Khulo municipality	Count	8169	6396	14565
	% within Municipality	56.1%	43.9%	100.0%
Dedoplistskaro municipality	Count	5480	6831	12311
	% within Municipality	44.5%	55.5%	100.0%
Lagodekhi municipality	Count	6203	17564	23767
	% within Municipality	26.1%	73.9%	100.0%
Kazbegi municipality	Count	171	2549	2720
	% within Municipality	6.3%	93.7%	100.0%
Akhalkalaki municipality	Count	13184	10442	23626
	% within Municipality	55.8%	44.2%	100.0%
Borjomi municipality	Count	7884	9133	17017
	% within Municipality	46.3%	53.7%	100.0%
Tetritskaro municipality	Count	3541	8977	12518
	% within Municipality	28.3%	71.7%	100.0%
Total	Count	48368	68699	117067
	% within Municipality	41.3%	58.7%	100.0%

TABLE 2.27. Kind of opportunities for starting a business available in the locality across municipalities.

Opportunities	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Refuse to answer	Count	33	33	0	613	0	0	213	0	892
	% within Municipality	.5%	.5%	0.0%	3.5%	0.0%	0.0%	2.3%	0.0%	1.3%
Difficult to answer	Count	1008	894	2087	3120	747	1978	2384	2262	14480
	% within Municipality	14.8%	14.0%	30.6%	17.8%	29.3%	18.9%	26.1%	25.2%	21.1%
Existence of a large flow of tourists	Count	844	180	125	250	839	211	935	195	3579
	% within Municipality	12.4%	2.8%	1.8%	1.4%	32.9%	2.0%	10.2%	2.2%	5.2%
There is the potential for trade	Count	240	61	332	796	22	594	591	102	2738
	% within Municipality	3.5%	1.0%	4.9%	4.5%	.9%	5.7%	6.5%	1.1%	4.0%
Local production is sufficient and of quality	Count	601	25	17	333	5	272	0	33	1286
	% within Municipality	8.8%	.4%	.2%	1.9%	.2%	2.6%	0.0%	.4%	1.9%
Proximity to the tourist zone	Count	585	835	17	122	211	168	2177	112	4227
	% within Municipality	8.6%	13.1%	.2%	.7%	8.3%	1.6%	23.8%	1.2%	6.2%
Good natural environment	Count	406	771	449	2566	91	973	520	981	6757
	% within Municipality	6.0%	12.1%	6.6%	14.6%	3.6%	9.3%	5.7%	10.9%	9.8%
The need for this facility in the settlement	Count	889	84	343	348	7	407	486	203	2767
	% within Municipality	13.1%	1.3%	5.0%	2.0%	.3%	3.9%	5.3%	2.3%	4.0%
Sufficient natural resources and land	Count	158	113	606	1656	129	1139	97	358	4256
	% within Municipality	2.3%	1.8%	8.9%	9.4%	5.1%	10.9%	1.1%	4.0%	6.2%
Availability of business supporting state programs	Count	107	307	160	134	380	210	0	3366	4664
	% within Municipality	1.6%	4.8%	2.3%	.8%	14.9%	2.0%	0.0%	37.5%	6.8%

Existence of fertile lands	Count	268	17	401	3079	0	3022	0	222	7009
	% within Municipality	3.9%	.3%	5.9%	17.5%	0.0%	28.9%	0.0%	2.5%	10.2%
Favorable / good location for settlement	Count	1291	2756	1877	3622	47	728	1039	1040	12400
	% within Municipality	19.0%	43.1%	27.5%	20.6%	1.8%	7.0%	11.4%	11.6%	18.0%
Favorable business environment	Count	377	321	417	925	72	741	692	103	3648
	% within Municipality	5.5%	5.0%	6.1%	5.3%	2.8%	7.1%	7.6%	1.1%	5.3%
Total	Count	6807	6397	6831	17564	2550	10443	9134	8977	68703
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.28. Intentions to start own business across municipalities.

Municipalities	Indicator	Have you ever thought about starting your own enterprise/business?											
		Total population				Females				Youth			
		I have not thought about it	Yes, I have thought about it, but I cannot/was not able to do it	Yes, I have started one or I am planning to start one	Total	I have not thought about it	Yes, I have thought about it, but I cannot/was not able to do it	Yes, I have started one or I am planning to start one	Total females	I have not thought about it	Yes, I have thought about it, but I cannot/was not able to do it	Yes, I have started one or I am planning to start one	Total youth
Keda municipality	Count	5088	3845	2020	10953	3079	1788	647	5514	1113	980	500	2593
	% within Municipality	46.5%	35.1%	18.4%	100.0%	55.8%	32.4%	11.7%	100.0%	42.9%	37.8%	19.3%	100.0%
Khulo municipality	Count	6113	7441	1660	15214	3326	3731	721	7778	1355	1924	521	3800
	% within Municipality	40.2%	48.9%	10.9%	100.0%	42.8%	48.0%	9.3%	100.0%	35.7%	50.6%	13.7%	100.0%
Dedoplistskaro municipality	Count	5339	6906	2570	14815	3375	3485	935	7795	674	1357	482	2513
	% within Municipality	36.0%	46.6%	17.3%	100.0%	43.3%	44.7%	12.0%	100.0%	26.8%	54.0%	19.2%	100.0%
Lagodekhi municipality	Count	9356	11523	6379	27258	5645	5761	2412	13818	2136	2560	1168	5864
	% within Municipality	34.3%	42.3%	23.4%	100.0%	40.9%	41.7%	17.5%	100.0%	36.4%	43.7%	19.9%	100.0%
Kazbegi municipality	Count	911	1070	1030	3011	490	582	506	1578	164	206	164	534
	% within Municipality	30.3%	35.5%	34.2%	100.0%	31.1%	36.9%	32.1%	100.0%	30.7%	38.6%	30.7%	100.0%
Akhalkalaki municipality	Count	13510	11663	788	25961	7286	5493	266	13045	3957	3676	182	7815
	% within Municipality	52.0%	44.9%	3.0%	100.0%	55.9%	42.1%	2.0%	100.0%	50.6%	47.0%	2.3%	100.0%
Borjomi municipality	Count	9915	7660	1728	19303	5861	3680	655	10196	1508	1548	416	3472
	% within Municipality	51.4%	39.7%	9.0%	100.0%	57.5%	36.1%	6.4%	100.0%	43.4%	44.6%	12.0%	100.0%
Tetritskaro municipality	Count	5412	8571	1424	15407	3604	3797	523	7924	640	1956	325	2921
	% within Municipality	35.1%	55.6%	9.2%	100.0%	45.5%	47.9%	6.6%	100.0%	21.9%	67.0%	11.1%	100.0%
Total	Count	55644	58679	17599	131922	32666	28317	6665	67648	11547	14207	3758	29512
	% within Municipality	42.2%	44.5%	13.3%	100.0%	48.3%	41.9%	9.9%	100.0%	39.1%	48.1%	12.7%	100.0%

TABLE 2.29. Reasons for not considering starting business across municipalities.

Industry	Indicator	Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	Total
Refuse to answer	Count	0	0	198	103	0	40	0	36	377
	% within Municipality	0.0%	0.0%	1.6%	.5%	0.0%	.2%	0.0%	.3%	.3%
Difficult to answer	Count	759	0	673	870	96	3214	901	914	7427
	% within Municipality	8.5%	0.0%	5.5%	4.2%	4.8%	12.8%	5.1%	6.5%	6.5%
Satisfied with existing income	Count	1523	5682	1092	1962	58	990	2344	168	13819
	% within Municipality	17.0%	41.9%	8.9%	9.4%	2.9%	3.9%	13.3%	1.2%	12.1%
Lack of knowledge/ skills	Count	1153	1031	532	2681	108	832	1416	1298	9051
	% within Municipality	12.9%	7.6%	4.3%	12.8%	5.5%	3.3%	8.1%	9.3%	7.9%
Risk aversion/ fear of failure	Count	976	1743	680	4234	220	3530	1130	1682	14195
	% within Municipality	10.9%	12.9%	5.6%	20.3%	11.1%	14.0%	6.4%	12.0%	12.4%
Inadequate resources to start the business	Count	3702	4430	7862	7151	1317	14523	10062	8660	57707
	% within Municipality	41.4%	32.7%	64.2%	34.3%	66.5%	57.7%	57.3%	61.9%	50.5%
No exposure to	Count	103	120	153	615	15	41	0	83	1130
	% within Municipality	1.2%	.9%	1.2%	2.9%	.8%	.2%	0.0%	.6%	1.0%
Lifestyle choice	Count	237	223	641	1931	131	289	849	142	4443
	% within Municipality	2.7%	1.6%	5.2%	9.2%	6.6%	1.1%	4.8%	1.0%	3.9%
No idea what business to start	Count	53	92	54	207	0	0	245	39	690
	% within Municipality	.6%	.7%	.4%	1.0%	0.0%	0.0%	1.4%	.3%	.6%
Family obligation	Count	137	17	92	141	11	150	351	65	964
	% within Municipality	1.5%	.1%	.8%	.7%	.6%	.6%	2.0%	.5%	.8%

Lack of infrastructural resources to start a business	Count	179	52	153	373	0	462	107	31	1357
	% within Municipality	2.0%	.4%	1.2%	1.8%	0.0%	1.8%	.6%	.2%	1.2%
Fear of competition	Count	15	0	0	0	0	41	0	0	56
	% within Municipality	.2%	0.0%	0.0%	0.0%	0.0%	.2%	0.0%	0.0%	.0%
Competition is not fair	Count	15	0	0	0	0	41	30	0	86
	% within Municipality	.2%	0.0%	0.0%	0.0%	0.0%	.2%	.2%	0.0%	.1%
I do not have an influential people around me	Count	0	48	0	85	10	226	0	76	445
	% within Municipality	0.0%	.4%	0.0%	.4%	.5%	.9%	0.0%	.5%	.4%
Limited market opportunities	Count	33	0	0	82	0	196	22	16	349
	% within Municipality	.4%	0.0%	0.0%	.4%	0.0%	.8%	.1%	.1%	.3%
Lack of time due to current work/personal responsibilities	Count	19	0	25	0	0	145	45	99	333
	% within Municipality	.2%	0.0%	.2%	0.0%	0.0%	.6%	.3%	.7%	.3%
Degradation of natural environment	Count	15	0	0	40	0	0	0	0	55
	% within Municipality	.2%	0.0%	0.0%	.2%	0.0%	0.0%	0.0%	0.0%	.0%
I have tried in the past but failed	Count	0	0	0	0	0	147	0	31	178
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	.6%	0.0%	.2%	.2%
Being a woman	Count	0	84	38	403	0	41	42	47	655
	% within Municipality	0.0%	.6%	.3%	1.9%	0.0%	.2%	.2%	.3%	.6%
Restriction due to social status	Count	15	0	0	0	15	41	0	440	511
	% within Municipality	.2%	0.0%	0.0%	0.0%	.8%	.2%	0.0%	3.1%	.4%
Because of a health problem	Count	0	32	52	0	0	223	30	88	425
	% within Municipality	0.0%	.2%	.4%	0.0%	0.0%	.9%	.2%	.6%	.4%
Lack of financial resources	Count	0	0	0	0	0	0	0	66	66
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.5%	.1%
Total	Count	8934	13554	12245	20878	1981	25172	17574	13981	114319
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.30. Possible sector for starting business across municipalities.

Industry	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Unidentified	Count	17	0	263	242	0	122	132	303	1079
	% within Municipality	.3%	0.0%	2.7%	1.3%	0.0%	.9%	1.1%	3.7%	1.3%
Agriculture	Count	4178	6737	6392	11196	410	6132	3255	5488	43788
	% within Municipality	61.5%	63.9%	66.1%	61.4%	20.0%	47.3%	27.8%	66.5%	54.6%
Hunting and forestry	Count	16	17	0	145	5	41	242	30	496
	% within Municipality	.2%	.2%	0.0%	.8%	.2%	.3%	2.1%	.4%	.6%
Fishing	Count	255	17	0	132	10	403	72	88	977
	% within Municipality	3.8%	.2%	0.0%	.7%	.5%	3.1%	.6%	1.1%	1.2%
Mining and quarrying	Count	75	25	33	0	0	150	112	19	414
	% within Municipality	1.1%	.2%	.3%	0.0%	0.0%	1.2%	1.0%	.2%	.5%
Production and distribution of electricity. gas and water	Count	0	0	22	0	0	75	0	0	97
	% within Municipality	0.0%	0.0%	.2%	0.0%	0.0%	.6%	0.0%	0.0%	.1%
Household production	Count	158	52	98	82	7	155	216	158	926
	% within Municipality	2.3%	.5%	1.0%	.5%	.3%	1.2%	1.8%	1.9%	1.2%
Construction	Count	115	217	22	316	10	254	345	92	1371
	% within Municipality	1.7%	2.1%	.2%	1.7%	.5%	2.0%	2.9%	1.1%	1.7%
Trade	Count	371	743	1481	3830	83	3990	2220	760	13478
	% within Municipality	5.5%	7.0%	15.3%	21.0%	4.1%	30.8%	18.9%	9.2%	16.8%
Repair of vehicles and household goods	Count	51	64	66	235	30	369	212	0	1027
	% within Municipality	.8%	.6%	.7%	1.3%	1.5%	2.8%	1.8%	0.0%	1.3%

Hospitality	Count	943	1566	469	671	916	185	3185	292	8227
	% within Municipality	13.9%	14.9%	4.9%	3.7%	44.8%	1.4%	27.2%	3.5%	10.3%
Transport	Count	0	52	0	0	0	0	179	28	259
	% within Municipality	0.0%	.5%	0.0%	0.0%	0.0%	0.0%	1.5%	.3%	.3%
Communica-tions	Count	0	0	17	0	0	0	0	0	17
	% within Municipality	0.0%	0.0%	.2%	0.0%	0.0%	0.0%	0.0%	0.0%	.0%
Financial services	Count	50	0	0	177	0	0	0	101	328
	% within Municipality	.7%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	1.2%	.4%
Real Estate renting	Count	53	104	140	55	0	35	140	85	612
	% within Municipality	.8%	1.0%	1.4%	.3%	0.0%	.3%	1.2%	1.0%	.8%
Conditional rental of own housing	Count	0	17	47	85	0	118	171	0	438
	% within Municipality	0.0%	.2%	.5%	.5%	0.0%	.9%	1.5%	0.0%	.5%
Public administration / local self-government	Count	0	0	0	0	0	0	20	0	20
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.2%	0.0%	.0%
Education	Count	31	237	62	87	0	238	121	104	880
	% within Municipality	.5%	2.2%	.6%	.5%	0.0%	1.8%	1.0%	1.3%	1.1%
Health and social protection	Count	76	52	47	86	0	124	176	217	778
	% within Municipality	1.1%	.5%	.5%	.5%	0.0%	1.0%	1.5%	2.6%	1.0%
Other community. social and personal services	Count	82	129	225	330	53	163	349	180	1511
	% within Municipality	1.2%	1.2%	2.3%	1.8%	2.6%	1.3%	3.0%	2.2%	1.9%
Housekeeping	Count	59	0	17	324	0	48	42	64	554
	% within Municipality	.9%	0.0%	.2%	1.8%	0.0%	.4%	.4%	.8%	.7%
Light industry (sewing)	Count	15	45	0	0	0	128	18	0	206
	% within Municipality	.2%	.4%	0.0%	0.0%	0.0%	1.0%	.2%	0.0%	.3%

Crafts / handicrafts	Count	17	80	21	54	0	0	29	36	237
	% within Municipality	.3%	.8%	.2%	.3%	0.0%	0.0%	.2%	.4%	.3%
Production of food / beverage products	Count	47	221	180	0	10	142	130	99	829
	% within Municipality	.7%	2.1%	1.9%	0.0%	.5%	1.1%	1.1%	1.2%	1.0%
Clothing production	Count	0	0	0	0	5	0	0	0	5
	% within Municipality	0.0%	0.0%	0.0%	0.0%	.2%	0.0%	0.0%	0.0%	.0%
Tourist services	Count	137	170	37	174	506	0	287	107	1418
	% within Municipality	2.0%	1.6%	.4%	1.0%	24.7%	0.0%	2.4%	1.3%	1.8%
Opening of an aesthetic / rehabilitation center	Count	42	0	25	0	0	94	57	0	218
	% within Municipality	.6%	0.0%	.3%	0.0%	0.0%	.7%	.5%	0.0%	.3%
Opening of the pharmacy	Count	0	0	0	0	0	0	18	0	18
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.2%	0.0%	.0%
Total	Count	6788	10545	9664	18221	2045	12966	11728	8251	80208
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.31. Agreement with a statement that a woman needs special support to start an enterprise/business across municipalities.

Municipalities	Indicator	Do you agree with the statement that a woman needs special support to start an enterprise/business?				Total
		I totally disagree	I rather disagree than agree	I rather agree than disagree	I totally agree	
Keda municipality	Count	1314	880	4522	4087	10803
	% within Municipality	12.2%	8.1%	41.9%	37.8%	100.0%
Khulo municipality	Count	2852	1216	5926	6485	16479
	% within Municipality	17.3%	7.4%	36.0%	39.4%	100.0%
Dedoplistskaro municipality	Count	1628	1246	8141	3995	15010
	% within Municipality	10.8%	8.3%	54.2%	26.6%	100.0%
Lagodekhi municipality	Count	3033	6286	16706	4029	30054
	% within Municipality	10.1%	20.9%	55.6%	13.4%	100.0%
Kazbegi municipality	Count	256	350	1301	945	2852
	% within Municipality	9.0%	12.3%	45.6%	33.1%	100.0%
Akhalkalaki municipality	Count	4774	5390	9408	9904	29476
	% within Municipality	16.2%	18.3%	31.9%	33.6%	100.0%
Borjomi municipality	Count	5281	2311	4938	5140	17670
	% within Municipality	29.9%	13.1%	27.9%	29.1%	100.0%
Tetritskaro municipality	Count	2087	1040	7553	4556	15236
	% within Municipality	13.7%	6.8%	49.6%	29.9%	100.0%
Total	Count	21225	18719	58495	39141	137580
	% within Municipality	15.4%	13.6%	42.5%	28.4%	100.0%

TABLE 2.32. Opinion on the favorability of local conditions/environment for starting an enterprise/business across municipalities.

Municipalities	Indicator	In your opinion. are the local conditions/environment favorable to start an enterprise/business?				Total
		They are not favorable	They are rather not favorable than favorable	They are rather favorable than not	They are favorable	
Keda municipality	Count	1482	723	1213	7834	11252
	% within Municipality	13.2%	6.4%	10.8%	69.6%	100.0%
Khulo municipality	Count	1588	490	3425	10540	16043
	% within Municipality	9.9%	3.1%	21.3%	65.7%	100.0%
Dedoplistskaro municipality	Count	2653	1564	2816	7214	14247
	% within Municipality	18.6%	11.0%	19.8%	50.6%	100.0%
Lagodekhi municipality	Count	1211	1124	6554	19809	28698
	% within Municipality	4.2%	3.9%	22.8%	69.0%	100.0%
Kazbegi municipality	Count	55	67	459	2303	2884
	% within Municipality	1.9%	2.3%	15.9%	79.9%	100.0%
Akhalkalaki municipality	Count	3793	1016	7944	14094	26847
	% within Municipality	14.1%	3.8%	29.6%	52.5%	100.0%
Borjomi municipality	Count	2362	1186	2103	12551	18202
	% within Municipality	13.0%	6.5%	11.6%	69.0%	100.0%
Tetritskaro municipality	Count	1586	903	2629	9434	14552
	% within Municipality	10.9%	6.2%	18.1%	64.8%	100.0%
Total	Count	14730	7073	27143	83779	132725
	% within Municipality	11.1%	5.3%	20.5%	63.1%	100.0%

TABLE 2.33. The first important reason for the local conditions/ environment not being favorable to start a business across municipalities.

Reasons	Indicator	Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	Total
Unfavorable location of the settlement	Count	64	137	264	49	0	442	282	156	1394
	% within Municipality	4.7%	8.4%	7.7%	3.2%	0.0%	14.6%	9.5%	8.4%	8.8%
Unfavorable natural conditions	Count	393	156	147	0	30	494	57	153	1430
	% within Municipality	29.1%	9.5%	4.3%	0.0%	30.9%	16.3%	1.9%	8.3%	9.0%
Irrigation water supply problem	Count	35	20	20	0	0	0	0	173	248
	% within Municipality	2.6%	1.2%	.6%	0.0%	0.0%	0.0%	0.0%	9.4%	1.6%
High levels of poverty	Count	121	17	1075	389	0	479	836	74	2991
	% within Municipality	9.0%	1.0%	31.5%	25.7%	0.0%	15.8%	28.3%	4.0%	18.9%
Insufficient financial resources	Count	167	733	820	399	5	421	646	91	3282
	% within Municipality	12.4%	44.7%	24.0%	26.4%	5.2%	13.9%	21.9%	4.9%	20.7%
Attack of wild animals	Count	0	0	0	0	0	0	22	0	22
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.7%	0.0%	.1%
Attacks of invasive species	Count	34	0	0	0	0	0	0	0	34
	% within Municipality	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.2%
Poor Road Infrastructure (Roads)	Count	32	52	19	0	15	0	0	239	357
	% within Municipality	2.4%	3.2%	.6%	0.0%	15.5%	0.0%	0.0%	12.9%	2.3%
Public transport malfunction / unavailability	Count	0	52	42	0	0	0	0	31	125
	% within Municipality	0.0%	3.2%	1.2%	0.0%	0.0%	0.0%	0.0%	1.7%	.8%
Lack of promotion for business activities	Count	53	107	148	49	5	198	30	68	658
	% within Municipality	3.9%	6.5%	4.3%	3.2%	5.2%	6.5%	1.0%	3.7%	4.2%

Lack of settlements	Count	49	0	407	0	0	96	82	147	781
	% within Municipality	3.6%	0.0%	11.9%	0.0%	0.0%	3.2%	2.8%	8.0%	4.9%
Water supply problem / irrigation water	Count	41	0	104	0	15	261	0	493	914
	% within Municipality	3.0%	0.0%	3.0%	0.0%	15.5%	8.6%	0.0%	26.7%	5.8%
The problem of natural gas supply	Count	0	0	0	49	0	0	0	75	124
	% within Municipality	0.0%	0.0%	0.0%	3.2%	0.0%	0.0%	0.0%	4.1%	.8%
Lack of business infrastructure	Count	52	69	17	0	0	0	72	58	268
	% within Municipality	3.8%	4.2%	.5%	0.0%	0.0%	0.0%	2.4%	3.1%	1.7%
Lack of fertile agricultural land	Count	237	134	130	137	7	378	721	58	1802
	% within Municipality	17.5%	8.2%	3.8%	9.0%	7.2%	12.5%	24.4%	3.1%	11.4%
Difficulty in selling the product	Count	73	73	22	178	10	64	0	33	453
	% within Municipality	5.4%	4.5%	.6%	11.8%	10.3%	2.1%	0.0%	1.8%	2.9%
Intense competition	Count	0	45	0	129	0	118	0	0	292
	% within Municipality	0.0%	2.7%	0.0%	8.5%	0.0%	3.9%	0.0%	0.0%	1.8%
Degradation of environment	Count	0	0	0	0	0	0	35	0	35
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	.2%
Potential for only seasonal job	Count	0	0	0	0	0	0	141	0	141
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.8%	0.0%	.9%
High risk of starting business	Count	0	20	0	0	0	0	0	0	20
	% within Municipality	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.1%
Insufficient / improper diligence	Count	0	0	52	0	10	82	0	0	144
	% within Municipality	0.0%	0.0%	1.5%	0.0%	10.3%	2.7%	0.0%	0.0%	.9%
High banking interest rates	Count	0	25	150	0	0	0	0	0	175
	% within Municipality	0.0%	1.5%	4.4%	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%
Nepotism/ corruption	Count	0	0	0	135	0	0	30	0	165
	% within Municipality	0.0%	0.0%	0.0%	8.9%	0.0%	0.0%	1.0%	0.0%	1.0%
Total	Count	1351	1640	3417	1514	97	3033	2954	1849	15855
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.34. Working status of population. females and youth across municipalities.

Municipalities	Indicator	Working status of population											
		Total population				Females				Youth			
		Unemployed	Employed	Not in the labor force	*Total*	Unemployed	Employed	Not in the labor force	*Total females*	Unemployed	Employed	Not in the labor force	Total youth
Keda municipality	Count	3880	5619	2397	*11896*	1970	2582	1550	*6102*	1276	1117	563	*2956*
	% within Municipality	32.6%	47.2%	20.1%	*100.0%*	32.3%	42.3%	25.4%	*100.0%*	43.2%	37.8%	19.0%	*100.0%*
Khulo municipality	Count	6408	5561	2199	*14168*	3243	2534	1564	*7341*	1978	729	155	*2862*
	% within Municipality	45.2%	39.3%	15.5%	*100.0%*	44.2%	34.5%	21.3%	*100.0%*	69.1%	25.5%	5.4%	*100.0%*
Dedoplistskaro municipality	Count	2565	6144	7173	*15882*	1069	2626	4753	*8448*	703	888	632	*2223*
	% within Municipality	16.2%	38.7%	45.2%	*100.0%*	12.7%	31.1%	56.3%	*100.0%*	31.6%	39.9%	28.4%	*100.0%*
Lagodekhi municipality	Count	1727	20940	7241	*29908*	1191	8925	5309	*15425*	739	4243	963	*5945*
	% within Municipality	5.8%	70.0%	24.2%	*100.0%*	7.7%	57.9%	34.4%	*100.0%*	12.4%	71.4%	16.2%	*100.0%*
Kazbegi municipality	Count	96	2551	402	*3049*	36	1250	301	*1587*	32	466	36	*534*
	% within Municipality	3.1%	83.7%	13.2%	*100.0%*	2.3%	78.8%	19.0%	*100.0%*	6.0%	87.3%	6.7%	*100.0%*
Akhalkalaki municipality	Count	7610	14361	11659	*33630*	2359	7070	8240	*17669*	2710	2920	2956	*8586*
	% within Municipality	22.6%	42.7%	34.7%	*100.0%*	13.4%	40.0%	46.6%	*100.0%*	31.6%	34.0%	34.4%	*100.0%*
Borjomi municipality	Count	4753	7372	6495	*18620*	2586	2970	4284	*9840*	1202	1532	570	*3304*
	% within Municipality	25.5%	39.6%	34.9%	*100.0%*	26.3%	30.2%	43.5%	*100.0%*	36.4%	46.4%	17.3%	*100.0%*
Tetritskaro municipality	Count	4714	4796	4876	*14386*	2340	2144	3114	*7598*	1188	620	773	*2581*
	% within Municipality	32.8%	33.3%	33.9%	*100.0%*	30.8%	28.2%	41.0%	*100.0%*	46.0%	24.0%	29.9%	*100.0%*

Total	Count	31753	67344	42442	*141539*	14794	30101	29115	*74010*	9828	12515	6648	*28991*
	% within Municipality	22.4%	47.6%	30.0%	*100.0%*	20.0%	40.7%	39.3%	*100.0%*	33.9%	43.2%	22.9%	*100.0%*

TABLE 2.35. Distribution of population. females and youth by employment sector across municipalities.

Municipalities	Indicator	Working status of population											
		Total population				Females				Youth			
		Employed in public sector	Employed in private sector	Self-employed	Employed in family business	Employed in public sector	Employed in private sector	Self-employed	Employed in family business	Employed in public sector	Employed in private sector	Self-employed	Employed in family business
Keda municipality	Count	2156	987	1824	294	1226	423	623	80	188	467	346	0
	% within Municipality	16.8%	7.7%	14.2%	2.3%	18.8%	6.5%	9.6%	1.2%	6.1%	15.2%	11.3%	0.0%
Khulo municipality	Count	3352	910	804	99	1455	457	327	50	417	208	104	0
	% within Municipality	19.4%	5.3%	4.7%	.6%	16.6%	5.2%	3.7%	.6%	9.5%	4.8%	2.4%	0.0%
Dedoplistskaro municipality	Count	1288	1243	3112	187	948	573	886	79	94	315	526	0
	% within Municipality	7.6%	7.3%	18.3%	1.1%	10.5%	6.4%	9.8%	.9%	3.7%	12.3%	20.6%	0.0%
Lagodekhi municipality	Count	3118	2704	9270	2743	2091	1174	3404	643	502	562	1592	589
	% within Municipality	9.7%	8.4%	28.9%	8.5%	12.8%	7.2%	20.8%	3.9%	7.8%	8.8%	24.8%	9.2%
Kazbegi municipality	Count	697	679	604	1518	378	311	281	742	47	252	67	208
	% within Municipality	22.6%	22.0%	19.6%	49.2%	23.4%	19.3%	17.4%	45.9%	8.8%	47.2%	12.6%	39.0%
Akhalkalaki municipality	Count	2667	888	10460	1079	1647	298	4734	664	278	182	2300	224
	% within Municipality	7.8%	2.6%	30.8%	3.2%	9.2%	1.7%	26.4%	3.7%	3.2%	2.1%	26.5%	2.6%
Borjomi municipality	Count	2282	3067	1923	439	885	1297	545	358	446	891	412	0
	% within Municipality	11.5%	15.4%	9.7%	2.2%	8.3%	12.2%	5.1%	3.4%	12.5%	24.9%	11.5%	0.0%
Tetritskaro municipality	Count	1511	1309	1203	131	750	438	475	36	184	360	76	0
	% within Municipality	9.2%	8.0%	7.3%	.8%	8.7%	5.1%	5.5%	.4%	6.2%	12.2%	2.6%	0.0%
Total	Count	17071	11787	29200	6490	9380	4971	11275	2652	2156	3237	5423	1021
	% within Municipality	11.2%	7.7%	19.1%	4.3%	11.8%	6.3%	14.2%	3.3%	6.7%	10.1%	16.9%	3.2%

TABLE 2.36. Sector of work for employed in public sector across municipalities.

Industry	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Agriculture	Count	82	56	0	0	0	62	30	31	261
	% within Municipality	4.1%	1.8%	0.0%	0.0%	0.0%	2.6%	1.4%	2.2%	1.7%
Hunting and forestry	Count	15	20	33	0	0	0	81	0	149
	% within Municipality	.7%	.7%	3.0%	0.0%	0.0%	0.0%	3.8%	0.0%	.9%
Fishing	Count	0	25	0	0	0	0	0	0	25
	% within Municipality	0.0%	.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.2%
Mining and quarrying	Count	0	0	0	0	0	0	51	0	51
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	0.0%	.3%
Production and distribution of electricity. gas and water	Count	0	72	22	0	44	0	72	0	210
	% within Municipality	0.0%	2.4%	2.0%	0.0%	6.3%	0.0%	3.4%	0.0%	1.3%
Household production	Count	0	44	0	0	0	0	0	0	44
	% within Municipality	0.0%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.3%
Construction	Count	0	140	22	0	0	91	51	44	348
	% within Municipality	0.0%	4.6%	2.0%	0.0%	0.0%	3.8%	2.4%	3.1%	2.2%
Trade	Count	15	25	25	0	0	0	80	0	145
	% within Municipality	.7%	.8%	2.3%	0.0%	0.0%	0.0%	3.8%	0.0%	.9%
Hospitality	Count	0	0	0	49	0	0	25	0	74
	% within Municipality	0.0%	0.0%	0.0%	1.7%	0.0%	0.0%	1.2%	0.0%	.5%
Transport	Count	60	36	0	42	0	0	262	44	444
	% within Municipality	3.0%	1.2%	0.0%	1.4%	0.0%	0.0%	12.4%	3.1%	2.8%

	Count	45	83	0	0	0	0	27	0	155
	% within Municipality	2.2%	2.7%	0.0%	0.0%	0.0%	0.0%	1.3%	0.0%	1.0%
Financial services	Count	38	17	25	117	13	94	0	0	304
	% within Municipality	1.9%	.6%	2.3%	4.0%	1.9%	3.9%	0.0%	0.0%	1.9%
Real Estate renting	Count	15	0	50	49	31	104	72	31	352
	% within Municipality	.7%	0.0%	4.6%	1.7%	4.4%	4.3%	3.4%	2.2%	2.2%
Conditional rental of own housing	Count	0	0	19	0	0	30	0	0	49
	% within Municipality	0.0%	0.0%	1.7%	0.0%	0.0%	1.2%	0.0%	0.0%	.3%
Public administration / local self-government	Count	278	884	83	542	288	359	319	337	3090
	% within Municipality	13.9%	29.0%	7.6%	18.3%	41.3%	14.8%	15.0%	24.1%	19.6%
Education	Count	1294	1520	517	1732	234	1358	786	686	8127
	% within Municipality	64.7%	49.9%	47.3%	58.5%	33.6%	56.0%	37.1%	49.1%	51.6%
Health and social protection	Count	101	102	97	389	77	216	130	42	1154
	% within Municipality	5.0%	3.3%	8.9%	13.1%	11.0%	8.9%	6.1%	3.0%	7.3%
Other community. social and personal services	Count	58	25	201	42	10	64	117	183	700
	% within Municipality	2.9%	.8%	18.4%	1.4%	1.4%	2.6%	5.5%	13.1%	4.4%
Light industry (sewing)	Count	0	0	0	0	0	48	0	0	48
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	0.0%	0.0%	.3%
Tourist services	Count	0	0	0	0	0	0	18	0	18
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.8%	0.0%	.1%
Total	Count	2001	3049	1094	2962	697	2426	2121	1398	15748
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.37. Sector of work for employed in private sector across municipalities.

| Industry | Indicator | Municipalities | | | | | | | | Total |
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Agriculture	Count	72	29	340	718	0	0	0	259	1418
	% within Municipality	8.5%	3.8%	28.9%	28.5%	0.0%	0.0%	0.0%	20.6%	13.2%
Hunting and forestry	Count	0	56	0	135	0	0	0	0	191
	% within Municipality	0.0%	7.4%	0.0%	5.4%	0.0%	0.0%	0.0%	0.0%	1.8%
Fishing	Count	0	0	0	0	0	0	72	0	72
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	0.0%	.7%
Mining and quarrying	Count	0	0	0	0	0	0	102	65	167
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.6%	5.2%	1.6%
Production and distribution of electricity. gas and water	Count	80	155	130	0	102	110	312	106	995
	% within Municipality	9.4%	20.4%	11.1%	0.0%	15.0%	15.7%	11.1%	8.4%	9.3%
Household production	Count	0	25	19	0	5	62	0	28	139
	% within Municipality	0.0%	3.3%	1.6%	0.0%	.7%	8.8%	0.0%	2.2%	1.3%
Construction	Count	60	241	67	188	19	0	206	44	825
	% within Municipality	7.1%	31.7%	5.7%	7.5%	2.8%	0.0%	7.3%	3.5%	7.7%
Trade	Count	107	0	221	434	64	35	403	102	1366
	% within Municipality	12.6%	0.0%	18.8%	17.2%	9.4%	5.0%	14.3%	8.1%	12.7%
Repair of vehicles and household goods	Count	0	0	0	54	0	0	25	0	79
	% within Municipality	0.0%	0.0%	0.0%	2.1%	0.0%	0.0%	.9%	0.0%	.7%
Hospitality	Count	88	44	42	128	176	32	803	150	1463
	% within Municipality	10.4%	5.8%	3.6%	5.1%	26.0%	4.6%	28.6%	12.0%	13.6%

Transport	Count	55	0	92	0	75	91	81	31	425
	% within Municipality	6.5%	0.0%	7.8%	0.0%	11.1%	13.0%	2.9%	2.5%	4.0%
Communica-tions	Count	17	20	0	269	86	0	130	37	559
	% within Municipality	2.0%	2.6%	0.0%	10.7%	12.7%	0.0%	4.6%	2.9%	5.2%
Financial services	Count	83	28	20	49	19	241	79	123	642
	% within Municipality	9.8%	3.7%	1.7%	1.9%	2.8%	34.4%	2.8%	9.8%	6.0%
Real Estate renting	Count	0	0	0	45	54	0	77	31	207
	% within Municipality	0.0%	0.0%	0.0%	1.8%	8.0%	0.0%	2.7%	2.5%	1.9%
Conditional rental of own housing	Count	0	0	0	0	0	0	0	19	19
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	.2%
Public administration / local self-government	Count	0	0	0	0	7	0	27	0	34
	% within Municipality	0.0%	0.0%	0.0%	0.0%	1.0%	0.0%	1.0%	0.0%	.3%
Education	Count	90	53	80	0	28	0	86	0	337
	% within Municipality	10.6%	7.0%	6.8%	0.0%	4.1%	0.0%	3.1%	0.0%	3.1%
Health and social protection	Count	49	17	33	187	14	48	124	77	549
	% within Municipality	5.8%	2.2%	2.8%	7.4%	2.1%	6.8%	4.4%	6.1%	5.1%
Other community. social and personal services	Count	130	93	132	273	29	20	261	94	1032
	% within Municipality	15.3%	12.2%	11.2%	10.8%	4.3%	2.9%	9.3%	7.5%	9.6%
Housekeeping	Count	0	0	0	42	0	0	22	58	122
	% within Municipality	0.0%	0.0%	0.0%	1.7%	0.0%	0.0%	.8%	4.6%	1.1%
Light industry (sewing)	Count	0	0	0	0	0	62	0	0	62
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	8.8%	0.0%	0.0%	.6%
Production of food / beverage products	Count	16	0	0	0	0	0	0	31	47
	% within Municipality	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	.4%
Total	Count	847	761	1176	2522	678	701	2810	1255	10750
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.38. Sector of work for self-employed across municipalities.

Industry	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Agriculture	Count	927	218	1811	7464	164	9383	563	611	21141
	% within Municipality	53.2%	32.7%	60.9%	83.1%	27.2%	91.4%	30.4%	53.4%	74.9%
Hunting and forestry	Count	0	78	0	73	0	0	51	0	202
	% within Municipality	0.0%	11.7%	0.0%	.8%	0.0%	0.0%	2.8%	0.0%	.7%
Fishing	Count	53	0	0	85	0	75	0	0	213
	% within Municipality	3.0%	0.0%	0.0%	.9%	0.0%	.7%	0.0%	0.0%	.8%
Mining and quarrying	Count	17	0	20	0	10	0	0	0	47
	% within Municipality	1.0%	0.0%	.7%	0.0%	1.7%	0.0%	0.0%	0.0%	.2%
Household production	Count	33	45	100	0	23	0	65	56	322
	% within Municipality	1.9%	6.8%	3.4%	0.0%	3.8%	0.0%	3.5%	4.9%	1.1%
Construction	Count	279	45	182	141	10	91	263	234	1245
	% within Municipality	16.0%	6.8%	6.1%	1.6%	1.7%	.9%	14.2%	20.4%	4.4%
Trade	Count	66	84	342	516	15	305	378	150	1856
	% within Municipality	3.8%	12.6%	11.5%	5.7%	2.5%	3.0%	20.4%	13.1%	6.6%
Repair of vehicles and household goods	Count	63	0	45	0	0	64	72	25	269
	% within Municipality	3.6%	0.0%	1.5%	0.0%	0.0%	.6%	3.9%	2.2%	1.0%
Hospitality	Count	61	74	0	42	270	0	126	0	573
	% within Municipality	3.5%	11.1%	0.0%	.5%	44.8%	0.0%	6.8%	0.0%	2.0%
Transport	Count	26	69	170	190	90	179	114	28	866
	% within Municipality	1.5%	10.4%	5.7%	2.1%	14.9%	1.7%	6.2%	2.4%	3.1%

	Count	26	0	0	141	0	0	0	0	167
	% within Municipality	1.5%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	.6%
Financial services	Count	19	25	0	54	0	0	0	0	98
	% within Municipality	1.1%	3.8%	0.0%	.6%	0.0%	0.0%	0.0%	0.0%	.3%
Real Estate renting	Count	0	0	22	0	10	0	35	0	67
	% within Municipality	0.0%	0.0%	.7%	0.0%	1.7%	0.0%	1.9%	0.0%	.2%
Conditional rental of own housing	Count	0	0	0	0	0	0	58	0	58
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%	0.0%	.2%
Education	Count	0	0	46	0	0	0	25	0	71
	% within Municipality	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	1.4%	0.0%	.3%
Health and social protection	Count	0	0	0	182	0	72	0	0	254
	% within Municipality	0.0%	0.0%	0.0%	2.0%	0.0%	.7%	0.0%	0.0%	.9%
Other community, social and personal services	Count	97	28	173	0	11	94	81	0	484
	% within Municipality	5.6%	4.2%	5.8%	0.0%	1.8%	.9%	4.4%	0.0%	1.7%
Housekeeping	Count	57	0	64	99	0	0	18	22	260
	% within Municipality	3.3%	0.0%	2.2%	1.1%	0.0%	0.0%	1.0%	1.9%	.9%
Crafts / handicrafts	Count	17	0	0	0	0	0	0	0	17
	% within Municipality	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.1%
Clothing production	Count	0	0	0	0	0	0	0	19	19
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.7%	.1%
Total	Count	1741	666	2975	8987	603	10263	1849	1145	28229
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.39. Sector of work for employed in family business across municipalities.

Industry	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Agriculture	Count	243	66	187	2441	1490	722	81	95	5325
	% within Municipality	82.7%	66.7%		89.8%	98.1%	68.8%	18.5%	72.5%	82.7%
Hunting and forestry	Count	17	0	0	54	0	0	0	0	71
	% within Municipality	5.8%	0.0%	0.0%	2.0%	0.0%	0.0%	0.0%	0.0%	1.1%
Fishing	Count	34	0	0	0	0	0	0	0	34
	% within Municipality	11.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.5%
Mining and quarrying	Count	0	0	0	181	0	0	0	0	181
	% within Municipality	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%	0.0%	2.8%
Production and distribution of electricity. gas and water	Count	0	0	0	0	5	155	0	0	160
	% within Municipality	0.0%	0.0%	0.0%	0.0%	.3%	14.8%	0.0%	0.0%	2.5%
Household production	Count	0	0	0	0	7	0	0	0	7
	% within Municipality	0.0%	0.0%	0.0%	0.0%	.5%	0.0%	0.0%	0.0%	.1%
Trade	Count	0	0	0	42	0	137	0	0	179
	% within Municipality	0.0%	0.0%	0.0%	1.5%	0.0%	13.1%	0.0%	0.0%	2.8%
Hospitality	Count	0	0	0	0	10	0	25	36	71
	% within Municipality	0.0%	0.0%	0.0%	0.0%	.7%	0.0%	5.7%	27.5%	1.1%
	Count	0	33	0	0	7	0	0	0	40
	% within Municipality	0.0%	33.3%	0.0%	0.0%	.5%	0.0%	0.0%	0.0%	.6%
Real Estate renting	Count	0	0	0	0	0	0	262	0	262
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	59.7%	0.0%	4.1%

Conditional rental of own housing	Count	0	0	0	0	0	0	18	0	18
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.1%	0.0%	.3%
Housekeeping	Count	0	0	0	0	0	0	53	0	53
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	12.1%	0.0%	.8%
Light industry (sewing)	Count	0	0	0	0	0	35	0	0	35
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	0.0%	0.0%	.5%
Total	Count	294	99	187	2718	1519	1049	439	131	6436
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.40. Location of workplace across municipalities.

Municipalities	Indicator	Employed in public sector				Employed in private sector			
		Village/settlement	Municipal center	Town	Total	Village/settlement	Municipal center	Town	Total
Keda municipality	Count	1557	400	121	2078	235	188	513	936
	% within Municipality	74.9%	19.2%	5.8%	100.0%	25.1%	20.1%	54.8%	100.0%
Khulo municipality	Count	2305	843	136	3284	281	445	184	910
	% within Municipality	70.2%	25.7%	4.1%	100.0%	30.9%	48.9%	20.2%	100.0%
Dedoplistskaro municipality	Count	583	508	96	1187	592	432	163	1187
	% within Municipality	49.1%	42.8%	8.1%	100.0%	49.9%	36.4%	13.7%	100.0%
Lagodekhi municipality	Count	1786	1082	182	3050	1328	1206	170	2704
	% within Municipality	58.6%	35.5%	6.0%	100.0%	49.1%	44.6%	6.3%	100.0%
Kazbegi municipality	Count	240	419	16	675	245	373	26	644
	% within Municipality	35.6%	62.1%	2.4%	100.0%	38.0%	57.9%	4.0%	100.0%
Akhalkalaki municipality	Count	1724	316	607	2647	139	0	673	812
	% within Municipality	65.1%	11.9%	22.9%	100.0%	17.1%	0.0%	82.9%	100.0%
Borjomi municipality	Count	637	1043	575	2255	482	1779	806	3067
	% within Municipality	28.2%	46.3%	25.5%	100.0%	15.7%	58.0%	26.3%	100.0%
Tetritskaro municipality	Count	740	635	136	1511	628	295	332	1255
	% within Municipality	49.0%	42.0%	9.0%	100.0%	50.0%	23.5%	26.5%	100.0%
Total	Count	9572	5246	1869	16687	3930	4718	2867	11515
	% within Municipality	57.4%	31.4%	11.2%	100.0%	34.1%	41.0%	24.9%	100.0%

TABLE 2.40. Location of workplace across municipalities (continued).

Municipalities	Indicator	Self-employed					Employed in family business			
		Village/ settlement	Municipal center	Town	Turkey	Total	Village/ settlement	Municipal center	Town	Total
Keda municipality	Count	1346	96	306	16	1764	294	0	0	294
	% within Municipality	76.3%	5.4%	17.3%	.9%	100.0%	100.0%	0.0%	0.0%	100.0%
Khulo municipality	Count	427	174	105	28	734	66	33	0	99
	% within Municipality	58.2%	23.7%	14.3%	3.8%	100.0%	66.7%	33.3%	0.0%	100.0%
Dedoplistskaro municipality	Count	2561	281	107	0	2949	187	0	0	187
	% within Municipality	86.8%	9.5%	3.6%	0.0%	100.0%	100.0%	0.0%	0.0%	100.0%
Lagodekhi municipality	Count	7295	1695	44	42	9076	2718	24	0	2742
	% within Municipality	80.4%	18.7%	.5%	.5%	100.0%	99.1%	.9%	0.0%	100.0%
Kazbegi municipality	Count	285	284	0	0	569	1087	162	0	1249
	% within Municipality	50.1%	49.9%	0.0%	0.0%	100.0%	87.0%	13.0%	0.0%	100.0%
Akhalkalaki municipality	Count	9579	325	342	0	10246	776	67	172	1015
	% within Municipality	93.5%	3.2%	3.3%	0.0%	100.0%	76.5%	6.6%	16.9%	100.0%
Borjomi municipality	Count	832	581	511	0	1924	355	67	18	440
	% within Municipality	43.2%	30.2%	26.6%	0.0%	100.0%	80.7%	15.2%	4.1%	100.0%
Tetritskaro municipality	Count	940	98	133	0	1171	76	36	0	112
	% within Municipality	80.3%	8.4%	11.4%	0.0%	100.0%	67.9%	32.1%	0.0%	100.0%
Total	Count	23265	3534	1548	86	28433	5559	389	190	6138
	% within Municipality	81.8%	12.4%	5.4%	.3%	100.0%	90.6%	6.3%	3.1%	100.0%

TABLE 2.41. Kind of work for employed in public sector across municipalities.

Municipalities	Indicator	Employed in public sector					Employed in private sector				
		Permanent kind of work	Temporary kind of work	Seasonal kind of work	Occasional kind of work	Total	Permanent kind of work	Temporary kind of work	Seasonal kind of work	Occasional kind of work	Total
Keda municipality	Count	2051	73	15	0	2139	590	293	79	0	962
	% within Municipality	95.9%	3.4%	.7%	0.0%	100.0%	61.3%	30.5%	8.2%	0.0%	100.0%
Khulo municipality	Count	2925	358	69	0	3352	496	273	88	53	910
	% within Municipality	87.3%	10.7%	2.1%	0.0%	100.0%	54.5%	30.0%	9.7%	5.8%	100.0%
Dedoplistskaro municipality	Count	1180	33	0	0	1213	997	67	178	0	1242
	% within Municipality	97.3%	2.7%	0.0%	0.0%	100.0%	80.3%	5.4%	14.3%	0.0%	100.0%
Lagodekhi municipality	Count	2982	42	0	49	3073	1501	514	611	40	2666
	% within Municipality	97.0%	1.4%	0.0%	1.6%	100.0%	56.3%	19.3%	22.9%	1.5%	100.0%
Kazbegi municipality	Count	688	9	0	0	697	524	46	104	5	679
	% within Municipality	98.7%	1.3%	0.0%	0.0%	100.0%	77.2%	6.8%	15.3%	.7%	100.0%
Akhalkalaki municipality	Count	2667	0	0	0	2667	856	0	32	0	888
	% within Municipality	100.0%	0.0%	0.0%	0.0%	100.0%	96.4%	0.0%	3.6%	0.0%	100.0%
Borjomi municipality	Count	2192	0	0	0	2192	2390	411	241	25	3067
	% within Municipality	100.0%	0.0%	0.0%	0.0%	100.0%	77.9%	13.4%	7.9%	.8%	100.0%
Tetritskaro municipality	Count	1366	125	19	0	1510	933	119	256	0	1308
	% within Municipality	90.5%	8.3%	1.3%	0.0%	100.0%	71.3%	9.1%	19.6%	0.0%	100.0%
Total	Count	16051	640	103	49	16843	8287	1723	1589	123	11722
	% within Municipality	95.3%	3.8%	.6%	.3%	100.0%	70.7%	14.7%	13.6%	1.0%	100.0%

TABLE 2.41. Kind of work for employed in public sector across municipalities (continued).

Municipalities	Indicator	Self-employed					Employed in family business				
		Permanent kind of work	Temporary kind of work	Seasonal kind of work	Occasional kind of work	Total	Permanent kind of work	Temporary kind of work	Seasonal kind of work	Occasional kind of work	Total
Keda municipality	Count	705	255	822	26	1808	122	0	155	0	277
	% within Municipality	39.0%	14.1%	45.5%	1.4%	100.0%	44.0%	0.0%	56.0%	0.0%	100.0%
Khulo municipality	Count	431	28	268	77	804	99	0	0	0	99
	% within Municipality	53.6%	3.5%	33.3%	9.6%	100.0%	100.0%	0.0%	0.0%	0.0%	100.0%
Dedoplistskaro municipality	Count	1615	264	1129	86	3094	147	0	40	0	187
	% within Municipality	52.2%	8.5%	36.5%	2.8%	100.0%	78.6%	0.0%	21.4%	0.0%	100.0%
Lagodekhi municipality	Count	4344	688	3758	455	9245	244	139	2336	24	2743
	% within Municipality	47.0%	7.4%	40.6%	4.9%	100.0%	8.9%	5.1%	85.2%	.9%	100.0%
Kazbegi municipality	Count	194	10	400	0	604	390	10	1118	0	1518
	% within Municipality	32.1%	1.7%	66.2%	0.0%	100.0%	25.7%	.7%	73.6%	0.0%	100.0%
Akhalkalaki municipality	Count	4438	198	5612	211	10459	420	0	658	0	1078
	% within Municipality	42.4%	1.9%	53.7%	2.0%	100.0%	39.0%	0.0%	61.0%	0.0%	100.0%
Borjomi municipality	Count	886	25	831	35	1777	124	0	316	0	440
	% within Municipality	49.9%	1.4%	46.8%	2.0%	100.0%	28.2%	0.0%	71.8%	0.0%	100.0%
Tetritskaro municipality	Count	691	0	512	0	1203	0	0	131	0	131
	% within Municipality	57.4%	0.0%	42.6%	0.0%	100.0%	0.0%	0.0%	100.0%	0.0%	100.0%
Total	Count	13304	1468	13332	890	28994	1546	149	4754	24	6473
	% within Municipality	45.9%	5.1%	46.0%	3.1%	100.0%	23.9%	2.3%	73.4%	.4%	100.0%

TABLE 2.42. Average working hours by employment type and across municipalities.

Municipalities	Indicator	Employed in public sector		Employed in private sector		Self-employed		Employed in family business	
		Working hours per day	Working hours per week	Working hours per day	Working hours per week	Working hours per day	Working hours per week	Working hours per day	Working hours per d week
Keda municipality	*Mean*	*7.32*	*31.66*	*9.68*	*37.78*	*6.35*	*28.00*	*5.91*	
	Std. Deviation	1795	752	673	384	1276	50	183	
	N	3.002	12.419	5.345	13.636	2.775	8.468	1.633	
Khulo municipality	*Mean*	*6.69*	*32.81*	*8.32*	*44.45*	*4.71*	*26.49*	*5.67*	*34.36*
	Std. Deviation	2798	2708	807	630	666	423	99	99
	N	3.190	12.470	4.146	15.326	2.902	17.527	1.939	8.100
Dedoplistskaro municipality	*Mean*	*7.11*	*35.12*	*7.68*	*21.16*	*7.00*	*24.76*	*4.64*	*35.00*
	Std. Deviation	886	530	880	133	2139	600	187	20
	N	3.365	23.123	2.511	20.538	2.846	17.749	2.966	0.000
Lagodekhi municipality	*Mean*	*7.29*	*33.22*	*8.05*	*27.33*	*6.84*	*53.72*	*7.58*	*50.36*
	Std. Deviation	1631	798	2232	87	8281	135	449	276
	N	1.994	16.860	1.904	2.999	2.145	19.724	3.063	24.373
Kazbegi municipality	*Mean*	*7.25*	*37.11*	*7.68*	*46.78*	*4.44*	*3.36*	*2.58*	*4.34*
	Std. Deviation	531	150	548	166	552	49	1203	247
	N	1.649	22.729	2.324	27.536	2.993	2.533	1.475	5.234
Akhalkalaki municipality	*Mean*	*7.11*	*26.28*	*8.26*	*29.61*	*6.44*	*28.06*	*5.07*	*27.93*
	Std. Deviation	2222	938	675	242	9757	449	924	137
	N	3.361	11.191	2.949	15.987	2.287	16.020	1.763	15.491
Borjomi municipality	*Mean*	*7.33*	*42.20*	*8.62*	*40.13*	*6.62*	*36.80*	*4.25*	*19.26*
	Std. Deviation	1924	1295	2120	1653	846	715	158	102
	N	2.036	12.002	2.507	18.207	3.690	21.934	3.031	3.688
Tetritskaro municipality	*Mean*	*7.51*	*32.21*	*8.81*	*49.04*	*7.68*	*29.64*	*6.59*	
	Std. Deviation	1102	467	1075	253	1019	206	80	
	N	2.608	18.512	2.736	42.640	3.149	22.779	2.940	
Total	**Mean**	**7.14**	**33.74**	**8.38**	**39.85**	**6.58**	**30.41**	**4.54**	**28.22**
	Std. Deviation	12888	7638	9008	3549	24535	2626	3284	880
	N	2.841	15.100	2.966	21.229	2.519	20.519	2.712	23.820

TABLE 2.43. Average monthly income for employed in public sector across municipalities.

Industry	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Monthly income from Non-Agricultural activities										
Up to 250 GEL	Count	335	652	269	438	27	687	315	464	3187
	% within Municipality	16.5%	19.8%	30.0%	18.2%	3.9%	28.6%	16.2%	37.1%	21.4%
From 250 to 500 GEL	Count	808	1506	264	767	301	575	1173	320	5714
	% within Municipality	39.9%	45.7%	29.4%	31.8%	43.6%	24.0%	60.2%	25.6%	38.3%
From 500 to 1500 GEL	Count	496	925	224	203	347	839	440	440	3914
	% within Municipality	24.5%	28.0%	24.9%	8.4%	50.2%	35.0%	22.6%	35.2%	26.2%
From 1500 to 3000 GEL	Count	171	131	58	205	16	112	20	0	713
	% within Municipality	8.4%	4.0%	6.5%	8.5%	2.3%	4.7%	1.0%	0.0%	4.8%
From 3000 to 5000 GEL	Count	142	85	47	379	0	83	0	0	736
	% within Municipality	7.0%	2.6%	5.2%	15.7%	0.0%	3.5%	0.0%	0.0%	4.9%
From 5000 to 10 000 GEL	Count	49	0	17	85	0	104	0	0	255
	% within Municipality	2.4%	0.0%	1.9%	3.5%	0.0%	4.3%	0.0%	0.0%	1.7%
From 10 000 to 40 000 GEL	Count	26	0	19	333	0	0	0	0	378
	% within Municipality	1.3%	0.0%	2.1%	13.8%	0.0%	0.0%	0.0%	0.0%	2.5%
40 000 GEL or more	Count	0	0	0	0	0	0	0	25	25
	% within Municipality	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%	.2%
Total	**Count**	2027	3299	898	2410	691	2400	1948	1249	14922
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

TABLE 2.44. **Average monthly income for employed in private sector across municipalities.**

Industry	Indicator	Municipalities								Total
		Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	
Monthly income from Non-Agricultural activities										
I do not have this type of income	Count	624	615	733	1505	638	536	3022	975	8648
	% within Municipality	70.1%	67.7%	65.5%	58.9%	94.1%	62.7%	98.5%	74.4%	76.0%
Up to 250 GEL	Count	154	137	71	238	5	91	0	101	797
	% within Municipality	17.3%	15.1%	6.3%	9.3%	.7%	10.6%	0.0%	7.7%	7.0%
From 250 to 500 GEL	Count	95	157	33	333	35	165	45	42	905
	% within Municipality	10.7%	17.3%	2.9%	13.0%	5.2%	19.3%	1.5%	3.2%	7.9%
From 500 to 1500 GEL	Count	0	0	0	161	0	28	0	0	189
	% within Municipality	0.0%	0.0%	0.0%	6.3%	0.0%	3.3%	0.0%	0.0%	1.7%
From 1500 to 3000 GEL	Count	0	0	83	138	0	35	0	63	319
	% within Municipality	0.0%	0.0%	7.4%	5.4%	0.0%	4.1%	0.0%	4.8%	2.8%
From 3000 to 5000 GEL	Count	0	0	177	85	0	0	0	0	262
	% within Municipality	0.0%	0.0%	15.8%	3.3%	0.0%	0.0%	0.0%	0.0%	2.3%
From 5000 to 10 000 GEL	Count	0	0	22	54	0	0	0	104	180
	% within Municipality	0.0%	0.0%	2.0%	2.1%	0.0%	0.0%	0.0%	7.9%	1.6%
From 10 000 to 40 000 GEL	Count	0	0	0	42	0	0	0	25	67
	% within Municipality	0.0%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	1.9%	.6%
40 000 GEL or more	Count	17	0	0	0	0	0	0	0	17
	% within Municipality	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.1%
Total	**Count**	890	909	1119	2556	678	855	3067	1310	11384
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Monthly income from Non-Agricultural activities										
I do not have this type of income	Count	43	28	645	800	71	126	327	313	2353
	% within Municipality	4.8%	3.1%	60.2%	31.9%	10.7%	14.7%	10.7%	23.9%	20.9%
Up to 250 GEL	Count	283	158	115	465	72	185	496	116	1890
	% within Municipality	31.8%	17.4%	10.7%	18.5%	10.9%	21.6%	16.2%	8.9%	16.8%
From 250 to 500 GEL	Count	306	195	113	586	178	497	969	281	3125
	% within Municipality	34.3%	21.4%	10.5%	23.3%	26.9%	58.1%	31.6%	21.5%	27.7%
From 500 to 1500 GEL	Count	173	396	180	434	283	20	1247	462	3195
	% within Municipality	19.4%	43.5%	16.8%	17.3%	42.7%	2.3%	40.7%	35.3%	28.3%
From 1500 to 3000 GEL	Count	43	81	0	129	58	28	27	73	439
	% within Municipality	4.8%	8.9%	0.0%	5.1%	8.8%	3.3%	.9%	5.6%	3.9%
From 3000 to 5000 GEL	Count	0	52	19	54	0	0	0	19	144
	% within Municipality	0.0%	5.7%	1.8%	2.2%	0.0%	0.0%	0.0%	1.5%	1.3%
From 5000 to 10 000 GEL	Count	43	0	0	0	0	0	0	0	43
	% within Municipality	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	.4%
From 10 000 to 40 000 GEL	Count	0	0	0	42	0	0	0	44	86
	% within Municipality	0.0%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	3.4%	.8%
Total	Count	891	910	1072	2510	662	856	3066	1308	11275
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 2.45. Average monthly income for self-employed across municipalities.

Industry	Indicator	Keda municipality	Khulo municipality	Dedoplistskaro municipality	Lagodekhi municipality	Kazbegi municipality	Akhalkalaki municipality	Borjomi municipality	Tetritskaro municipality	Total
Monthly income from Agricultural activities										
I do not have this type of income	Count	797	365	877	1078	418	998	1395	532	6460
	% within Municipality	45.5%	47.0%	30.3%	12.0%	71.6%	10.0%	75.7%	46.8%	23.1%
Up to 250 GEL	Count	310	288	600	1417	40	4805	292	133	7885
	% within Municipality	17.7%	37.1%	20.7%	15.7%	6.8%	48.1%	15.8%	11.7%	28.2%
From 250 to 500 GEL	Count	264	98	242	1965	70	3232	35	114	6020
	% within Municipality	15.1%	12.6%	8.3%	21.8%	12.0%	32.4%	1.9%	10.0%	21.5%
From 500 to 1500 GEL	Count	165	25	438	1656	56	777	79	195	3391
	% within Municipality	9.4%	3.2%	15.1%	18.4%	9.6%	7.8%	4.3%	17.2%	12.1%
From 1500 to 3000 GEL	Count	95	0	256	314	0	96	42	63	866
	% within Municipality	5.4%	0.0%	8.8%	3.5%	0.0%	1.0%	2.3%	5.5%	3.1%
From 3000 to 5000 GEL	Count	119	0	202	703	0	78	0	100	1202
	% within Municipality	6.8%	0.0%	7.0%	7.8%	0.0%	.8%	0.0%	8.8%	4.3%
From 5000 to 10 000 GEL	Count	0	0	203	1558	0	0	0	0	1761
	% within Municipality	0.0%	0.0%	7.0%	17.3%	0.0%	0.0%	0.0%	0.0%	6.3%
From 10 000 to 40 000 GEL	Count	0	0	81	316	0	0	0	0	397
	% within Municipality	0.0%	0.0%	2.8%	3.5%	0.0%	0.0%	0.0%	0.0%	1.4%
Total	**Count**	1750	776	2899	9007	584	9986	1843	1137	27982
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Monthly income from Non-Agricultural activities										

I do not have this type of income	Count	818	316	2029	7737	153	9313	449	611	21426
	% within Municipality	47.9%	40.8%	68.8%	87.7%	28.4%	91.1%	24.1%	52.0%	76.4%
Up to 250 GEL	Count	271	114	281	459	59	91	76	89	1440
	% within Municipality	15.9%	14.7%	9.5%	5.2%	11.0%	.9%	4.1%	7.6%	5.1%
From 250 to 500 GEL	Count	144	94	169	352	111	456	607	256	2189
	% within Municipality	8.4%	12.1%	5.7%	4.0%	20.6%	4.5%	32.6%	21.8%	7.8%
From 500 to 1500 GEL	Count	245	222	210	221	110	318	581	163	2070
	% within Municipality	14.3%	28.7%	7.1%	2.5%	20.4%	3.1%	31.2%	13.9%	7.4%
From 1500 to 3000 GEL	Count	113	28	115	0	75	41	20	0	392
	% within Municipality	6.6%	3.6%	3.9%	0.0%	13.9%	.4%	1.1%	0.0%	1.4%
From 3000 to 5000 GEL	Count	117	0	69	49	30	0	72	25	362
	% within Municipality	6.9%	0.0%	2.3%	.6%	5.6%	0.0%	3.9%	2.1%	1.3%
From 5000 to 10 000 GEL	Count	0	0	54	0	0	0	30	0	84
	% within Municipality	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	1.6%	0.0%	.3%
From 10 000 to 40 000 GEL	Count	0	0	21	0	0	0	29	31	81
	% within Municipality	0.0%	0.0%	.7%	0.0%	0.0%	0.0%	1.6%	2.6%	.3%
Total	Count	1708	774	2948	8818	538	10219	1864	1175	28044
	% within Municipality	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 3.1. The results of logistic regression estimation: Population's intentions to start a business.

№	Variables	Dependent variable: Population's Intention to Start a Business			
		Coefficients (B)	Standard errors	Significance (p-value)	Exp (B)
1	Respondent_age	.087	.027	.001	1.091
2	Respondent_age_2	-.001	.000	.001	.999
3	female	-.592	.123	.000	.553
4	high_edu	.883	.141	.000	2.418
5	prof_edu	.642	.153	.000	1.900
6	family_size	.038	.037	.304	1.039
7	Dependency_ratio	-.406	.198	.041	.667
8	land_ownership	.880	.164	.000	2.412
9	HH_remittances	.367	.191	.055	1.444
10	HH_TSA	-.389	.132	.003	.678
11	HH_extra_money	1.024	.134	.000	2.783
12	location	-.203	.186	.273	.816
13	Destination_1	-.521	.319	.102	.594
14	Destination_2	-.389	.300	.195	.678
15	Destination_3	.117	.379	.756	1.125
16	Destination_4	-.003	.318	.993	.997
17	Destination_5	-.436	.347	.209	.647
18	Destination_6	-.164	.883	.853	.849
19	Environment_1	.217	.173	.209	1.243
20	Environment_2	-.373	.304	.219	.689
21	Environment_4	.298	.354	.401	1.347
22	Environment_5	.091	.265	.731	1.096
23	Environment_6	.458	.360	.204	1.581
24	Environment_7	.172	.274	.531	1.188
25	Environment_8	-.569	.288	.048	.566
26	Problem_1	-.241	.194	.214	.786
27	Problem_2	-.489	.546	.370	.613
28	Problem_3	-.931	.551	.091	.394
29	Problem_4	-1.467	.650	.024	.231

30	Problem_5	-.544	.150	.000	.580
31	Problem_6	-.647	.213	.002	.523
32	Infrastructure_m	-.061	.168	.716	.941
33	Social_Services_m	-.104	.129	.423	.901
34	Local_conditions_mean	.821	.185	.000	2.274
35	Keda	.428	.366	.242	1.534
36	Khulo	-.594	.350	.090	.552
37	Dedoplistskaro	.874	.263	.001	2.397
38	Lagodekhi	.576	.256	.024	1.779
39	Kazbegi	1.123	.300	.000	3.074
40	Akhalkalaki	-.820	.399	.040	.441
41	Borjomi	.180	.284	.526	1.197
42	Constant	-5.496	1.045	.000	.004
-2 Log likelihood	1901.403				
Cox & Snell R Square	0.160				
Nagelkerke R Square	0.292				
Number of observations	4.740				

Table 3.2. The results of logistic regression estimation: Household's engagement in a non-farm business

№	Variables	Dependent variable: Household's engagement in a non-farm business			
		Coefficients (B)	Standard errors	Significance (p-value)	Exp (B)
1	HH_head_male	.179	.193	.352	1.196
2	HH_head_age	.036	.039	.358	1.036
3	HH_head_age_2	.000	.000	.291	1.000
4	high_edu	.652	.176	.000	1.919
5	prof_edu	.418	.183	.023	1.518
6	family_size	.150	.043	.000	1.162
7	Dependency_ratio	-.219	.230	.341	.803
8	land_ownership	.201	.185	.279	1.222
9	HH_remittances	-.647	.304	.033	.524
10	HH_TSA	-.536	.179	.003	.585
11	location	-.011	.207	.958	.989
12	Destination_1	-.111	.365	.760	.895
13	Destination_2	-.162	.341	.634	.850
14	Destination_3	.189	.453	.677	1.208
15	Destination_4	.556	.354	.116	1.743
16	Destination_5	.397	.425	.350	1.487
17	Destination_6	-.007	1.092	.995	.993
18	Environment_1	.171	.195	.382	1.186
19	Environment_2	-.164	.352	.641	.849
20	Environment_4	.305	.448	.495	1.357
21	Environment_5	-.215	.325	.509	.807
22	Environment_6	.619	.423	.144	1.858
23	Environment_7	.222	.341	.515	1.249
24	Environment_8	.058	.401	.885	1.060
25	Problem_1	.226	.217	.298	1.253
26	Problem_2	-18.557	6269.475	.998	.000
27	Problem_3	.208	.510	.684	1.231
28	Problem_4	-1.114	1.033	.281	.328
29	Problem_5	-.334	.188	.076	.716

30	Problem_6	-.594	.296	.044	.552
31	Infrastructure_m	.871	.213	.000	2.390
32	Social_Services_m	-.244	.157	.120	.784
33	Local_conditions_mean	.236	.233	.313	1.266
34	Keda	.084	.495	.865	1.088
35	Khulo	.202	.466	.664	1.224
36	Dedoplistskaro	1.010	.352	.004	2.747
37	Lagodekhi	-.357	.398	.370	.700
38	Kazbegi	1.192	.383	.002	3.294
39	Akhalkalaki	.793	.390	.042	2.211
40	Borjomi	1.144	.346	.001	3.139
41	Constant	-7.640	1.542	.000	.000
-2 Log likelihood	1388.04				
Cox & Snell R Square	0.061				
Nagelkerke R Square	0.166				
Number of observations	4.740				

Table 3.3. The results of logistic regression estimation: Household's engagement in a farm business

№	Variables	Dependent variable: Household's engagement in a farm business			
		Coefficients (B)	Standard errors	Significance (p-value)	Exp (B)
1	HH_head_male	.564	.149	.000	1.757
2	HH_head_age	-.008	.026	.765	.992
3	HH_head_age_2	.000	.000	.735	1.000
4	high_edu	.184	.140	.190	1.201
5	prof_edu	.255	.146	.081	1.290
6	family_size	.066	.032	.039	1.068
7	Dependency_ratio	-.840	.183	.000	.432
8	land_ownership	2.365	.194	.000	10.639
9	HH_remittances	.380	.169	.025	1.463
10	HH_TSA	-.246	.128	.055	.782
11	location	.695	.195	.000	2.005
12	Destination_1	.166	.325	.610	1.180
13	Destination_2	.423	.312	.175	1.527
14	Destination_3	.330	.438	.452	1.391
15	Destination_4	.338	.344	.326	1.402
16	Destination_5	.867	.351	.014	2.380
17	Destination_6	-1.143	.861	.184	.319
18	Environment_1	.497	.170	.003	1.643
19	Environment_2	.558	.220	.011	1.748
20	Environment_4	.958	.325	.003	2.606
21	Environment_5	-.255	.284	.370	.775
22	Environment_6	-.020	.334	.952	.980
23	Environment_7	.183	.270	.498	1.201
24	Environment_8	.275	.236	.244	1.316
25	Problem_1	.053	.197	.790	1.054
26	Problem_2	.035	.506	.945	1.036
27	Problem_3	-.476	.544	.382	.622

28	Problem_4	.094	.424	.825	1.098
29	Problem_5	-.371	.145	.010	.690
30	Problem_6	-.159	.170	.352	.853
31	Infrastructure_m	.217	.140	.121	1.242
32	Social_Services_m	-.149	.113	.188	.862
33	Local_conditions_mean	.624	.145	.000	1.867
34	Keda	1.105	.366	.002	3.021
35	Khulo	.209	.349	.549	1.233
36	Dedoplistskaro	1.852	.302	.000	6.375
37	Lagodekhi	2.987	.286	.000	19.830
38	Kazbegi	.258	.397	.515	1.294
39	Akhalkalaki	1.712	.311	.000	5.538
40	Borjomi	1.018	.362	.005	2.767
41	Constant	-8.622	1.068	.000	.000
-2 Log likelihood	2152.5				
Cox & Snell R Square	0.267				
Nagelkerke R Square	0.442				
Number of observations	4.740				

Table 3.4. **Factor and reliability analysis results: manager's personal values.**

Factors	Items	Factor loadings	Eigenvalue	Cronbach α
Factor 1: value_1 – values oriented on environment protection and innovation	**E2.7** For this person it is important to care for the environment and the natula resources and to save the resources necessary for life	0.788	3.556	0.773
	E2.8 For this person it is important to have his/her opinion considered when discussing issues at the local level	0.710		
	E2.4 For this person it si important to provide support to the people around him/her. as well as to care for their wellbeing	0.675		
	E2.9 For this person it is important to be open to changes and new ideas	0.673		
	E2.5 For this person it is important to be very successful and for others to recognize his/her achievements	0.578		
	E2.1 For this person it is important to come up with new ideas and be creative	0.427		
Factor 2: value-2 -selfish values	**E2.3** For this person it is important to have a good time and not to deny him/herself anything	0.869	1.653	0.626
	E2.2 For this person it is important to be rich. and have a lot of money and expensive property	0.846		
	E2.6 For this person it is important to have adventures and ris in his/her life; she/he wants to have a thrilling life	0.459		

| Factor 3: value_3 – sociable values | **E2.11** For this person it is important to not pay attention to his/her sex/gender when assessing his/her need | 0.797 | 1.373 | 0.705 |
| | **E2.10** For this person it is important ro ask others for advice even if these people are nto family members or friends | 0.778 | | |

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.733
Bartlett's Test of Sphericity	2340.2 (0.000)

Table 3.5. The results of OLS regression on the performance of non-farm businesses

N	Variables	Dependent variable		
		Productivity	Employment growth	Capital growth
1	2	3	4	5
1	(Constant)	6.603*** (0.536)	-0.114 (0.127)	9.533*** (0.212)
2	edu_2	0.400*** (0.144)	0.365**(0.176)	0.348*** (0.097)
3	gender	-	-	-0.608*** (0.096)
4	youth	-	0.980*** (0.355)	-
5	access_finance	0.294** (0.143)	-	0.464*** (0.093)
6	starting_capital	-	1.329E-05*** (0.000)	-
7	training_manager	-	-	0.526*** (0.137)
8	experience	0.003*** (0.001)	-	-
9	local_environment	0.226** (0.101)	-	0.129** (0.054)
10	working_status_2	-	-0.683*** (0.233)	-
11	value_1	0.419*** (0.119)	-	-
12	value_3	-0.260*** (0.086)	-	-0.094** (0.041)
13	land_owned	-	-4.320E-05** (0.000)	-
14	equip_owned	-	0.017*** (0.006)	0.012** (0.002)
15	realestate_owned	-	0.002*** (0.000)	-
16	transport_owned	0.044*** (0.015)	-	0.030*** (0.010)
17	land_rented	3.620E-05** (0.000)	-	-
18	realestate_ rented	0.006*** (0.002)	0.006** (0.003)	-
19	Lagodekhi municipality	0.981*** (0.256)	-	-
20	Kazbegi municipality	0.680** (0.344)	-	0.648*** (0.177)
21	Borjomi municipality	-0.527** (0.225)	-	-
22	Mining and quarrying	1.298** (0.531)	-	
23	Construction	-	-2.194*** (0.539)	
24	Trade	0.638*** (0.166)		-0.238** (0.097)
25	Repair of vehicles and household goods	-	1.378** (0.632)	-0.887** (0.350)
26	Hospitality	-	1.253*** (0.346)	-
27	Transport	0.956*** (0.233)		-
28	Education	-1.940* (0.996)		-

29	Other community. social and personal services	-	-	-0.765*** (0.255)
30	Food processing/services	-	-1.770** (0.712)	-
R-squared		0.349	0.184	0.382
Adjusted R-squared		0.316	0.168	0.360
Number of observations		779	754	748

Notes Standard errors in parentheses; ***. **. * represent significant at p < 0.01 level. p < 0.05 level. and p < 0.1 level. respectively

Table 3.6. Plans to expand business in next 3 years (Logistic regression).

N	Variables	Dependent variable: Expansion plan			
		B	S.E.	Sig.	Exp(B)
1	gender	-0.632	0.202	0.002	0.531
2	experience	-0.003	0.001	0.042	0.997
3	working_status_3	-0.641	0.237	0.007	0.527
4	value_1	0.693	0.149	0.000	1.999
5	training_manager	1.168	0.314	0.000	3.215
6	strategic_planning	0.482	0.162	0.003	1.619
7	government_support	1.500	0.457	0.001	4.480
8	access_finance	0.453	0.194	0.019	1.573
9	Dedoplistskaro municipality	0.947	0.320	0.003	2.579
10	Lagodekhi municipality	1.618	0.304	0.000	5.041
11	Borjomi municipality	2.650	0.380	0.000	14.159
12	Tetritskaro municipality	1.046	0.345	0.002	2.845
13	Transport	-1.045	0.295	0.000	0.352
14	Constant	-4.065	0.654	0.000	0.017
-2 Log likelihood		664.722			
Cox & Snell R Square		0.245			
Nagelkerke R Square		0.335			
Number of observations		650			