

Economic Policy Promoting Economically Rational Behavior of Start-Up Entrepreneurs in Georgia

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Abstract : Introduction: The pandemic and the current economic crisis have created problems for entrepreneurship and, therefore for start-up entrepreneurs. The paper presents the challenges of start-up entrepreneurs in Georgia in the time of pandemic and the analysis of the state economic policy measures. Despite many problems, the study found that in 54.2% of start-ups surveyed under the pandemic, innovation opportunities were growing. It can be stated that the pandemic was a good opportunity to increase the innovative capacity of the enterprise. 52% of the surveyed start-up entrepreneurs managed to adapt to the current situation and increase the sale of their products/services through remote channels. As for the assessment of state support measures by start-up entrepreneurs, a large number of Georgian start-ups do not assess the measures implemented by the state positively. Methodology: The research process uses methods of analysis and synthesis, quantitative and qualitative, interview/survey, grouping, relative and average values, graphing, comparison, data analysis, and others. Main Findings: Studies have shown that for the start-up entrepreneurs, the main problem remains: inaccessible funding, workers' qualifications gap, inflation, taxes, regulation, political instability, inadequate provision of infrastructure, amount of taxes, and other factors. Conclusions: The state should take the following measures to support business start-ups: create an attractive environment for investment, availability of soft loans, creation of an insurance system, infrastructure development, increase the effectiveness of tax policy (simplicity of the tax system, clarity, optimal tax level); promote export growth (develop strategy for opening up international markets, build up a broad marketing network, etc.).

Keywords : start-up entrepreneurs, startups, start-up entrepreneurs support programs, start-up entrepreneurs support economic policy

Conference Title : ICEBI 2021 : International Conference on Economics and Business Innovation

Conference Location : Athens, Greece

Conference Dates : October 21-22, 2021