



**“Assessment of current stance and identification of main barriers for the startup ecosystem in Georgia”**

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## Abstract

Start-up is a key driver in order to sustain economic development of any country. Maas and Herrington (2006) suggested that if the government wants to sustain economic growth that will create wealth for all, start-ups should be increased in the meantime. Besides, the greater interest and active startup ecosystem, there still is a big gap in informational resources, statistical data and researches in this direction. These circumstances indicate relevance of our topic.

The purpose of this study is to assess the current stance of a startup ecosystem, identify the main conducive and constraining factors and hinders for startup development in Georgia. Final results and comparative analyzes were made based on processing different academic materials, has been considered EU county's experience and was compared to obtained results of interviews (with participants of Georgian startup ecosystem)

For the purpose of this study, we define a startup as follows: a newly founded business, which is 3 years old for most. It may present modification and/or added value to an existing product or a service, or present an innovative product/service. Furthermore, Startup Company solves a particular problem on the market, as it grows rapidly and brings changes.

In order to collect the data and answer our research questions, qualitative approach was chosen. It gave us an opportunity to receive more complex answers from our respondents. Within the scope of the study, semi structure interviews were conducted with startup companies and supportive organizations.

For identification, regarding to the Georgia's position on the global marketplace, we have analyzed several indices as Doing Business, GCI, GII, GEI. For the internal research of startup ecosystem funding sources, supporting platforms and organizations were discussed.

To summarize our major findings: accessible venture capital, education and informational accessibility, entrepreneurial thinking, cultural barriers and labor market were main challenges for and Georgia and EU countries. Besides listed barriers, Georgian startups have lack of support in business services and in specialized training courses that were underlined as a hinder factor for startup development.

key words: startup, Georgian startup ecosystem, barriers, venture capital, Georgian Governmental programs, Georgian startup barriers, education