



# PRESS RELEASE

## **Unleashing Entrepreneurship: Partnership to reduce poverty**

**Tbilisi, October 27, 2004** – Stronger public and private partnerships can help people climb out of poverty and accelerate progress, according to participants from business, civil society, international organisations and government at a meeting in UN House on October 22 in Tbilisi. The initiative was triggered by the report “Unleashing Entrepreneurship: Making Business Work for the Poor,” published in March this year by the Commission on the Private Sector and Development.

One of the goals of the discussion was to consider concrete steps for tailoring the findings and recommendations of the report to Georgia. The report presents a series of recommendations for public, public-private and private spheres.

The report stresses the need to build a true development coalition in which all the actors play mutually supportive roles — governments, public development agencies, the private sector, civil society organizations and labour unions. The report outlines the mutual benefit of developing the private sector with a special focus on helping the poorest population, as entrepreneurs and clients, by creating a positive cycle of growth.

The report calls for countries to ease business regulations, reform economic policies and strengthen the rule of law. It also urges multinational enterprises to help foster small business in developing countries by mentoring entrepreneurs, sourcing goods and services locally, and forging business linkages and partnerships.

The meeting, facilitated by the United Nations Development Programme (UNDP) and chaired by Mr. Kalman Mizsei, the Assistant Secretary General, Director of UNDP Regional Bureau for Europe and CIS Countries, focused on the role of the public and private sectors in economic development and poverty reduction, the importance of proactive dialogue amongst government, private sector and donors to unleash potential business undertakings.

In the present business environment, in Georgia, small and medium enterprises are not developing to their full potential. For example, only 15 percent of the industrial output is produced by small and medium enterprises whereas in the most developed countries the share of such firms is 50-60 per cent. Unfavorable legislation and lack of supporting mechanisms are the major problems that hinder the development of the small and medium enterprises in Georgia.

Other areas of actions identified by the participants of the meeting where formalisation of the informal sector of the economy and promotion of exports.

Participants were unanimous in the need for a strong dialogue between government, private sector and international organisations as a necessary basis for a strong and stable economic growth.

*For more information, please contact Ketiv Ghioshvili, [keti.ghioshvili@undp.org](mailto:keti.ghioshvili@undp.org), +995 32 25 11 26/28/31*