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Economy and Commerce of the State of Georgia, USA

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Dále chci poděkovat všem přátelům a známým nejen v České republice za zapůjčenou a darovanou literaturu, bez které by se má bakalářská práce neobešla.

Anotace

Tato bakalářská práce je věnována analýze hospodářství a obchodu amerického státu Georgie a zároveň skýtá zajímavý pohled do historie, způsobu života a mentality tamějšího obyvatelstva. Její první část pojednává o struktuře obyvatelstva. Řeší zejména otázky jako je skladba obyvatelstva včetně pohledu do historie, či problematika imigrantů z jiných zemí, přičemž nabízí srovnání v tomto ohledu s Českou republikou. Dále jsou v této části práce, kromě kapitoly věnované náboženství, zmíněny nejvýznamnější historické a přírodní památky a turistické body státu Georgie a nastínění historických souvislostí majících vliv na současnou politickou či ekonomickou situaci státu. Další navazující částí této bakalářské práce je ekonomická analýza, zaměřená kromě rozboru a srovnání životní úrovně obyvatelstva s ČR rovněž na průmysl a obchod amerického státu Georgie s důrazem na vzájemné srovnání americké společnosti Coca-Cola a švýcarského gigantu Nestlé v otázce velikosti, délky působení, obratu, marketingových strategií, výše investic do reklamy a celkové úspěšnosti. Poslední část práce pojednává o školském systému státu Georgie a porovnává jej s úrovní školství v ČR.

Abstract

This bachelor thesis presents an analysis of the economy and commerce of the American state of Georgia and it also provides an interesting view of the history, way of life and mentality of its inhabitants. Its introductory part deals with the topic of population structure including its historical development. Also, it discusses such questions as immigration into Georgia and it provides a comparison with the Czech Republic. This part of the thesis also describes, besides a chapter devoted to religion, the most important sights of historical and touristic interest of Georgia and it outlines the historical links which influenced its current political or economic situation. Next part of the thesis is an economic analysis focused on the living standard of Georgia's inhabitants in comparison with the Czech Republic, and also on the industry and commerce of Georgia with the emphasis on a mutual comparison between Coca-Cola - one of Georgia's biggest companies, and Nestlé - a Swiss food giant, considered their size, duration of activity, turnover, marketing policy, amount annually invested in advertising and their general successfulness. The final part speaks about the school system of the state of Georgia and it provides a brief comparison between the American and the Czech school system.

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Introduction

The main reason why I decided to choose this topic for my bachelor thesis was because I find getting to know foreign countries very interesting and I enjoy learning of new things about their history, culture, economy, traditions and inhabitants in general.

About nine years ago, I was so fortunate to spend some time in the state of Georgia, USA. I attended a local high school, stayed with an American family and had the chance to watch their everyday life – both their joy and commitments. I have been coming back to visit almost every year and, as all my American friends began to work and to manage an own household, I have become even more interested in the American economy. And, even though the economy may vary from one state to another, I enjoy generalizing it and comparing it with the economy level of the Czech Republic or of other countries. Later, after I graduated from a Gymnasium in the Czech Republic, I spent one year working in Germany. These experiences made me think hard not only about the situation in our country, but also about all foreign countries I have visited. It is immensely interesting to observe how historical, population and economic development of a country influences its way of action and thinking.

In my bachelor thesis, I am going to focus on the American state of Georgia and I am going to make a comparison in many aspects between this state and the Czech Republic.

After a short introduction of the American state of Georgia, I am going to analyze its population structure including the historic facts and then I am going to focus on the immigration and prejudice, which play an important role in the politics and therefore in the economics of the

state, and make a comparison to the Czech Republic. Next, I am going to outline the historical development of the state of Georgia including the influence of other southern states, also mentioning Georgia's most interesting sights of historical and touristic interest, and then generally analyze local religion.

Further, which is going to be the principal part of this thesis, I am going to compare the living standard of local inhabitants to our country and also provide an analysis of the economy, industry and commerce of Georgia with the emphasis on a comparison between Coca-Cola – one of Georgia's biggest companies, and Nestlé – a Swiss food giant, considered their size, duration of activity, turnover, amount invested in advertising, marketing policy and their general successfulness.

Another topic which I am going to deal with and which I had the opportunity to discover personally during my studies is the school system of the state of Georgia. I am briefly going to analyze the structure and system of high schools and universities and I am going to make a comparison between the American and the Czech school system.

1. Georgia – Empire State of the South

Georgia is one of southern states of the United States of America. Its neighboring states are Alabama, Tennessee, North Carolina, South Carolina, and Florida. Georgia is one of the fastest-growing states in the nation, with its population increasing from 8,186,453 in 2000 to an estimated 10 million people in 2007 – Georgia's population has been ranked as 9th highest of the United States.

Georgia is geographically the largest state east of the Mississippi River - with its area of 154,077 km² is Georgia 24th largest state of the United States. The climate of Georgia is primarily humid and subtropical tempered by occasional polar air masses in the winter. The entire area of Georgia except the highest mountains experiences hot and humid summers.

The capital and largest city is Atlanta located in the north central part of Georgia, and the *peach*¹ is a symbol of the state – Georgia is also known as the *Peach State*. Other well-known cities are e.g. Savannah or Athens. The median income in Georgia per year is about \$43,200. Inhabitants of Georgia are proud of the history of their state and its fine products - that is why they sometimes call Georgia the *"Empire State of the South"*.

¹ Peaches have been always grown in Georgia as one of the most important agricultural outputs

2. Population Structure

There is a great diversity in the ethnic makeup of Georgia. Most Americans take pride in the great variety found in the population. It is very important to say that the United States of America are a nation of immigrants. Also, an average American moves at least three times in his life - about 42 million Americans change their residences every year. Some people move due to changing jobs or going off to college.

Today, whites comprise about 67% of Georgia's population and *African Americans*² represent 31%. American Indians or Alaskan Natives form about 1%, Asian and Pacific Islanders 3%. An important share comprises the *foreign-born* population. Most foreign-born residents of Georgia are Hispanics and Asian/Pacific Islanders. However, the largest foreign-born population from a single country in U.S. history comes from Mexico - over 100,000 ³ of today's foreign-born residents of Georgia are Mexicans.

Spanish-speaking inhabitants form the second largest ethnic minority in Georgia. The Hispanic population is younger than the national average, and its birthrate is higher. It is the most rapidly growing minority group in the state. It is necessary to add that racism and prejudice are still serious problems in Georgia and in the whole United States.

² African Americans are black Americans - descendents of Africans brought to the United States of America by force and sold into slavery

³ The exact number of Mexican immigrants living in Georgia is not known since a lot of immigrants come to the state illegally having escaped cross the border but an approximate number of Mexicans living in the United States is about 13 million.

2.1 History of the Population

Between 19th and 21st century, over 70 million immigrants came to the United States - this was the largest migration the human race had known. The main circumstances which made the immigrants come to the USA were religious persecution, political oppression and economic hardship.

As early as in the 15th century, Europeans began to import slaves from the African continent. Then, after America was discovered, the demand for cheap labor increased the slave trade.

In 1860, when the American civil war began, there were about 4.5 million blacks - nowadays called African Americans - in the United States. Most of them were slaves and lived in the South where they worked in cotton, tobacco and sugar-cane fields. Migration of other races into Georgia after 1970 reduced the black proportion of the population. In the first half of the 20th century, economic opportunity also attracted African Americans from southern farms of Georgia to northern cities. Today, African-Americans remain the most populous race in many counties in middle, east-central, southwestern, and low-country Georgia, as well as in the city of Atlanta and its main southern suburbs.

In the early years of the 20th century, large numbers of Asian, esp. Chinese, Japanese and Filipino came to Georgia, while a lot of Latin American immigrants came in the later years.

2.2 The Black South

African Americans have a long history in the South, which stems back in the early settlements in the region. At the beginning of the 17th century, black slaves were purchased from slave traders who brought them from Africa or, less often, from the Caribbean to work on plantations. Most slaves arrived in the period between the years 1700-1750.

Slavery ended with the South's defeat in the American Civil War. During the Reconstruction⁴ period that followed, African Americans saw major progress in the civil rights and political power in the South. After 1890, the Deep South disfranchised nearly all African Americans. The leading white demagogue was Senator Ben Tillman of South Carolina, who proudly proclaimed in 1900: "We have done our level best to prevent blacks from voting...we have scratched our heads to find out how we could eliminate the last one of them. We stuffed ballot boxes. We shot them. We are not ashamed of it." ⁵

African Americans were given separate schools in which all of the students, teachers and administration members were black. They drank from different water fountains, used different public bathrooms or were buried in different cemeteries. Most hotels and restaurants served only whites. Movie theaters had separate seating for blacks and whites, railroads had separate cars and buses were divided forward and rear - blacks were forced to sit in the back of the bus, even when there were plenty of seats in the front. Neighborhoods were segregated as

⁴After the Civil War, the country found itself under Reconstruction with military troops in direct political control of the South; 13th Amendment of the US Constitution outlawed slavery; 14th Amendment granted full U.S. citizenship to the African Americans; 15th Amendment extended the right to vote to black males.

⁵W. F. Cash, *The Mind of the South*, Random House, Inc., 1968

well. Blacks were not asked to serve on juries, and they were not allowed to vote in the Democratic primary elections which usually decided the election outcome.

2.3 Living Together in Georgia

After all the years of living together, the inhabitants of the South have got used to sharing their territory with foreigners who sometimes can not even speak their language.

Mexicans mostly live in separate communities, work on constructions or open a small Mexican restaurant. For Americans seeking a dining adventure, ethnic dining is the answer. The most spread of the ethnic cuisines in Georgia are probably Mexican, Italian and Chinese. Mexican restaurants are usually quite inexpensive, serve unusual food and are very popular among the native inhabitants of Georgia. Descendants of the Mexicans born in Georgia attend local schools and speak fluent English.

About 90.1% of Georgia residents age 5 and older speak only English at home and 5.6% speak Spanish. At restaurants, hotels or in grocery stores, signs are both in English and Spanish – so are fly sheets that are enclosed to products. For this large Spanish – speaking population, Georgia now has Spanish radio and TV stations as well as Spanish newspapers, magazines and directions in many places. At Georgia's schools, Spanish is the most common foreign language to learn.

3. Historical & Touristic Overview of Georgia

3.1 History of the State

During the European exploration of the area, Spanish explorers visited the inland region of Georgia. In about 1670, the English founded the colony Carolina – nowadays South Carolina and thus began the conflict between Spain and England over control of Georgia. After many years of fighting, the Carolinians and allied Indians destroyed the Spanish mission system and so was Spanish control after 1704 driven off to Florida.

The coast of Georgia remained occupied by now British-allied Indians who waged a war which depopulated the region. This opened up a possibility of a new British colony. Georgia became a royal colony called in honor of King George II. Province of Georgia with a governor appointed by the British king - it was the last of the Thirteen Colonies to be established as a colony.

By signing the Declaration of Independence in 1776, Georgia as one of the thirteen colonies revolted against British rule in the American Revolution. Despite a large number of people loyal to the king, a war followed and after ratifying the United States Constitution on January 2, 1788, Georgia became the fourth state of the United States of America.

In 1777, Georgia established its first state constitution and it kept establishing new constitutions for a total of 10 – more constitutions than any other state of the United States. After joining the Confederacy on January 18, 1861, Georgia became a major theater of the American Civil War. After the Reconstruction period, on July 15, 1870, Georgia became the last former Confederate state to

be readmitted to the Union. In 1868, Atlanta became the *fifth capital* ⁶ in the history of the state.

About half of Georgia's population was composed of African-Americans who were, prior to the Civil War, entirely enslaved. By the 1900s, almost all African-Americans had been sufficiently removed as a political entity, and would remain so for 50 years to come.

3.2 Religion

Religion has always played an important role in life of Georgia's inhabitants. Just to imagine, 90% of them allege they believe in God, and 80% that they believe in life after death. It is important to point out that the South has a high concentration of Christian adherents – more than any other region of the United States. This results in the reference to parts of the South, including Georgia, as the "*Bible Belt*". Christianity has always been the dominant faith of Georgia's population.

Today, 86% of its inhabitants are *Christian*⁷ but in view of the fact that Georgia provides home for many immigrants, the religious diversity is quite wide. Southern parts of the state Georgia have Mexican-American Catholic majorities and there are also significant Jewish and Islamic communities in Atlanta or in Louisville⁸. Also, Buddhism and Hinduism have been brought to the region by the immigrants from Southeast and South Asia.

Religious institutions play an important role in the social and spiritual life of Georgia. Churchgoing is an

⁶ Georgia has had five official state capitals: colonial Savannah, which later alternated with Augusta; then for a decade Louisville, and from 1806 through the American Civil War Milledgeville

⁷ Approximately 59% of the Christians are evangelical or fundamentalist Protestants, esp. Baptists, Methodists or Presbyterians, and 27% are Catholic

⁸ Louisville is a city situated south-eastward of Atlanta; see map of Georgia in the *Appendix Number 1*.

essential part of the Christian life - the southern Protestants are satisfied with their churches and they support them accordingly with their time and *money*⁹. Interesting also is that the African-Americans of Georgia attend church in greater numbers than any other race; so do older people, married people with children and middle-income inhabitants of Georgia.

3.3 Sights of Historical and Touristic Interest

3.3.1 Battlefields

Since Georgia was the main and the most important area of the Civil War, there are many historical battlefields worth visiting.

The first and largest memorial Civil War battlefield in the United States is found in Georgia and is called *Chickamauga*. It represents the site of one of the Confederacy's most decisive victories and one of the bloodiest battles of the Civil War. Another, one of the best-preserved Civil War battlefields is *Pickett's Mill* Battlefield State Historic Site or *Kennesaw Mountain* National Battlefield Park which exists since 1917 and reminds its visitors of some of the heaviest fighting of the Atlanta Campaign in June, 1864.

⁹ Most of church-attendees pay so called tithes - one tenth of their annual income - to their church

3.3.2 Historic Sites and Museums

Place of one of the most notorious Civil War prisons is called *Andersonville National Historic Site*. Between February 1864 and May 1865, over 45,000 Union soldiers were prisoned here and almost 14,000 soldiers are buried at the site which was therefore proclaimed a national cemetery. There are stone pillars marking the corners and gate of the wooden stockade which has been ruined and nine northern states have dedicated monuments to the soldiers confined there. This place has become a memorial to all American prisoners of war.

Worth visiting is also the National Civil War *Naval Museum at Port Columbus* which demonstrates Georgia's importance in weapons-making for the Confederacy.

3.3.3 Nature Wonders, State Parks and Islands

Worth mentioning are definitely the biggest waterfalls in Georgia with a drop of about 219 meters - the *Amicalola Falls*, named by Cherokee Indians for "tumbling waters". This one of Georgia's most popular state parks includes an overlook at the top of the falls.

The *Okefenokee Swamp*, which covers over one thousand square kilometers, spreads over four counties. In the language of the Indians the name of this swamp means "land of trembling earth" since it marshes to narrow water channels and even small islands of a large range of flora and fauna. Another nature state park is more than a 30 meters deep *Providence Canyon*, sometimes called "Georgia's Little Grand Canyon". This place is a unique natural wonder of Georgia - it was formed by relatively recent erosion from human activity over the past 150 years.

One of Georgia's well-known natural wonders is the *Stone Mountain*, a 195 meters high and more than 3 kilometers long granite rock with a Confederate memorial on its northeastern wall of which the construction took over 50 years and which has been proclaimed an ancient architectural masterpiece.

Its healing waters have brought to popularity the *Warm Springs* National Park. It is a place of a year round temperature of 31 degrees of Celsius to which Native Americans used to bring their wounded warriors.

For its pleasant and warm climate, Georgia and its contiguous *islands* located on its east coast have become a favorite vacation destination for a large number of Americans and foreigners as well. Georgia's fourth largest island, situated about sixty miles southern of Savannah, is called *Sapelo Island*, and, well-defined, it is a chain of barrier islands entirely owned and managed by state. Another island worth mentioning is *St. Simon's Island* - place of summer residences of Georgia's upper class, Little Cumberland Island or Sea Island.

Finally, one of the most interesting sights of historical and touristic interest is *Savannah* - a beautiful city found on the east coast of Georgia which played an important role in the American Civil War. In December 1864, a large part of Georgia's area stretching between Atlanta and Savannah was destroyed during so called *March to the Sea*. This historic fact served as a historical background for the famous novel *Gone with the Wind* which became part of Georgia's cultural heritage. Its story took place mainly in Savannah - today a popular touristic target for its beautiful original, old Southern houses.

4. Economy of the American State of Georgia

4.1 Basic Principles & Government's Role

Since the United States of America is a capitalistic country, they have what is usually described as a capitalistic economy. In this kind of economy, businesses are privately owned and operated and the government's role in the American business is limited. Even such essential needs as health care, transportation or communications are provided by private companies. The main function of the government is to protect different parts of the economy – big and small businesses, workers, and consumers from abuse – the government seeks to promote the public safety, assures reasonable competition and provides a range of public services including the administration of justice, education – although there are many private schools, the postal service, the road system and national defense.

American capitalism has proved to be one of the most productive economic systems in history – most Americans think of capitalism as a system that benefits millions, not just a few. In such system, people try to produce better goods and services because they receive financial rewards. With few exceptions, no outside power orders entrepreneurs how much to charge for goods and services, and people are free to decide how they will earn and spend their income.

4.2 Historic Facts of Georgia's Economy

Generally considered, the amount of available workers helps determine the health of the economy. The state of Georgia has been fortunate in having enough people to provide the labor necessary for a constantly expanding economy. Until the period after World War I, most of these workers were either immigrants who came to America from Europe or rather their descendants, or African Americans whose forebears were brought to the American continent as slaves. When too many laborers arrived to be absorbed on the East Coast of Georgia, they could usually move on to the inland to work on farms and be productively absorbed in that part of the economy.

Georgia's land was fertile and so the state had many farm products. The chief product was cotton but the farmers also grew tobacco, cotton, peaches and pecans. Factories made cotton goods, clothing, and food products. Georgia's forests were also very important - they provided lumber, turpentine, and wood for paper.

Although the state has sometimes experienced periods of acute unemployment or the reverse, labor shortages, on the whole, immigrants came when work was plentiful. Georgia's economy usually grew fast enough to absorb the newcomers, provided they were willing to work productively at slightly less than the wage rates paid to local native workers. Overall, immigrants prospered, earning more than they would have in their native countries, and the economy of the state prospered as well. Although capitalism made most inhabitants of Georgia prosperous, not all of them benefited. Factory automation which came later caused many semiskilled workers who were earning good wages in manufacturing industries to lose their jobs.

At the end of the twentieth century, several multinational treaties expanded the idea of competition to so called *free global economy* – this meant that businesses in different countries could export their goods to the United States or other countries without paying tariffs¹⁰. A free global economy was good for the consumer who could thus purchase cheaper products from countries where the manufacturing costs are lower than in the United States. However, this made many Georgia's manufactures, tradesmen and smallholders suffer from lack of purchasers.

4.3 Present Image of the Economy

The South has changed dramatically in the last two generations. After two centuries in which the main economic engine of Georgia was agriculture, the state has in recent decades seen an expansion in its service economy, financial sector, manufacturing base and high technology industries.

The population and the labor force of Georgia have moved dramatically from farms to cities, from fields to factories and, above all, to service industries. In today's economy, the providers of personal and public services far outnumber producers of agricultural and manufactured goods. Statistics also reveal a rather surprising shift away from self-employment to working for others. Tourism also makes an important contribution to the economy of the state.

¹⁰ Taxes imposed upon imports in order to favor the goods of the importing country

4.3.1 Industry & Agriculture

Agriculture has had a long tradition in Georgia's economy. The main outputs are poultry and eggs, cattle, hogs, dairy products, pecans, peaches, peanuts, rye, turf grass, and vegetables.

Also, industry in Georgia has gone through many changes. The industrial outputs are textiles and apparel, food processing, paper and chemical products, transportation and electric equipment. The mineral and timber industry with their major products – a variety of pines, clays, stones and sands represent an important branch. The textile industry is located around the cities *Columbus, Augusta, Rome, and Macon*¹¹.

4.3.2 Growing Economy of Atlanta

The capital Atlanta has been the place of enormous growth in service, communications industries, and real estate, and it has a very large effect on the state of Georgia and the Southeastern part of the United States. It has been an important growing addition to industry, transportation, communications, tourism, and government. It took Atlanta 123 years to reach a population of one million – and only twenty years to double it. The Atlanta Regional Commission, in a forecast recently revised because of the area's spectacular growth, is now predicting a population of about 4 million people for Atlanta by 2010.

Atlanta has always played an important role in Georgia's economy. In the late 80s, it was one of the first urban areas to get cellular telephone service, or, of the nation's 25 biggest banks, two were headquartered in

¹¹ See map of Georgia which in the *Appendix Number 1*.

Atlanta - that gave the city more big banks than any city outside New York. In 1988, Atlanta became the first city of the United States with an integrated services digital network (ISDN) that was available to telephone subscribers. Today, Atlanta is a center of transportation, communications, tourism, government and industry. The most important industries there include automobile and aircraft manufacturing, food and chemical processing, printing or publishing. There are seats of many large corporations there.

4.4 Living Standard

Money is valued both as a symbol of success and also for a more obvious reason - its purchasing power. Many items that did not even exist fifty years ago are now considered necessities in the American home. Also, advertising encourages people to keep buying things far beyond what they need - therefore they must work hard to earn enough money to buy and maintain the many possessions they consider necessities.

Americans are very flexible - employees change jobs and even careers as opportunities change. However, Americans are also very generous and very willing to donate money to good causes. The American character includes a strong sense of obligation to help those in need.

4.4.1 Economic Facts

Today's capitalism benefits most workers as well as business owners but still, about 12% of Georgia's inhabitants have earnings below the *poverty line*¹² established by the American government. Regardless this fact, if Georgia were a stand-alone country, it would be the 18th largest economy of the world – its total gross state product in 2006 was \$364 billion¹³ and its *per capita*¹⁴ median personal income put Georgia 10th in the nation at \$43,217.

Georgia's personal income tax ranges from 1% to 6% and there is a 4% state sales tax, which is not applied to prescription drugs, certain medical devices and medical groceries. However, the city of Atlanta has the only city sales tax of 8.25% for the sake of fixing its aging sewers among other things; local taxes are almost always charged on groceries but never prescriptions. All taxes are collected by the state of Georgia and then properly distributed to the counties¹⁵, according to any agreement which each county has with its cities.

¹² Exact data are situated in the chapter 4.4.2 – Economic Comparison

¹³ A *billion* is an American expression for a numeral unit which in Europe and most other countries equals to one *milliard*

¹⁴ The expression "per capita" is from Latin and means "on one head"; in this case it determines a median personal income of one individual

¹⁵ The state of Georgia is divided into 159 counties–state districts of various names; for a map of Georgia's counties see *Appendix Number 2*.

4.4.1.1 Economic Situation of Georgia's African Americans

Even though the state of Georgia appears in a matter of its average personal income on the tenth position on the scale of American states, poverty continues to be a significant problem for Georgia's African Americans who remain far behind white Americans in employment and income levels.

The unemployment rate for blacks, about 8%, is about twice that of whites. The median household income of Georgia's African Americans is about \$28,000, compared to about \$44,000 for non-Hispanic white Georgians. In Georgia, about 26% of African Americans are poor, compared to 11% of the state's white inhabitants.

This high poverty rate is largely because many African Americans do not have skills that are needed for better-paid job positions. Recently, the African Americans of Georgia have been thus trying to improve their financial position by going into professions or starting their own business. In Georgia, there are nowadays more than 40,000 companies owned by an African American and blacks are more numerous in the professions than ever in the history – as teachers, doctors, lawyers, judges, or ministers.

4.4.1.2 Retirement & Protection for the Working Inhabitants

Most of workers in Georgia protect themselves and their families against sudden stoppage of income. If workers lose their jobs through no fault of their own, they may be eligible for *unemployment compensation*¹⁶ until they find another job or until their benefit period expires.

¹⁶ Temporary payments from the government

Another way in which workers can protect their paychecks is by purchasing insurance that guarantees the family of the affected worker a regular income in case the breadwinner can not continue working owing to injury, illness, or death. The most spread and the most common kind of financial protection of wages is a federal program called *Social Security* which protects workers and their families against income loss because of retirement, illness, or death.

Approximately each one out of six inhabitants of Georgia receives Social Security pension, disability, medical, child or survivor's benefits. Most of the workers - employees and self-employed people as well - are required to participate in this program. Self-employed individuals pay contributions quarterly and employees' contributions are deducted from their paychecks each payday. Most workers contribute about 7.65% of their wages and their employer contributes an equal amount.

The American government keeps a record of each worker's contributory account under the person's *Social Security number*. A worker must contribute to the federal fund for a certain length of time in order to be eligible for Social Security benefits. The amount of money which the worker receives depends on the individual's average earnings during his or her working years. However, those workers whose wages were lifelong very low obtain benefits proportionally greater in relation to their contributions than do those with higher lifetime earnings.

The average monthly Social Security check in Georgia is about \$830. In the state of Georgia, regular retirement age has for many years been 65 but since 1983, workers may choose to retire from age 65 to age 67. Generally, workers can retire a few years earlier than the regular retirement

age, but then the amount of their monthly benefits is smaller.

4.4.2 Economic Comparison¹⁷

Although certain economic facts of the state of Georgia and of the Czech Republic, such as total gross state product or median personal income, are quite impossible to be compared with each other, some other facts, such as unemployment rate, show the main differences between these two units which are largely influenced by the mentality, economical attitude, and habits of the unit's¹⁸ inhabitants, and are only fractionally given by the historic development or given situation of the unit's economy.

Compared Economic Facts	Georgia	Czech Republic
Poverty line established by the government (in \$ / year, family of 4 members)	18 810	7 145
Number of people living below or on the poverty line (in %)	12%	6,7%
Annual median personal income (<i>per capita</i> , in \$)	43 217	10 800
Unemployment rate (in 2006, in %)	6%	7,5%
Average monthly Social Security payment (in \$)	830	386
Total gross state product (in 2006, in billions \$)	364	124
World position of the unit's economy (including the US states)	28	77

¹⁷ See graph in the *Appendix Number 3*.

¹⁸ The state of Georgia and the Czech Republic are hereafter also called "units"

4.5 Company Analysis

4.5.1 The Coca-Cola Company

There are few American success stories that can rival 102 years of extraordinary success for The Coca-Cola Company. Its familiar trademark and products are asked for in more than 200 countries around the world.

4.5.1.1 History of the Company

Coca-Cola was created in Atlanta, Georgia on May 8, 1884. Pharmacist Dr. John Styth Pemberton first produced the Coca-Cola syrup in a brass pot in his backyard. He took a sample to Jacob's Pharmacy in Atlanta where he introduced Coca-Cola to patrons of the soda fountain. The product was placed on sale for five cents as a soda fountain drink. Whether by design or by accident, carbonated water was mixed with the syrup to produce a drink that was "delicious and refreshing".

Believing that two "C"s would look good in advertising, Pemberton's partner and bookkeeper, Frank M. Robinson, suggested the name Coca-Cola – also because it included the coca leaves from South Africa and was flavored using kola nuts, a source of caffeine. Sales averaged nine drinks per day for the first year, a small beginning for a company that now has sales exceeding 1.6 billion gallons¹⁹ per year.

After selling portions of the business, Pemberton sold his remaining interest in Coca-Cola just before his death in 1888 to Asa G. Candler, an Atlanta entrepreneur. By 1891 Candler became the sole owner of the company for a sum of \$2,300. By 1892, due to Candler's flair for

¹⁹ *Gallon* is an American capacity unit which corresponds to 3.785 liters

merchandising, sales of Coca-Cola syrup had increased tenfold. Candler incorporated The Coca-Cola Company with his brother, attorney John S. Candler, Frank Robinson, and two other businessmen. The firm began with capital stock of \$100,000.

The Coca-Cola trademark was registered with the U.S. Patent Office on January 31, 1893. That year stockholders received a dividend of \$20 per share. Candler began an advertising campaign and continued marketing efforts, such as distributing thousands of coupons for a free glass of Coca-Cola. Novelties produced as promotions through the years became collector's items, echoing the timeless popularity of Coca-Cola.

By 1895 The Coca-Cola Company was proud to proclaim that Coca-Cola was drunk in every state and territory of the United States.

In 1919, The Coca-Cola Company was sold to an Atlanta banker, Ernest Woodruff, and some other investors for \$25 million. That same year common stock sold publicly for \$40 per share. In 1923 Woodruff was elected president of the company, beginning more than six decades of leadership. Woodruff wanted to emphasize Coca-Cola's quality, sending trained servicemen to assist fountain outlets in aggressively selling the product.

Woodruff's administration initiated many revolutionary merchandising campaigns. For instance, the company created a distinctive trademark glass and distributed these to soda fountains nationwide. Soda fountain operators dispensed Coca-Cola manually until the Chicago World's fair of 1933, when the company introduced automatic fountain dispensers that mixed the syrup and carbonated water as a drink was poured.

Under Robert Woodruff's leadership The Coca-Cola Company expanded to every part of the world. Over the next

decades the drink refreshed people in Canada, England, Cuba, Puerto Rico, and France. Bottling operations were established in Cuba, Panama, Puerto Rico, the Philippines, Guam, and France. A foreign department was established in 1926, overseeing additional bottling operations in such countries as Belgium, Italy, Mexico, China, Holland, and Spain. This department became a subsidiary, The Coca-Cola Export Corporation, in 1930.

During the World War II, The Coca-Cola Company supported the soldiers by the offer "that every man in uniform gets a bottle of Coca-Cola for five cents wherever he is and whatever it costs the company"²⁰. During the war, the difficulty of shipping Coca-Cola concentrate to Germany and its occupied states led to the creation of a new drink by a Coca-Cola employee, Fanta.

In this period of time, Coca-Cola was introduced to many other areas of the world – at war's end the company experienced immense growth of demand and operations. Bottling operations were established in 14 additional countries in Latin America and from 1945 to 1960, the number of countries with bottling operations doubled. From the small beginnings in an Atlanta pharmacy, The Coca-Cola Company left a great heritage in its first century of business.

4.5.1.2 Marketing Strategies

The Coca-Cola Company has been known for its interesting and frequently changing advertising campaigns which have got to a cognizance of most people around the world. Pemberton himself ran the first advertisement for the beverage on May 29, 1887 in the Atlanta Journal.

²⁰ Diane C. Thomas, Atlanta-City for the World, Windsor Publications 1988, p.198

Throughout Coca-Cola's history, innovative advertising was one of the keys to its worldwide success. Advertising slogans throughout the years created a lasting impact, such as *"The Pause that Refreshes"* in 1929, *"Thirst Knows No Season"* in 1922, *"It's the Real Thing"* in 1942 and also revived in 1969, *"Global High Sign"* in 1944, and *"Things Go Better With Coke"* in 1963. In 1976 consumers were reminded that *"Coke Adds Life"*, which led into the 1979 campaign, *"Have a Coke and a Smile"*. The 1980s campaigns included the popular *"Coke Is It"*, leading into the contemporary image of Coca-Cola with the *"Catch the Wave"*²¹ campaign in 1986.

Nowadays, The Coca-Cola Company invests in entertaining television and radio commercials and colorful advertisements in magazines or newspaper. Within the advertising, there are also campaigns several times a year run by The Coca-Cola Company during which students are given a small can of Coca-Cola on their way to school or within the campus of their university during hot summer days.

The Coca-Cola Company expenses its production costs of print, radio, television or other advertisements as of the first date they take place. At the end of the year 2006 and 2005, advertising and production costs of approximately \$214 million and \$170 million were recorded in prepaid expenses, for the years ended December 31, respectively. Also, the company had a major investment in the production and distribution of films and television programming through the establishment of Columbia Pictures Entertainment. This investment lasted until 1989, when Sony Corporation purchased Columbia Pictures Entertainment from The Coca-Cola Company.

²¹ All used slogans come from the following book: Diane C. Thomas, *"Atlanta-City for the World"*, Windsor Publications, 1988, p.196

4.5.1.3 The Coca-Cola Company Today

The Coca-Cola Company is the largest manufacturer, distributor and marketer of nonalcoholic beverage concentrates and syrups in the world and it is also one of the largest corporations in the United States. It is best known for its prime product, Coca-Cola.

The company's headquarters, together with The Coca-Cola Museum – a very popular touristic target, are still in Atlanta, Georgia, where the drink was invented. By 2006, the company had spread its beverage products into more than 200 countries.

In fact, the Coca-Cola Company only produces syrup concentrate which is then distributed to various bottlers around the world who hold a Coca-Cola franchise. The company also markets other beverages through its Coca-Cola Foods unit. It produces a variety of frozen and chilled beverages with other trademarks. The Coca-Cola Company offers about 400 brands, besides its namesake Coca-Cola beverage. Today, Coca-Cola stands for great flavor and timeless refreshment to many people around the world.

4.5.2 Nestlé

Nestlé is a multinational food company with its headquarters in Switzerland. Several brands of Nestlé are renowned all around the world; this fact made the company a global market leader in many product lines such as milk, creamers, chocolate, confectionery, coffee, bottled water, food seasoning and pet foods. Nestlé is one of the largest companies of the highest corporate reputation in Switzerland.

4.5.2.1 History of the Company

The company Nestlé was founded in 1860. The original idea of the founder Henri Nestlé, a Swiss pharmacist, was to provide infant food products for babies whose mothers were not able to breastfeed. Nestlé's first success was a premature infant who did not tolerate his own mother's milk or any substitutes that were usual that time. When Nestlé's formula saved the baby's life, the value of this new product was immediately recognized. Henri Nestlé named this nutrition Farine Lactée Henri Nestlé and soon, it was being sold in much of Europe.

By the early 1900s, the company Nestlé merged with the Anglo-Swiss Condensed Milk Company and also, the company started to operate factories in the United States of America, United Kingdom, Germany, and Spain.

By the end of the World War I, production of the company doubled – new demand for dairy products in the form of government contracts was created owing to the war. However, after the war, government contracts slowly dried up and customers returned to fresh milk. Profits dropped from \$20 million in 1918 to \$6 million in 1926. Nestlé's management responded quickly; it upgraded operations and reduced debt.

In the 1940s, Nestlé first expanded into new products – chocolate, the company's second most important activity. There were new factories established in Latin America and other developing countries. Ironically, sales and production of Nestlé rose during the period of World War II and yet, the war helped to introduce newest product of the company – Nescafé, which was a favorite drink of the US military. After the end of the war, the company merged with Maggi seasonings and soups.

4.5.2.2 Nestlé Today

In 2002, there was a major acquisition in North America; Nestlé merged its ice cream business in the United States into Dreyer's - favorite American ice cream. In the same period of time, Nestlé came very close to purchasing the American iconic chocolate and sweets company Hershey's; unfortunately for Nestlé, this deal fell through.

Another interesting recent purchase of Nestlé includes the Jenny Craig²² fitness company which cost Nestlé \$660 million. Also, Nestlé owns 26.4% of the shares of the world's leading cosmetic company L'Oréal. Other partnerships of the company include partnership with General Mills - a huge American cereal producer, or with Coca-Cola. The aim of the company Nestlé has been to build a business based on human basic values and principles.

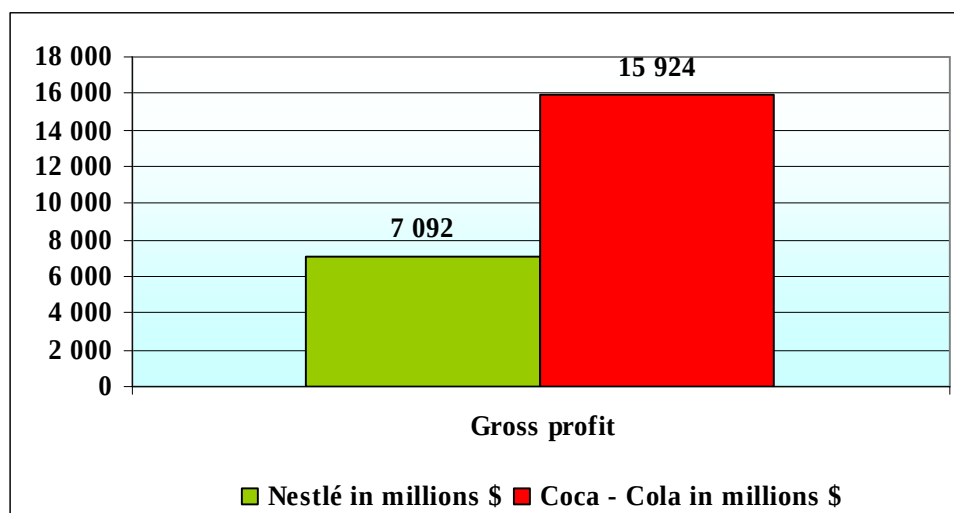
²² The Jenny Craig company trades in dietary supplements and diet food for people who need to lose weight; its program is called "Weight Watchers" and it is very popular within the United States

4.5.3 Comparison

For a good comparison, tables and graphs are necessary. The Coca-Cola Company is here compared with Nestlé, using both companies' ultimate published data of the year 2006²³ - gross profit, net income, number of employees, turnover, and advertising costs.

Data of the year 2006	Nestlé	Coca - Cola
	in millions \$	in millions \$
Gross profit	7 092	15 924
Net income	5 584	5 080
Turnover	30 959	24 088
Advertising costs	151	214

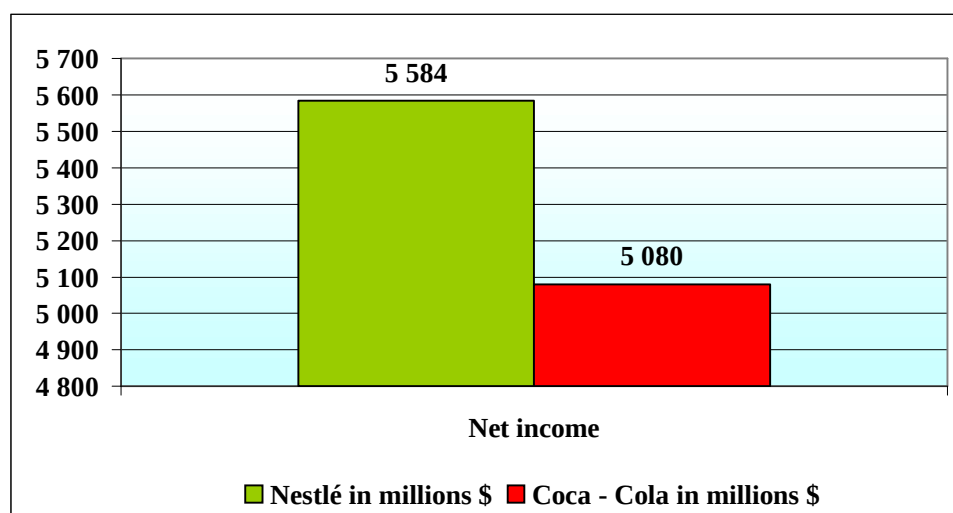
4.5.3.1 Gross Profit



²³ All pictured graphs in the chapter 4.5.3 represent data of 2006

The gross profit of the company Nestlé includes above all the income from its Group companies – partners of Nestlé which hold the company's franchising; this income comprises nearly 75% of Nestlé's gross profit which reached in 2006 the amount of about \$7.092 billion²⁴. Compared to 2005, Nestlé's gross profit of 2006 rose by almost three billions. In comparison to the Coca-Cola Company which reached in 2006 the amazing sum of \$15.924 billion (\$14.409 billion in 2005), Nestlé is, with its gross profit of 2006, slightly behindhand.

4.5.3.2 Net Income & Number of Employees



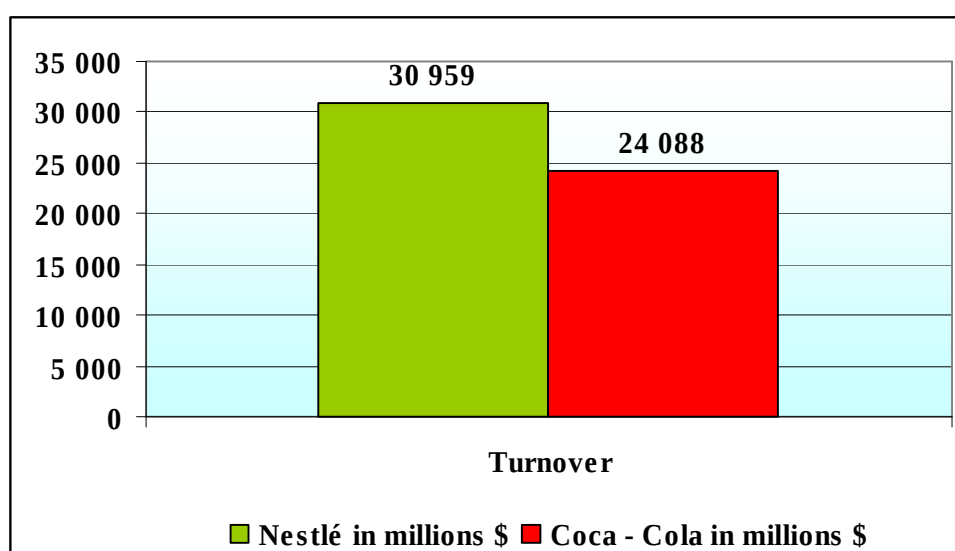
As for the Coca-Cola Company, the net income of the year 2006 reached \$5.080 billion; in 2005 it was just a slightly less - \$4.872 billion. Out of Coca-Cola's net income of 2006, \$1.498 billion formed the income taxes. As for Nestlé, the company's net income in 2006 reached \$5.584 billion.

²⁴ A *billion* is an American expression for a numeral unit which in Europe and most other countries equals to one *milliard*

Compared to Coca-Cola, Nestlé's net income was a bit higher, even though the gross profit of The Coca-Cola Company was *considerably* higher than that of Nestlé. This slight difference of both companies' net income is due to Coca-Cola's advertising costs²⁵ which does not seem so high compared to those of Nestlé, however, there are various campaigns of The Coca-Cola Company which are not included in its 2006 annual report.

Also, The Coca-Cola Company donates money to goodwill, provides various retirement benefits for its former employees, invests in trademarks and has many other intangible assets. However, an important fact is that Nestlé employs over 305,000 people all around the world; compared to The Coca-Cola Company with its 55,000 employees, it is obvious that in this aspect, the expenses of Nestlé are much higher.

4.5.3.3 Turnover

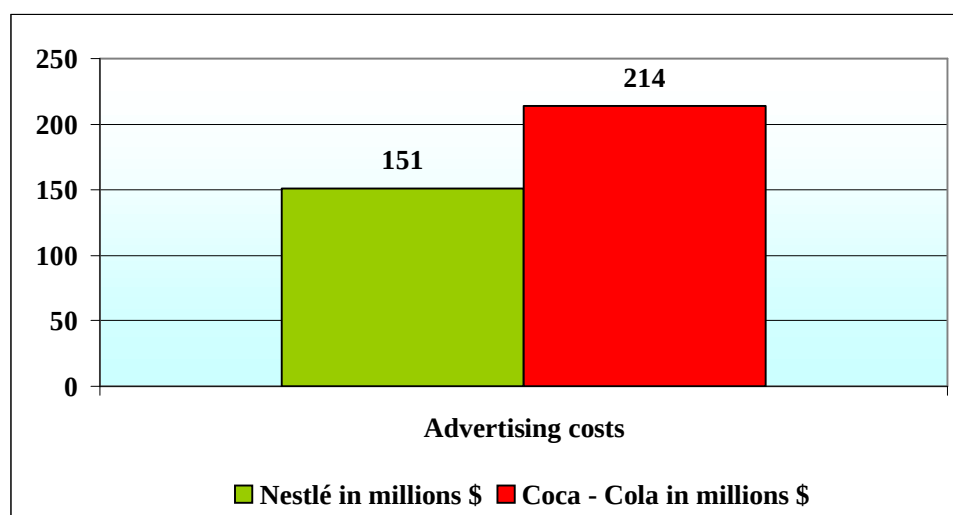


²⁵ See the comparison of both companies' *advertising costs* in the chapter 4.5.3.4

The turnovers of both companies differ considerably. Nestlé's total liabilities and equity reached in 2006 the amount of \$30.959 billion (by \$5 billion more than in 2005). The turnover of Coca-Cola for the year 2006 was \$24.088 billion (\$23.104 billion in 2005).

Due to the number of its employees, Nestlé is considered a bigger company so the fact that its revenues are higher is quite anticipatable. Also, Nestlé's turnover has risen significantly since 2005; the turnover of The Coca-Cola Company has been leveling off.

4.5.3.4 Advertising Costs



The advertising costs are a topic for the Coca-Cola Company which is famous for its entertaining television spots or frequently changing advertising campaigns. That is why the advertising costs of The Coca-Cola Company are higher than those of Nestlé – in 2006, Coca-Cola invested \$214 million, compared to this amount of about \$151 million in case of Nestlé.

It is necessary to add that various campaigns of The Coca-Cola Company during which people are given a can of the company's renowned drink are not included in this amount. The Coca-Cola Company's advertising policy is very specific and differs from those of European companies. America's attitude towards commercials, free food/drink samples, or advertising in general is much more open and positive than that of European consumers.

4.5.3.5 Conclusion

Both companies, The Coca-Cola Company and Nestlé are considered giants on the world market. Their history and development have many similar features – both of them were established rather by chance by inventing and launching a new, successful product which became popular and brought the companies success and capital for the beginning of their business.

The World War I and II represented an important period for both companies; it brought them even more publicity and prosperity.

The Coca-Cola Company's marketing strategies seem to be more effective; also, Coca-Cola is willing to invest more finances in the advertising which is given by the continent of its main activity.

Both companies produce and distribute all over the world and their economic data such as net income or turnover are of rather similar values. What is also important is the fact that both, The Coca-Cola Company and Nestlé provide donations to various charity organizations which help people in need. This brings them even more popularity and, obviously, they can afford kind-hearted deeds. The stories of both companies prove that sometimes, a good idea can be worth a fortune.

5. School System of the State of Georgia

In the United States of America, everyone has both the right and the obligation to become educated. About 72 million students are enrolled in school. To educate this great number of people, more than 3 million teachers are employed – they are far the largest professional group in the country.

5.1. Elementary Education

About 86% of children in Georgia receive their elementary education in public elementary²⁶ schools. These schools are supported by state and do not charge any tuition. Most schools are in a certain district for the children who live in the neighborhood. However, in Georgia, transportation represents a big problem; parents usually have to commute to work and schools are never of a walkable distance from home. Children can either ride to school with their parents or they can use so called school busses which are managed by each state of the United States and are free.

Public elementary schools are locally controlled; the individual states, not the federal government, are responsible for education. One school year lasts in Georgia from late August to the beginning of June²⁷ and children usually enter the elementary school at the age of 6.

Elementary education is divided into 12 levels called *grades*; first grade and second grade are commonly called the *primary grades*. There is also a second division called *junior high school* or *middle school* which usually includes grades 7-9. The typical school day is about 6 hours long

²⁶ Elementary schools can also be called *grammar schools*

²⁷ The exact duration of the school year differs in each state of the USA

and the subjects repeat every day – each day of the school week looks identically. In elementary school, students are grouped into classes that stay together for the school year.

5.2 Secondary Education

To gain the secondary education, students attend high schools. American high schools have a commitment to offer both a general college preparatory program for those interested in higher education and training for students who plan to start working immediately after high school graduation.

Subjects are more specialized in high school than in elementary school and students can choose their subjects for each high school year.

In Georgia's high schools, social science is divided into American History, European History, and psychology. Math classes include algebra, geometry, and trigonometry. Science is divided into biology, chemistry, physics, geography science, and anatomy. Some high school students study a foreign language; in Georgia, it is usually Spanish, German, or French. Also, physical education – so called *gym classes* – is required.

During the school day, students move from one classroom to another and study each of their chosen subjects with a different teacher and a different group of classmates. Some students take five or six major academic subjects – each student can make a decision on which class to take or whether to even take it; nevertheless, since some subjects are offered at usually two or three levels of difficulty, students sometimes choose the easiest level and lack an important part of general knowledge.

The high school studies are finished by high school graduation. Only those students can graduate who achieved certain credit which is necessary for their graduation.

Americans believe in separation of church and state. Therefore, public high schools in Georgia are free from the influence of any religion so that students of different religions feel comfortable attending these schools. However, there are several private church schools²⁸ where students are charged tuitions and which are not under direct public control, although the state of Georgia sets educational standards for them.

5.3 University Education

The university-, also called *college* education represents the tertiary education level. As soon as in high school, college-bound students find the courses they need for college entrance and, in addition, an opportunity to take Advanced Placement (AP) courses, for which students can earn college credit. After high school graduation, students who passed the *AP test* and are interested in gaining more education can start attending a university. Many students of Georgia choose universities in a different state of the United States of America and move away from home.

The university education is usually fully paid by the student and height of the tuition depends on the quality and prestige of the university. Some students whose high school results were unusually good may apply for a scholarship. Most university students have a part time job and finance their studies.

²⁸ Church schools are also called *parochial schools* and in Georgia they are mostly catholic

After gaining enough credit, usually after three years at the college, students achieve a Bachelor degree; to get a Master of Arts Degree, it usually takes the students another two years.

5.4 Comparison

The school system of Georgia differs from that of the Czech Republic in many aspects. Compared to the Czech Republic, in Georgia, there is only one type of high schools which prepares students rather insufficiently for a future job; after high school graduation, students who decided to search for a job still have to attend various professional courses to be employed.

The life of high school students differs from that of the Czech students as well; in Georgia, parents usually do not financially support their children once they start attending high school, so most high school students have a part time job and become quite self-supporting. Sometimes, this fact hinders them from studying or even from properly attending of school.

University students are obliged to pay tuition which in some cases discourages those, whose families can not afford to finance their children's studies. However, most students find a way to gain a college education, or even take a loan to finance their studies. On the contrary, university students in the Czech Republic obtain a free college education which becomes in some cases inadequately valued.

6. Practical Part

To provide a better comparison between the state of Georgia and the Czech Republic, and also to present new information, I undertook a small research into Czech and Georgia's families and among individuals.

6.1 Own Survey I

6.1.1 Introduction

As a part of this bachelor thesis which deals with the population structure of Georgia, I decided to make a small survey among inhabitants of the state of *Georgia and the Czech Republic*²⁹ to be able to compare these two units in the aspect of adaptability or racial prejudices which are nowadays frequently discussed topics. I undertook this survey in summer 2006 as I visited the state of Georgia. The Czech part of my survey was implemented in the spring 2007. In both the state of Georgia and the Czech Republic, twenty native inhabitants of each unit were given a *questionnaire*³⁰ created on my own which comprised two general questions about their age and gender, and four questions focused on the topic of population structure in their country/state. The questionnaire was based on the choice of "yes/no/not sure" answers where the questioned individuals were supposed to mark their chosen options.

²⁹ Hereafter for simplification also generally termed as "units"

³⁰ The pattern of the Questionnaire I. is situated in the *Appendix Number 4*.

The survey consisted of 3 steps:

- gaining information through the questionnaire
- processing of data by using Excel graphs and tables
- evaluation/conclusion

6.1.2 Processing and Evaluation

Questions

1. Age

The average age of the questioned individuals is **27**.

2. Gender

- **male**
- **female**

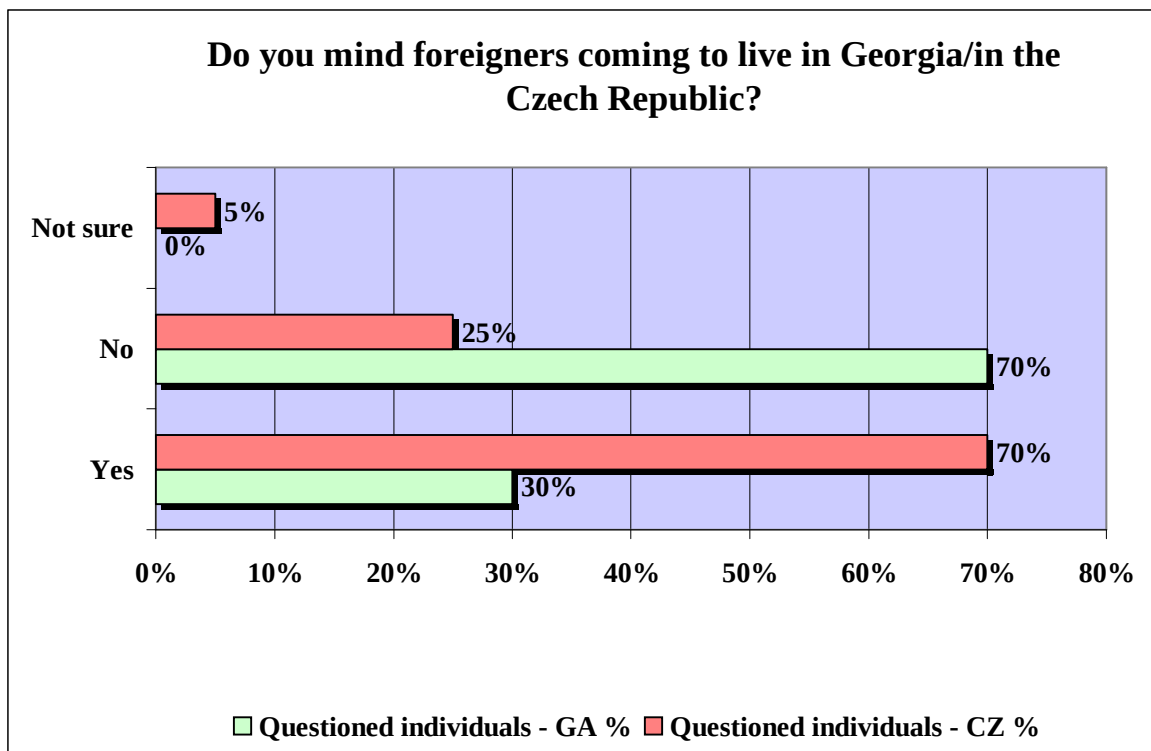
10 of the questioned inhabitants of each unit (GA/CZ)³¹ were men and 10 were women.

3. Do you mind foreigners coming to live in Georgia/in the Czech Republic?

- **yes**
- **no**
- **not sure**

Foreigners coming to live with us	Questioned individuals - GA		Questioned individuals - CZ	
	Number	%	Number	%
Yes	6	30%	14	70%
No	14	70%	5	25%
Not sure	0	0%	1	5%
TOTAL	20	100%	20	100%

³¹ "GA" represents the official abbreviation for the US state Georgia; "CZ" is an international registered abbreviation for the Czech Republic



Conclusion (question number 3)

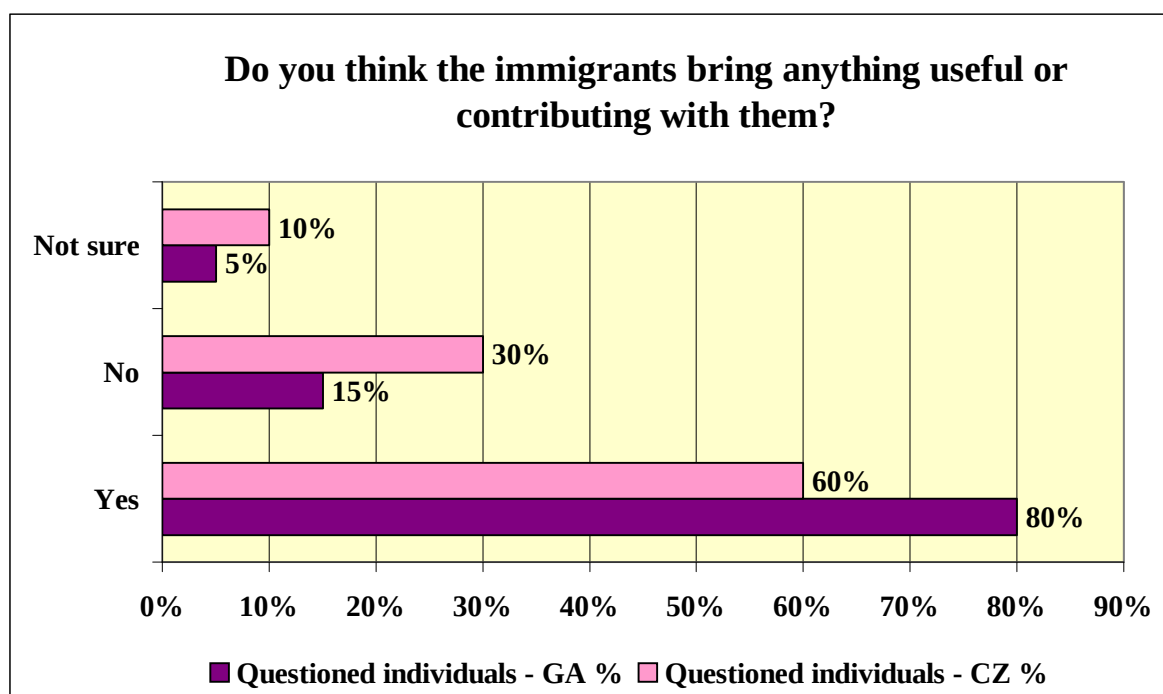
It is well known that Americans are used to sharing their country with a variety of immigrants. The inhabitants of Georgia are very tolerant and broadminded - 70% of the questioned inhabitants of Georgia stated that they had nothing against foreign immigrants coming to Georgia to stay there - compared to the twenty questioned Czech inhabitants of whom only 25% do not have anything against immigrants³² who come to live and work in the Czech Republic; the remaining 75% are of the opinion that the immigrants bring to our country increase in crime and other difficulties which predominate the other possible positives. It is interesting that only 1 person (5%) of the 40 questioned individuals of both units chose the "not sure" option - the rest were quite certain in their opinions.

³² The majority of immigrants who relocated to the Czech Republic come from Slovakia, the former Soviet Union or Vietnam

4. Do you think the immigrants bring anything useful or contributing with them?

- yes
- no
- not sure

Do the immigrats bring anything useful?	Questioned individuals - GA		Questioned individuals - CZ	
	Number	%	Number	%
Yes	16	80%	12	60%
No	3	15%	6	30%
Not sure	1	5%	2	10%
TOTAL	20	100%	20	100%



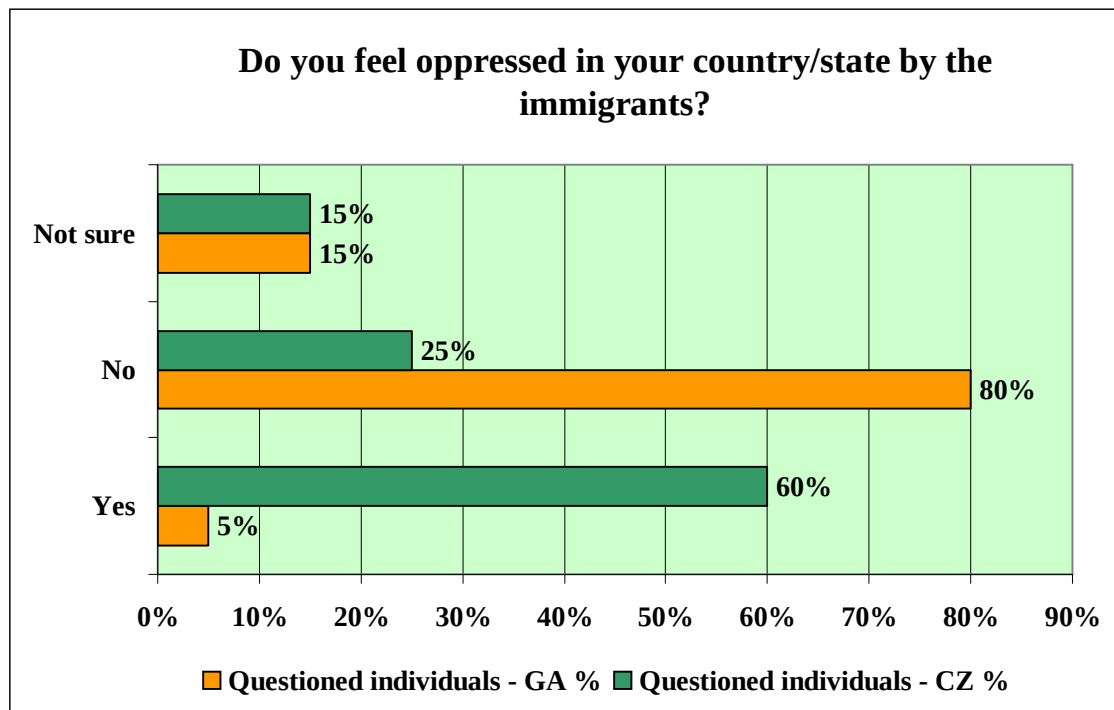
Conclusion (question number 4)

Answering the question number four, 80% of the questioned inhabitants of Georgia said they believed the immigrants from other countries contribute by their culture or work to the economy and development of their state. On the contrary, 15% of Georgia's questioned inhabitants do not believe in the importance of their contribution and 5% are not sure. The questioned citizens of the Czech Republic were more skeptical - 30% of them do not think the immigrants bring anything useful to our country; 60% chose the positive option mainly because they believe the immigrants are willing to accept less profitable and valued work positions which are important but unacceptable for the Czech citizens. Also, mixed impressions of the Czech questioned individuals have been exposed in this question - 10% of them were not sure about the usefulness of the immigrants.

5. Do you feel oppressed in your country/state by the immigrants?

- **yes**
- **no**
- **not sure**

Oppressed by the immigrants?	Questioned individuals - GA		Questioned individuals - CZ	
	Number	%	Number	%
Yes	1	5%	12	60%
No	16	80%	5	25%
Not sure	3	15%	3	15%
TOTAL	20	100%	20	100%



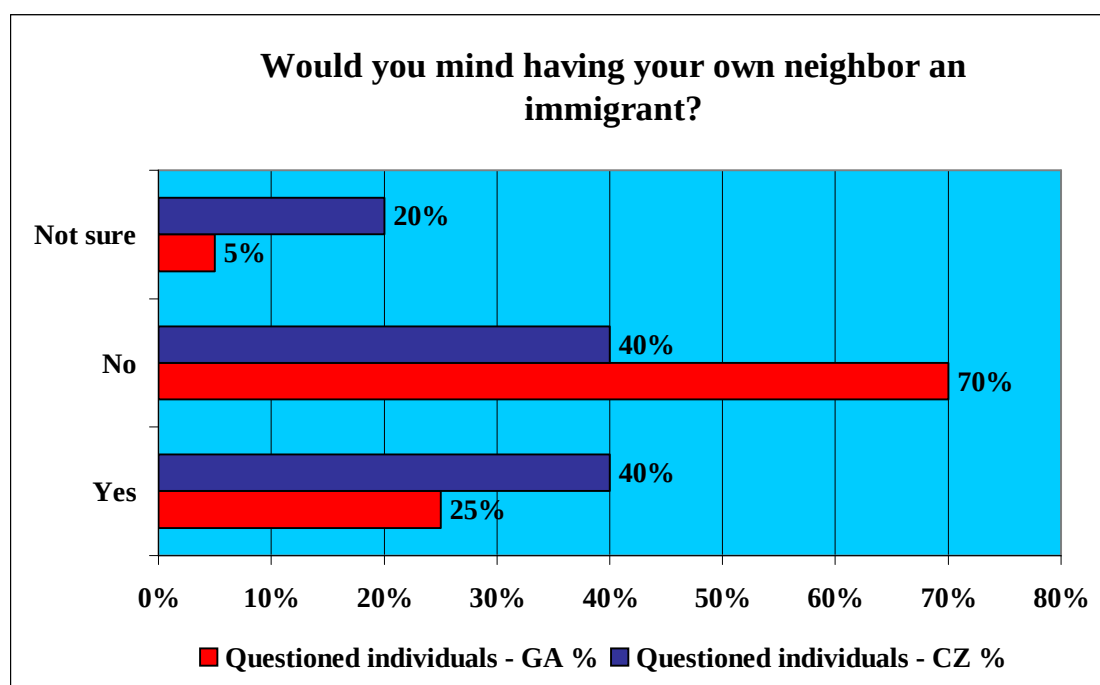
Conclusion (question number 5)

In this question, the opinions of the questioned inhabitants of Georgia and the Czech Republic differed considerably; it is obvious that Americans are much more liberal than the questioned Czech citizens - 80% of the US citizens stated that they did not feel any oppressed by the immigrants (only 5% said they did feel uncomfortable in some way having to share their territory with the immigrants and 15% were mixed opinion). On the contrary, the Czech questioned individuals were of an opposite opinion - 60% of them stated they felt oppressed or weakened by the immigrants from the East; 25% had the opposite opinion and 15% were not sure or did not perceive any immigrants in their vicinity and so they did not have a crystallized opinion.

6. Would you mind having your own neighbor an immigrant?

- yes
- no
- not sure

Immigrat as a neighbor?	Questioned individuals - GA		Questioned individuals - CZ	
	Number	%	Number	%
Yes	5	25%	8	40%
No	14	70%	8	40%
Not sure	1	5%	4	20%
TOTAL	20	100%	20	100%



Conclusion (question number 6)

Again, answering this question, the questioned individuals in Georgia and the Czech Republic were of quite opposite opinions. 70% of the questioned Georgian inhabitants claimed that they either have or would not mind having their neighbor an immigrant. 25% prefer for various reasons a native-born American neighbor and 5% do not care or are not sure. As for the questioned citizens in the Czech Republic, the answers yes/no were balanced - 40% of them stated they would not feel comfortable having an immigrant for a next door neighbor, 40% said they would not have a problem with it, especially in the case of living in a house instead of an apartment. 20% of the questioned Czech citizens stated that they do not care about their neighbors or have no experience with living next to an immigrant which makes them indecisive.

6.1.3 General Conclusion

This survey was focused on tolerance and prejudice, and its aim was to provide a comparison between the opinions and the point of view of the questioned individuals from the Czech Republic and Georgia.

The results of this survey prove that in general, inhabitants of Georgia are much more tolerant towards foreign immigrants than the Czech citizens. Majority of the questioned inhabitants of Georgia showed a high tolerance – given mainly through the population history of their state – to share their territory, live next door or learn new things from various immigrants who come to live in Georgia. The Czech individuals who were questioned did not demonstrate any direct racist or discrimination opinions but were less tolerant towards immigrants than the other unit. This mainly stems from the *former political regime* ³³ when the Czech citizens experienced sharing their country with hardly any immigrants.

An interesting fact is that, in both of the questioned units, tolerance towards the new incomers from foreign countries declines with the increasing age of the individuals. Also, the opinions intensify with the increasing age of the questioned persons – the younger individuals of both units were much more indecisive but liberal.

³³ Under the communistic regime, the borders of our country remained closed for foreigners from capitalist countries; permitted were so called worker exchanges of small number of needed workers from other allied socialistic countries, e.g. Vietnam or Cuba

6.2 Own Survey II

6.2.1 Introduction

As a part of this bachelor thesis which concerns itself with the living standard of Georgia's inhabitants, I decided to make another small survey among families of the state of *Georgia and the Czech Republic*³⁴ to be able to make a comparison between these two units considered their living standard. I undertook this survey in summer 2006 as I visited the state of Georgia. The Czech part of my survey was implemented in the spring 2007. In both, the state of Georgia and the Czech Republic, twenty families of *various ethnic groups*³⁵ of each unit were given a *questionnaire*³⁶ which was created on my own and comprised two general questions about the age of parents or their highest achieved education, and then four questions focused on the living standard in their country/state. This questionnaire was based on the choice of several offered options – the questioned families were supposed to mark the one which corresponds to their family's situation.

The survey consisted of 3 steps:

- gaining information through the questionnaire
- processing of data by using Excel graphs and tables
- evaluation/conclusion

³⁴Hereafter for simplification also generally termed as "units"

³⁵Questioned families in Georgia include white and African American families; in CZ, all families are of the same ethnic group

³⁶The pattern of the Questionnaire II. is situated in the *Appendix Number 5*.

6.2.2 Processing and Evaluation

Questions

1. Age

The average age of the parents of all questioned families (20 in Georgia and 20 in the Czech Republic) was **32**.

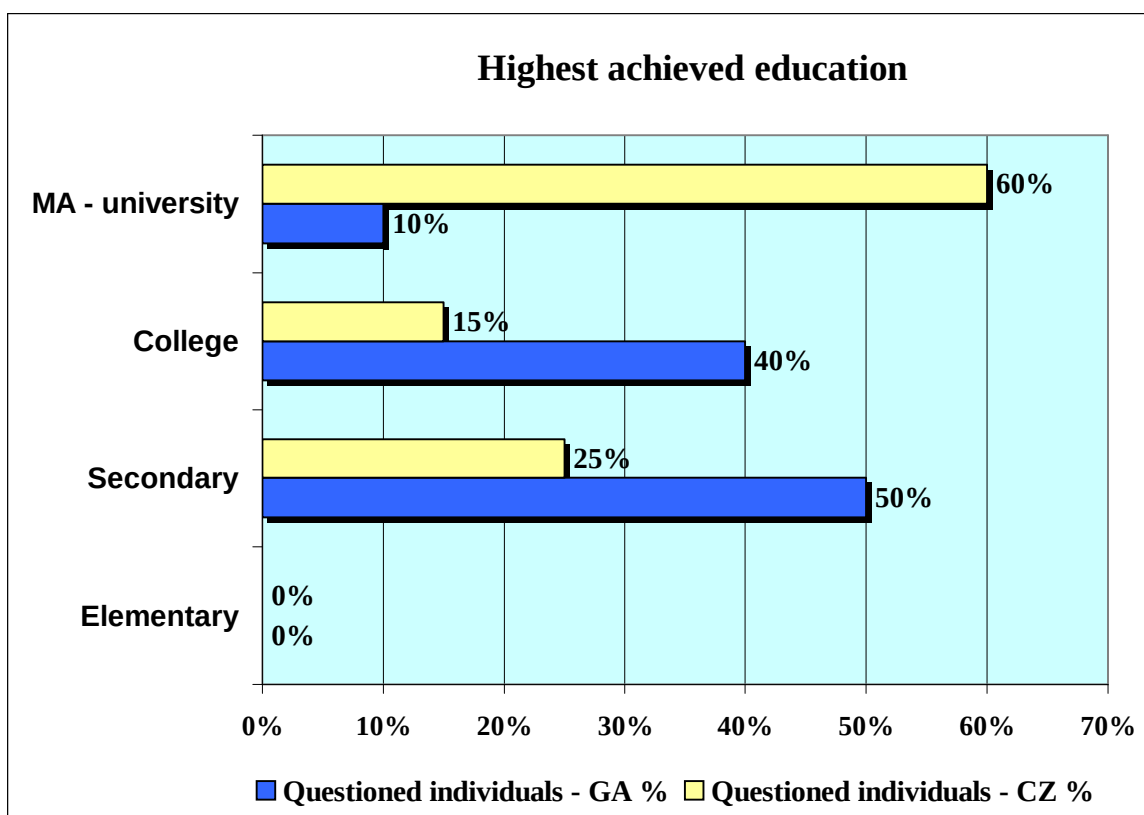
2. Highest achieved education³⁷?

- elementary school
- secondary school
- college (bachelor's degree)
- university (MA degree)³⁸

Achieved education	Questioned individuals - GA		Questioned individuals - CZ	
	Number	%	Number	%
Elementary	0	0%	0	0%
Secondary	10	50%	5	25%
College	8	40%	3	15%
MA - university	2	10%	12	60%
TOTAL	20	100%	20	100%

³⁷ Applied were data of the individual of each couple who achieved a higher education

³⁸ Master of Arts or "MA" degree is a university degree which a student obtains after the graduation from a master's course of study at a university



Conclusion (question number 2)

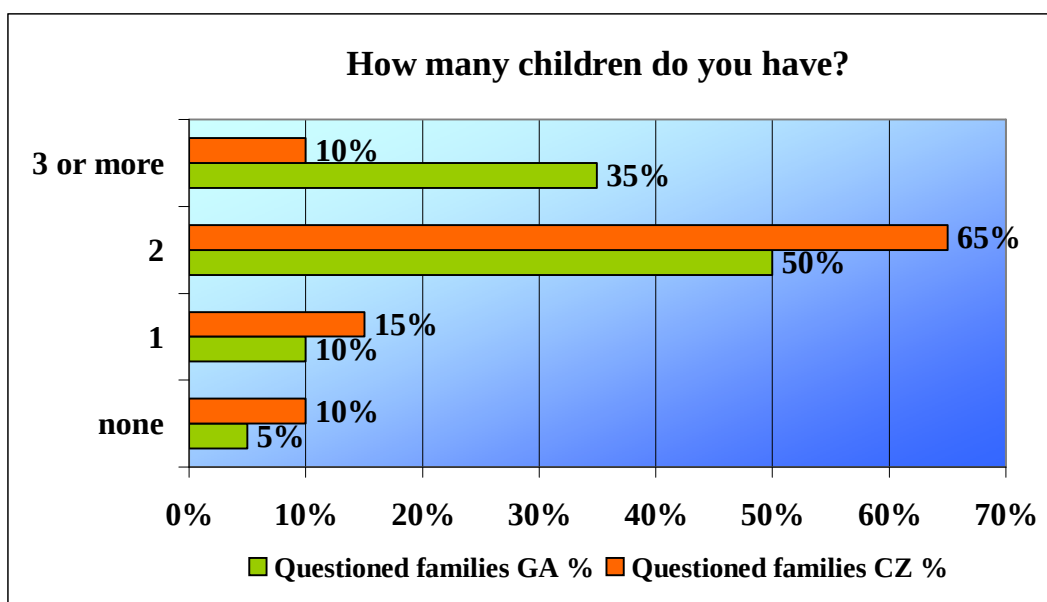
According to the answered question number two of the survey, 50% of the questioned parents of Georgia of the average age of 32 have completed high school as their highest achieved education. In comparison with this fact, in the Czech Republic this group represents only 25% of the questioned parents. In none of the units have the questioned person only reached elementary education as their maximum. In Georgia, 40% individuals have reported college education as their highest education (having obtained a bachelor's degree) whereas in the Czech Republic it is only 15% - the majority of the questioned parents (60%) have obtained an "MA" degree at a university (compared to 10% in Georgia). According to the questionnaire, there are more people with a completed university education ("MA" degree) in the Czech Republic

than there are in Georgia which is probably caused by the fact that attending of universities in our country is still free but in Georgia, students have to pay school fees that are quite high. That is why some students in Georgia can not afford going to college so they finish their education by their high school graduation.

3. How many children do you have?

- none
- 1
- 2
- 3 or more

How many children?	Questioned families GA		Questioned families CZ	
	Number	%	Number	%
none	1	5%	2	10%
1	2	10%	3	15%
2	10	50%	13	65%
3 or more	7	35%	2	10%
TOTAL	20	100%	20	100%



Conclusion (question number 3)

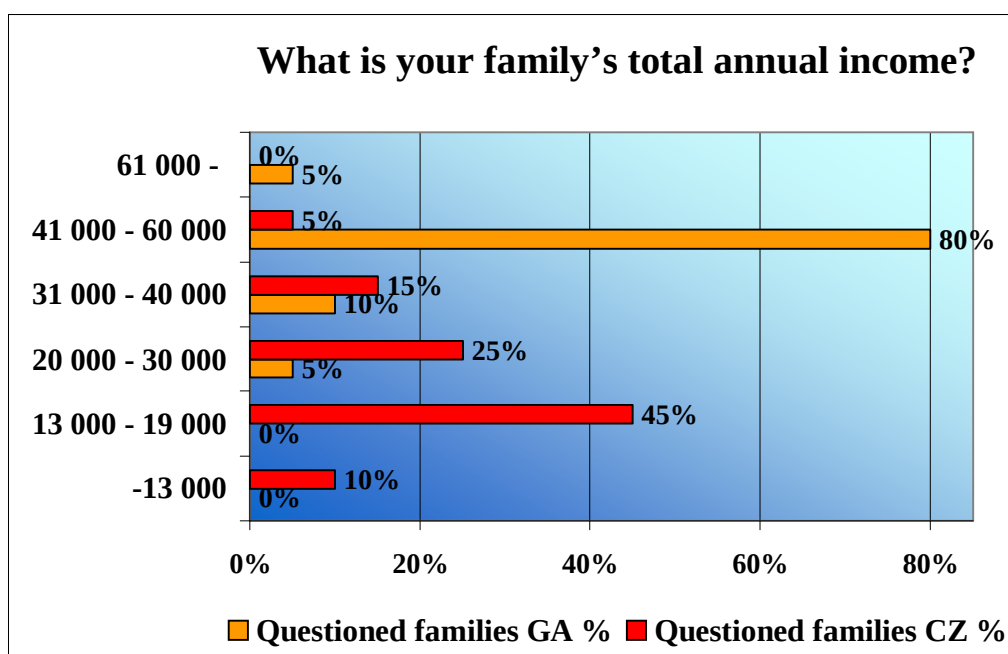
According to this survey, more than a half (65%) of the questioned families in the Czech Republic has 2 children (in Georgia it is 50% of the questioned families) which is, considered their financial situation, the most suitable number. 10% of the families in Georgia stated to only have one child but to be planning more children in the future while in the Czech Republic three families (15%) proclaimed the only child to be adequate their economic situation. One questioned family (5%) in Georgia has no children in comparison with two Czech families (10%). It is important to add that those families were at the bottom edge of the average age of the questioned individuals or had just got married. An interesting fact which follows from this survey is that 35% of the questioned families in Georgia reported to have 3 or more children – compared to only two families (10%) in the Czech Republic. This shows the fact that the living standard in our country is lower than in Georgia – a lot of families do not even consider having more than three children. It is important to add that the number of children of a family in Georgia is also influenced by local religion; very religious families usually have more children than the less religious ones. So do the African American families of Georgia.

4. What is your family's total *annual income*³⁹?

- **less than 13,000**
- **13,000 – 19,000**
- **20,000 – 30,000**
- **31,000 – 40,000**
- **41,000 – 60,000**
- **61,000 or more**

³⁹ For a good comparison between both units, the values are given in US Dollars (\$)

Annual income in \$	Questioned families GA		Questioned families CZ	
	Number	%	Number	%
-13 000	0	0%	2	10%
13 000 - 19 000	0	0%	9	45%
20 000 - 30 000	1	5%	5	25%
31 000 - 40 000	2	10%	3	15%
41 000 - 60 000	16	80%	1	5%
61 000 -	1	5%	0	0%
TOTAL	20	100%	20	100%



Conclusion (question number 4)

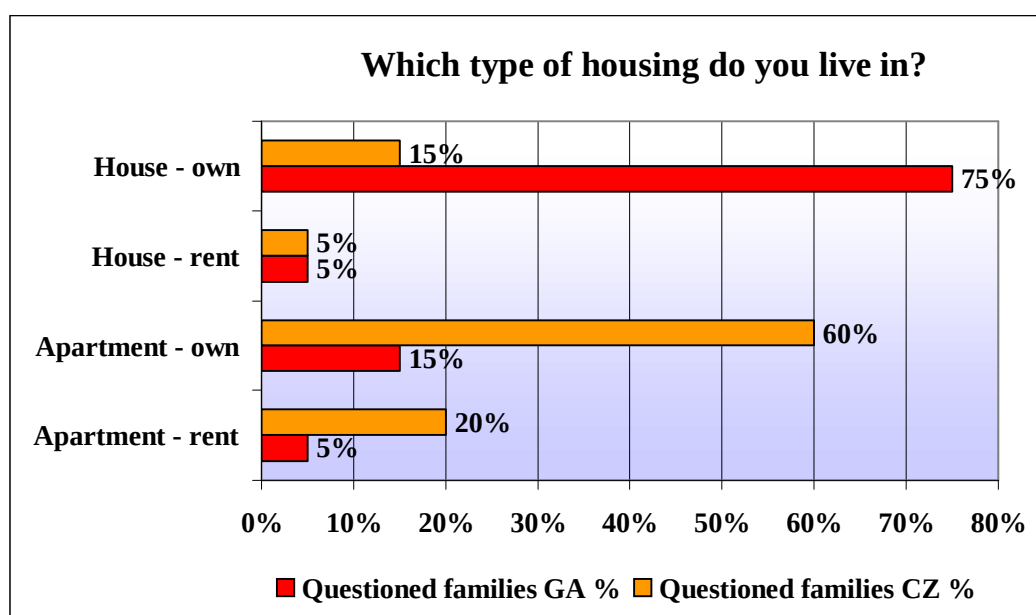
A truth is that economic facts of both units which follow from this question are quite impossible to compare with each other so it is quite senseless to do it. However, it is interesting to see how the gained numbers of both units differ. It is very important to say that even though the annual income of Georgia's questioned families outnumbers the income of those in the Czech Republic, it does not mean that the living standard of our country is in *all of the cases* worse. This is because wages in both units differ but so do the prices of products and most especially services which are in the Czech Republic usually lower.

However, there are things such as apparel, gasoline or food which cost in Georgia the same or less than in our country and, on the contrary, necessities such as services, rental or education for which Georgia's inhabitants pay much more than we do. Regardless this, even those inhabitants of Georgia whose living standard is a little below the *middle class*⁴⁰ can afford more than most of the Czech citizens.

5. Which type of housing do you live in?

- apartment - rent
- apartment - own
- house - rent
- house - own

Where do you live?	Questioned families GA		Questioned families CZ	
	Number	%	Number	%
Apartment - rent	1	5%	4	20%
Apartment - own	3	15%	12	60%
House - rent	1	5%	1	5%
House - own	15	75%	3	15%
TOTAL	20	100%	20	100%



⁴⁰ Most Georgia's families are reported to be in the middle class of the society together with the majority of US citizens

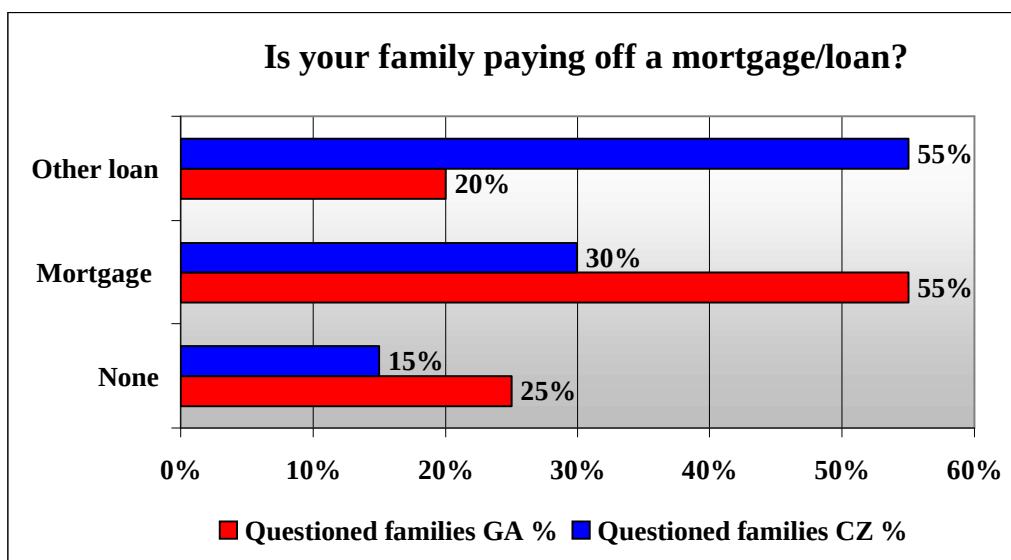
Conclusion (question number 5)

Answering the question number five, 60% of the questioned Czech families reported to own their own apartment (in comparison to only 15% of Georgia's families). This is mainly because there were many state apartment blocks built in the Czech cities during the period of communism and which its occupants could in the 90s buy for a very reasonable price from the government. That is also why only 20% of the Czech questioned families (5% of Georgia's questioned inhabitants) which live in an apartment are its roomers. 75% of the asked Georgians own a house compared to 15% of those in the Czech Republic. Also, building materials are cheaper in Georgia – due to local warm and mild climate, no stone or bricks are necessary; houses of Georgia are usually built of wood and plastic which is quite cheap. Finally, 5% of the questioned families of each unit live, according to the survey, in a rented house.

6. Is your family paying off a mortgage/loan?

- no
- mortgage
- other loan

Mortgage or a loan?	Questioned families GA		Questioned families CZ	
	Number	%	Number	%
None	5	25%	3	15%
Mortgage	11	55%	6	30%
Other loan	4	20%	11	55%
TOTAL	20	100%	20	100%



Conclusion (question number 6)

Loans are very popular in our country. According to this survey, 55% of the questioned Czech families are paying off some kind of loan but actually, this number is even higher. Many people in the Czech Republic take out a loan for cars, vacation or Christmas presents. In Georgia, a loan confessed 20% of the questioned families. However, Americans like to live in their own house – 55% of the questioned families of Georgia reported to have taken out a house mortgage compared to 30% of the Czech families; in the Czech Republic, apartments are still a bit cheaper than new houses. 25% of Georgians reported no loan or mortgage; in the Czech Republic, this group forms 15% of the questioned individuals.

6.2.3 General Conclusion

This survey pointed out several interesting differences between the living standard of the Czech Republic and of the state of Georgia. However, due to the limited number of the questioned families, it provides a rather broad comparison between both units. As an example worth exemplifying can stand a sum expended for a weekly purchase of necessary groceries for a family with two children. In Georgia, such a purchase costs the family about \$90; in the Czech Republic it is only a slightly less. It is obvious that the living standard is much higher in Georgia than in the Czech Republic; compared to the inhabitants of Georgia, the Czech citizens earn considerably less but the prices of goods and services in the Czech Republic are not considerably lower.

Conclusion

This bachelor thesis presented a broad analysis of the history, commerce, economy, and general living standard of the American state of Georgia. Its main aim was to provide a comparison between Georgia and the Czech Republic, which seemed a suitable object of comparison. Also, this thesis revealed several mentality features of Georgia's inhabitants and proved that they differ in many ways from those of Czech or European citizens. As well, this thesis exposed, using practical means, the way of economical thinking of Americans which is sometimes unpredictable

Some parts, such as company analysis, showed that the differences between American and European companies are not very noticeable; exceptional are marketing strategies which showed to be more successful in the United States of America. Making a comparison between other economic data of The Coca-Cola Company and Nestlé, there were slight differences. Obviously, The Coca-Cola Company may appear, based on the comparison, more successful and profitable.

This bachelor thesis showed that it is not easy to compare two objects which have so many different features. However, it depicted and emphasized the most important facts.

Resumé

Tato bakalářská práce se věnovala analýze ekonomiky, historie, struktury populace, školství a celkové životní úrovně amerického státu Georgie.

Po stručném úvodu, ve kterém autorka představila stát Georgii a zmínila nejdůležitější informace o tomto státu, přišla na řadu kapitola popisující historii populace státu včetně zmínky o etnických skupinách, které tvoří v současnosti významný podíl populace Georgie. Dále autorka nastínila zápory imigrace a diskriminační tematiku, ale zároveň uvedla i kladné stránky rozmanité populační struktury Georgie.

Ve třetí kapitole práce byly zmíněny nejvýznamnější památky státu včetně jeho historie a rovněž je část kapitoly věnována náboženství, které hraje na jihu Spojených států amerických významnou roli.

Čtvrtou část bakalářské práce věnovala autorka ekonomického rozboru. Nastínila úlohu vlády USA a zmínila, jakým způsobem smí či nesmí vláda zasahovat do ekonomiky státu Georgie. Dále se zde autorka věnovala historii ekonomického vývoje státu a popsala její současný obraz. Nebyly opomenuty ani otázky zemědělství a průmyslu Georgie, které se významnou částí podílí na ekonomice státu, a ekonomická charakteristika hlavního města Atlanty.

Součástí této části práce byl rozbor životní úrovně obyvatelstva Georgie nevyjímaje ekonomickou situaci Černochoů; rovněž se autorka pozastavila u problematiky důchodu a sociálních dávek státu Georgie.

Následovala kapitola věnovaná ekonomické analýze firem Coca-Cola a Nestlé, ve které se autorka po stručném popisu historie obou společností především věnovala jejich

srovnání v otázce hrubého zisku a čistého příjmu, počtu zaměstnanců, obratu, marketingových nákladů a strategií.

Tématem páté kapitoly je školský systém. Kapitola zahrnuje stručný popis systému základních, středních a vysokých škol ve státě Georgie. Závěrem se autorka pokouší o srovnání některých faktických údajů týkajících se školství státu Georgie s údaji České republiky.

Poslední část bakalářské práce je praktická. Autorka vytvořila dotazníky na témata imigrace a životní úroveň obyvatelstva, jejichž vyhodnocení posléze použila k vypracování analýzy těchto dvou témat v podobě tabulek a grafů, jejichž obsahy stručně shrnula.

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Appendices

Appendix 1 - Map of Georgia's Cities

Appendix 2 - Map of Georgia's Counties

Appendix 3 - Graph of an Economic Comparison

Appendix 4 - Questionnaire I

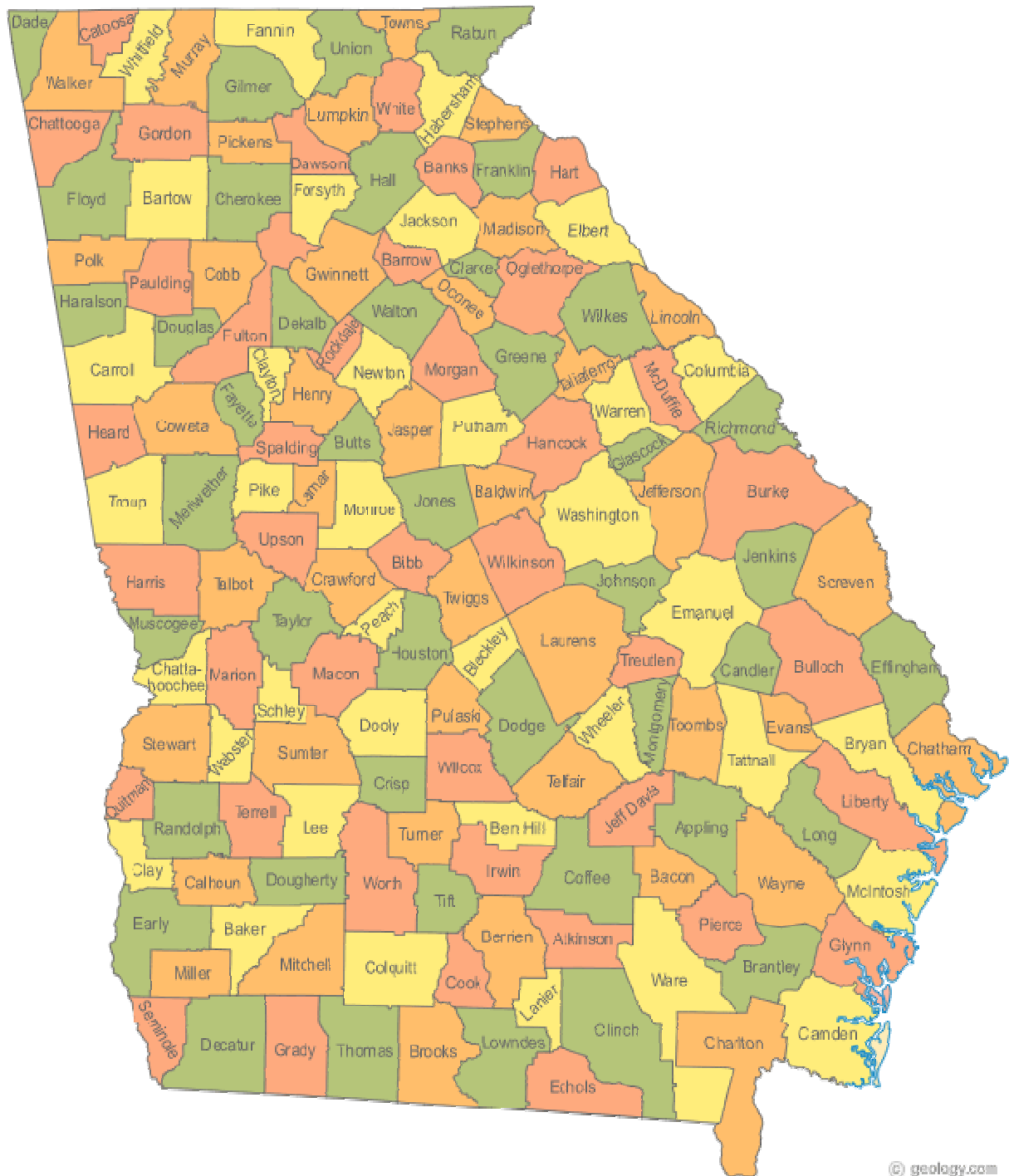
Appendix 5 - Questionnaire II

Appendix 1

Map of Georgia's Cities

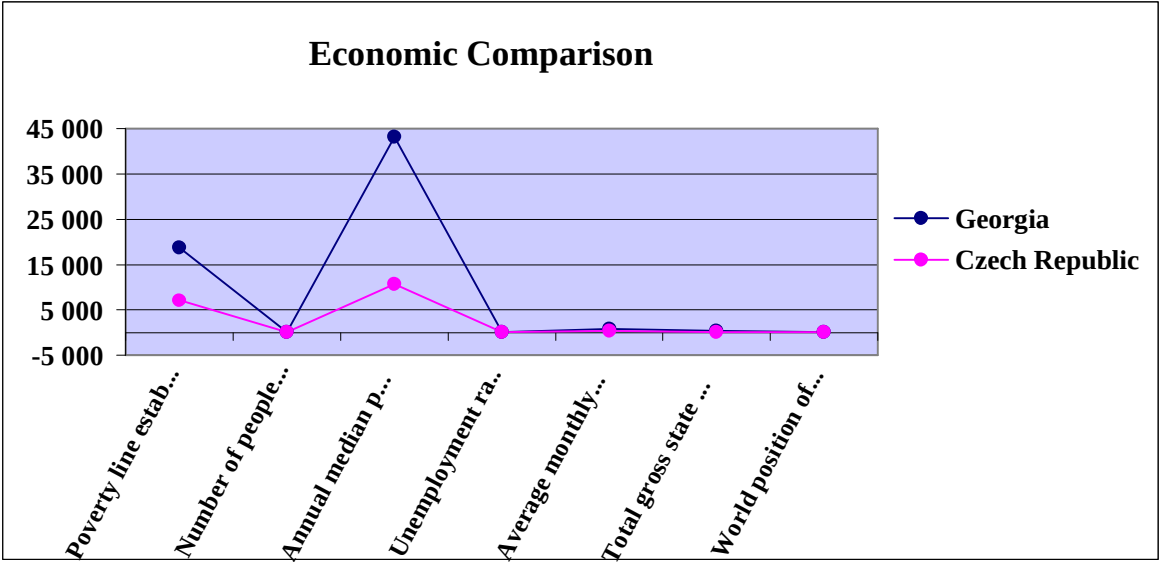


Map of Georgia's Counties



Appendix 3

Graph of an Economic Comparison



Appendix 4

Questionnaire I

1. Age?

2. Gender M/F (circle one option)

3. Do you mind foreigners coming to live in Georgia/in the Czech Republic? (always tick one option)

- yes
- no
- not sure

4. Do you think the immigrants bring anything useful or contributing with them?

- yes
- no
- not sure

5. Do you feel oppressed in your country/state by the immigrants?

- yes
- no
- not sure

6. Would you mind having your own neighbor an immigrant?

- yes
- no
- not sure

Thank you very much for taking the time to fill up this questionnaire!

Appendix 5

Questionnaire II

1. Age?
2. Highest achieved education? (always tick one option)
 - elementary school
 - secondary school
 - college (bachelor's degree)
 - university (MA degree)
3. How many children do you have?
 - none
 - 1
 - 2
 - 3 or more
4. What is your family's total annual income?
 - less than 13,000
 - 13,000 – 19,000
 - 20,000 – 30,000
 - 31,000 – 40,000
 - 41,000 – 60,000
 - 61,000 or more
5. Which type of housing do you live in?
 - apartment – rent
 - apartment – own
 - house – rent
 - house – own

6. Is your family paying off a mortgage/loan?

- no
- mortgage
- other loan

Thank you very much for taking the time to fill up this questionnaire!