



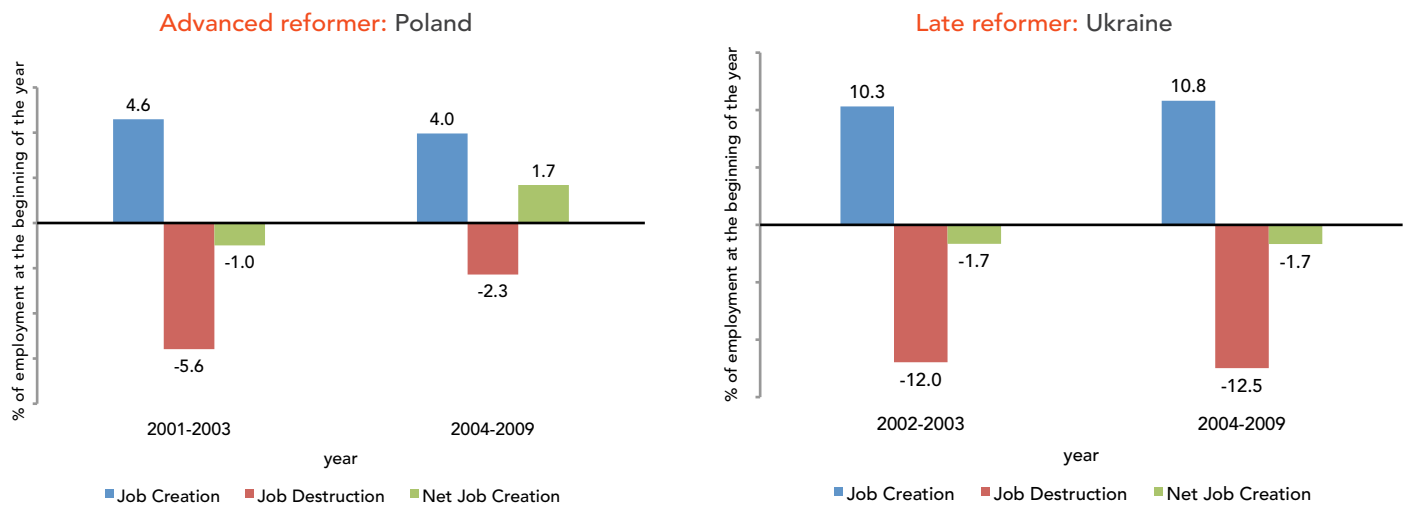
# BACK TO WORK

## Growing with Jobs in Europe and Central Asia

### FOSTERING PRIVATE SECTOR JOB CREATION: ENTREPRENEURSHIP AND GAZELLES

As in other parts of the world, job creation in Europe and Central Asia has been led by relatively few firms - "the gazelles" - who are typically young and grow very fast. To promote private sector-led job creation, policies should aim at facilitating the entry and exit of firms, to identify those with the potential to become the next job creation superstars. Unleashing untapped entrepreneurial potential in the region represents an opportunity to do so.

Patterns of job creation reflect, in part, the pace of enterprise restructuring post-transition



In advanced reformers, such as Poland, reforms paid-off with job creation today outpacing job destruction. Late reformers, like Ukraine, are still facing high job destruction rates amidst an unfinished economic restructuring process.

Pre-crisis, most new jobs were created by a handful of superstar firms: the "gazelles"



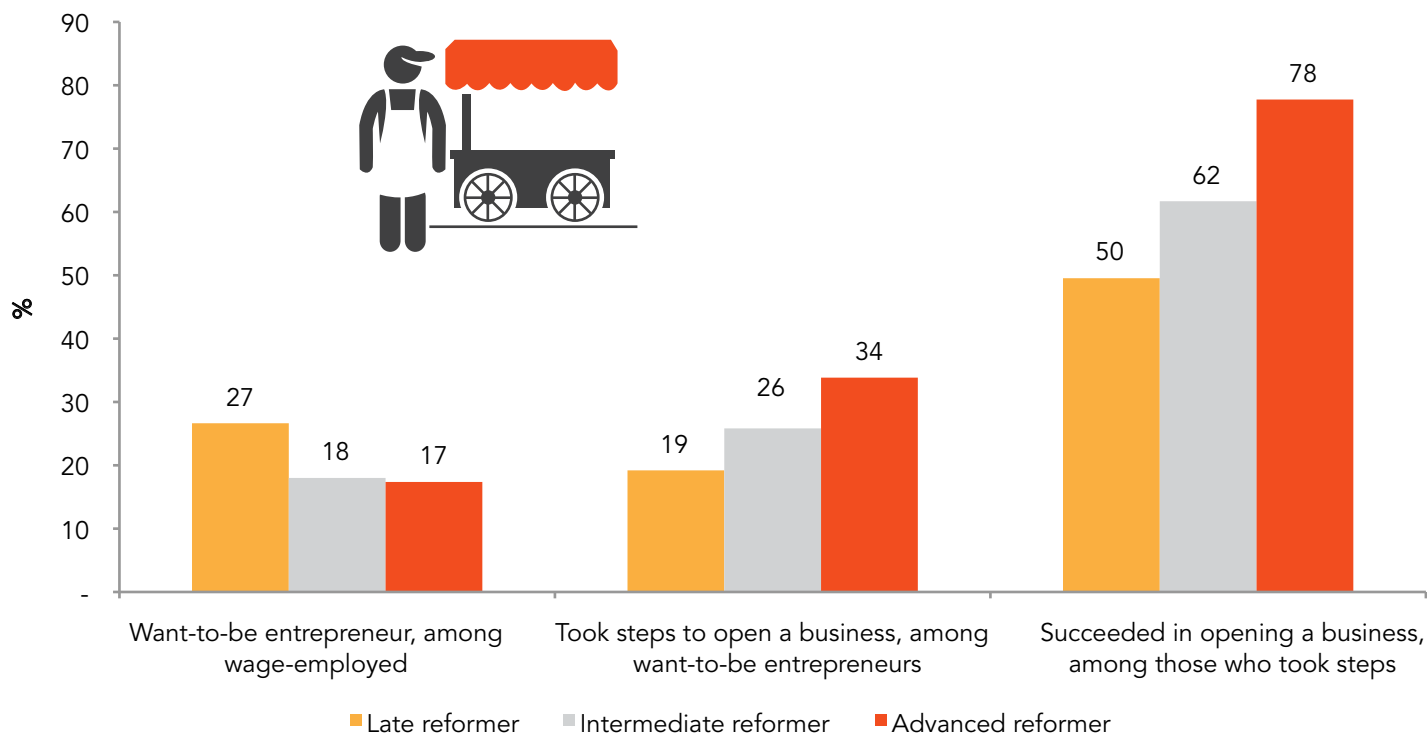
**Advanced reformer**  
Czech Republic  
14% of firms created  
72% of new jobs

**Intermediate reformer**  
Bosnia and Herzegovina  
18% of firms created  
71% of new jobs

**Late reformer**  
Ukraine  
12% of firms created  
73% of new jobs

## Advanced modernizers translate entrepreneurship potential into higher creation of new businesses

Percentage of workers who prefer to be self-employed, took steps, and actually started a business, 2010



## Enabling private sector-led job creation and entrepreneurship



Continue process of reforms and enterprise restructuring



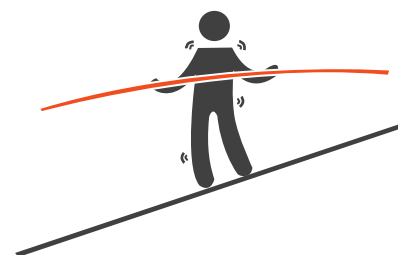
Continue improving business environment, including regulations for entry and exit



Expand access to finance and business training



Foster agglomeration economies



Promote more favorable social norms and attitudes towards risk taking



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