



Growing Tomorrow's Market Leaders: Empowering Entrepreneurs to Grow Their Businesses

Governments seeking to foster entrepreneurial activity can benefit from World Bank Group help in conducting diagnostics, identifying opportunities for stimulating growth, reforming policies, and building the capacity of entrepreneurs to start and grow their businesses.

Context

Countries and regions characterized by higher entrepreneurial activity tend to have higher growth rates and job creation, the main pathways through which the poor can escape poverty and join the global middle-class. New research shows that young companies, in particular, contribute significantly to net employment growth and help enhance competitiveness and productivity by introducing new products, developing novel business models, and opening new markets. Investment in growth businesses thus becomes an investment in sustainable job creation, inclusive private sector development, and greater consumer choice.

The growth of a business is affected by how external and internal factors affect the entrepreneur at each stage of enterprise development, from original concept to feasibility and monetization, and from there to growth, optimization, and innovation. External constraints include the business environment, characteristics of the particular industry, the firm's access to capital, labor, technology, and other inputs, and the availability of markets to sell products and services. Internal constraints include the capabilities of the entrepreneur, the management and organization of the firm, as well as the firm's capacity to tap into relevant networks.

What we offer

We support governments in a number of ways, including:

- Identifying current performance, opportunities for growth, and constraints to successful entrepreneurship.
- Developing comprehensive entrepreneurship ecosystem strategies and designing targeted solutions that promote the growth and productivity of firms.
- Developing capacities within ministries and government agencies for design, delivery, monitoring, and evaluation of programs to promote entrepreneurship.

These services can be framed in the context of a competitiveness and growth strategy at the national, regional, or municipal levels, or within the context of strategies to promote specific industries, such as agribusiness, tourism, and energy.

World Bank Group entrepreneurship support in the area of trade and competitiveness consists of the following components:

Assessing opportunities and constraints to growth by entrepreneurs, including:

- The current performance and needs of entrepreneurs and small and medium enterprises (SMEs).
- Market and technology trend implications for growth-oriented entrepreneurs.
- The business environment, including access to key inputs such as capital, labor, infrastructure, and technology.
- Access to national, regional, and international markets, including global value chains.
- Organizations and capabilities in the entrepreneurship eco-system.

Developing entrepreneurship eco-system strategies and targeted solutions, including:

- Regulatory and policy reform, such as tax, labor, bankruptcy, tariffs, and standards.
- Entrepreneurial and SME capacity and network builders, for example, accelerators, innovation centers, business incubators, and clusters.
- Programs to support access to markets, including building SME capability to access global supply chains.
- Technology extension services, such as programs for productivity or bringing standards up to date.
- Risk financing for young firms, including co-financing, seeding, and angel investment groups.

Building capability within government agencies by:

- Building capacity for design, delivery, monitoring and evaluation, either through new institutions or reforming existing ones.
- Implementing expenditure reviews of public investment to support entrepreneurship, productivity and SMEs growth.
- Cultivating multi-stakeholder ownership for the design and delivery of solutions.
- Mobilizing participation of commercial financiers and large corporations, for example, as co-financiers in risk financing or partners in technology extension programs.

Our work in action

In **Mexico**, the World Bank Group is supporting the recently created INADEM (Institute for Mexican Entrepreneurs) providing strategic advisory to set up a rigorous system of monitoring and evaluation which will allow INADEM to assimilate the results of its programs and improve its portfolio of interventions to promote entrepreneurship and productivity. Furthermore, as part of this support, the World Bank Group is supporting INADEM in evaluating specific new pilots to promote entrepreneurship.

In **Malaysia**, the World Bank Group supported the development of the national master plan for SMEs. The plan helps analyze Malaysia's entrepreneurial performance and its impact on growth and productivity. A stock-taking of existing initiatives was completed, along with an overarching results-based strategy which included six initiatives targeting particular gaps in the entrepreneurship eco-system.

Relevant publications

[Does management matter? Evidence from India](#)

[Stunted Growth: Why Don't African Firms Create More Jobs?](#)

[Latin American Entrepreneurs: Many Firms but Little Innovation](#)

[The Dynamics of Employment Growth: New Evidence from 18 Countries](#)

For further information

Ellen Olafsen, Program Coordinator
eolafsen@worldbank.org