



Innovation & Entrepreneurship

Increasing Entrepreneurship in the Digital Economy

The World Bank Group provides analysis and digital entrepreneurship programs designed to spur economic activity in knowledge industries, reduce information asymmetries, create high-value jobs, and spur high-tech innovation.

Context

The digital economy contributes significantly to GDP in developed countries, but developing countries that have made strategic investments in broadband infrastructure are catching up fast. In these countries, the digital economy can play an important role in encouraging inclusion and alleviating poverty, for example, by reducing information asymmetries for poor or rural workers, and by fostering entry into the productive labor force of women and younger workers. Young people, consistently the first to embrace new digital technologies, often seek employment in high-tech sectors and can be critical to developing a skilled workforce that is internationally competitive in an increasingly interconnected world. Further, the digital economy is vital to spurring the overall innovation potential of a country in areas such as research and development (R&D), high-tech industry development, and technology patent activity.

Many developing countries seek to improve the policy frameworks, technical programs, skills development programs, and financing initiatives that support entrepreneurship in the digital economy. The ultimate aim of these initiatives is to improve competitiveness, attract investment, create jobs, and grow markets.

What we offer

The Bank Group assists clients in the design and deployment of digital entrepreneurship initiatives, building on experience and lessons learned working around the world in a wide variety of industries. Our support is tailored to the unique circumstances of our

clients, and can be provided at the level of national governments as well as subnationally, for example to city governments.

Supporting the development of digital incubators, accelerators, and early-stage funding programs

These are designed to support the digital entrepreneur on the path “from mind to market,” that is, from the idea-stage of a business or product line to the building of a prototype to launching a new product and to growing the business at home and abroad. Incubators provide technical training, targeted business mentoring, and opportunities to network with peers, investors, research institutes, and established firms, along with free or subsidized office space and internet connectivity. Accelerators focus on helping startups that are already earning revenues to enter a high-growth stage through intensive training and equity-based investment. These approaches can be combined with financial support during the riskiest early stages of a startup’s development.

Digital Entrepreneurship Scorecard

This rapid diagnostic tool is used to assess digital market opportunities and the level of competitiveness in the information and communication technology (ICT) sector. It can also help identify gaps and inform recommendations related to digital skills, evaluate appropriate financing mechanisms for digital entrepreneurs, analyze the overall entrepreneurial culture, and identify opportunities for innovative partnerships.

Digital Entrepreneurship Opportunity Map

This analytical product helps governments take advantage of emerging technological developments such as social media, mobile technologies, big data, cloud computing, the Internet of things, and smart city grids.

Private sector leadership models

We can advise clients on strategies to incentivize established firms to collaborate with digital startups, research institutes, and financing bodies, for instance by investing in shared R&D and technology transfer. We can also help design models for collaboration between the private sector, government, and non-governmental organizations on digital economy initiatives.

Policy guidance and best practice examples

These can assist digital entrepreneurs with founding, scaling, and internationalizing businesses, including issues related to intellectual property, infrastructure, investment climate, and procurement of digital products and services produced by entrepreneurs.

Strategies for employing digital entrepreneurs in pursuit of broader development objectives

These include improving health outcomes, strengthening government transparency, disaster response and relief efforts, and encouraging labor force participation by women and young people.

Our work in action

The World Bank Group has supported mLab and NaiLab, incubators that have fostered a vibrant digital entrepreneurship ecosystem in **Kenya**, along with the pioneering community organization, iHub. These skills development networks have supported young, tech-savvy innovators in taking risks building products, services, and platforms for local markets. The mobile merchant service Kopo Kopo emerged from mLab to raise more than \$3 million and take its product to global markets. In three years of operations, mLab has provided skills training to 5,000 developers and entrepreneurs. Its resident startups have introduced 142 mobile applications to the market and created over 100 jobs.

Since 2010, through a mobile hub supported by the World Bank Group in **Nepal**, many skilled mobile app developers have formed a strong local community that has created a dozen successful startups focused on both local and global markets. The work of these developers has resulted in the introduction of a mobile money payment gateway, created learning partnerships with global IT corporations, and raised seed investment funds for new ventures.

Relevant publications

[Do mLabs Make a Difference?](#)

[Mobile Apps at the Base of the Pyramid](#)

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