

IFC-Supported Entrepreneurial Database Highlights Benefits of Good Regulatory Climate

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Washington D.C., November 13, 2008—Entrepreneurial activity in developing countries tends to be stronger when regulatory barriers to business start-ups are low, according to a database based launched today by IFC, the World Bank Development Research Group, and the Ewing Marion Kauffman Foundation.

The 2008 *World Bank Group Entrepreneurship Survey* database contains data for 100 industrial and developing countries from 2000 through 2007. It shows that new firm creation is higher in countries that have modernized business registries and make it relatively easy to start a business.

“As the financial crisis spreads across the globe, it is important to understand that entrepreneurial activity can help economic growth, and the first step for entrepreneurs is the registration of their business at the registrar of companies,” said Leora Klapper, senior economist in the World Bank Development Research Group. “Therefore, a quick, efficient and cost-effective business registration process is critical to fostering entrepreneurship.”

In its third year, the entrepreneurial survey incorporates improvements in methodology and expanded participation from countries covered, allowing for greater cross-border compatibility of data. This round also includes new information on business registration procedures, such as filing requirements, and electronic registration and data storage.

The new database has been launched as part of the activities associated with Global Entrepreneurship Week, which was founded by the Kauffman Foundation and the Make Your Mark campaign.

“The Kauffman Foundation has a keen interest in fostering innovation and entrepreneurship among young people across the world,” says Robert E. Litan, vice president, Research & Policy at the Kauffman Foundation. “This study helps enable a better understanding of what drives individuals in emerging markets to achieve their entrepreneurial potential.”

Visit the database at:

<http://econ.worldbank.org/research/entrepreneurship>

About IFC

IFC, a member of the World Bank Group, creates opportunity for people to escape poverty and improve their lives. We foster sustainable economic growth in developing countries by supporting private sector development, mobilizing private capital, and providing advisory and risk mitigation services to businesses and governments. Our new investments totaled \$16.2 billion in fiscal 2008, a 34 percent increase over the previous year. For more information, visit www.ifc.org.

About the Kauffman Foundation

The Ewing Marion Kauffman Foundation is a private nonpartisan foundation that works to harness the power of entrepreneurship and innovation to grow economies and improve human welfare. Through its research and other initiatives, the Kauffman Foundation aims to open young people's eyes to the possibility of entrepreneurship, promote entrepreneurship education, raise awareness of entrepreneurship-friendly policies, and find alternative pathways for the commercialization of new knowledge and technologies. Founded by late entrepreneur and philanthropist Ewing Marion Kauffman, the Foundation is based in Kansas City, Mo., and has approximately \$2 billion in assets. For more information, visit www.kauffman.org.