

Entrepreneurship in Emerging Markets: Local Ideas, Global Impact

COMPREHENSION • VOCABULARY • DISCUSSION

INTERACTIVE ONLINE TEST

Take the full interactive test with instant feedback →

<https://www.esl-tests.com/reading/b2/entrepreneurship-emerging-markets-local-ideas-global-impact>



Reading Passage

Read the passage carefully. Each paragraph is labelled with a letter for easy reference.

- A** In recent years, entrepreneurship has become a vital force in emerging markets, where local ideas are transforming communities and economies in profound ways. For instance, in Kenya, mobile money platforms like M-Pesa have revolutionized how people conduct transactions, providing a convenient and secure method for financial exchanges. This innovation has allowed millions of Kenyans, particularly in rural areas, to access financial services for the first time, enabling them to save money, make payments, and conduct business more efficiently. Entrepreneurs in these regions often leverage technology to solve everyday problems, creating solutions that are not only practical but also scalable and adaptable to various contexts. The success of these startups illustrates how local initiatives can draw international attention and investment, fostering growth in the global market and inspiring similar efforts in other countries.
- B** Moreover, the impact of these businesses extends beyond mere economic benefits. Social entrepreneurship has gained significant traction, where entrepreneurs focus on addressing pressing social issues while still maintaining a profitable model. In India, companies like Goonj are turning urban waste into valuable resources for rural communities, effectively bridging the gap between urban and rural economies. Such initiatives empower local populations and promote sustainability, showing that entrepreneurship can be a powerful tool for positive change. As these businesses continue to grow and evolve, they challenge traditional notions of commerce and highlight the importance of local knowledge and cultural context in a globalized world, ultimately reshaping how we view economic development.

Vocabulary Glossary

Key words and phrases from the passage. Study them before attempting the exercise below.

WORD / PHRASE	DEFINITION	EXAMPLE SENTENCE
emerging markets	countries with growing economies that are becoming more developed	<i>Many companies want to invest in emerging markets because of their potential for growth.</i>
profound	very deep or significant	<i>The teacher's words had a profound effect on the students.</i>
revolutionized	changed something completely, making it much better	<i>Smartphones have revolutionized the way people communicate.</i>
transactions	acts of buying or selling something	<i>Online transactions are becoming more common with the rise of e-commerce.</i>
scalable	able to grow or expand without losing quality or efficiency	<i>The new software is scalable, so it can handle more users as the company grows.</i>
traction	the gaining of support or popularity	<i>The new diet is gaining traction among health enthusiasts.</i>
sustainability	the ability to continue over time without causing harm	<i>Recycling is important for environmental sustainability.</i>
initiatives	new plans or actions to solve a problem	<i>The government launched new initiatives to improve education.</i>

Vocabulary Exercise — Fill in the Blank

Use one word or phrase from the glossary above to complete each sentence. Each item is used only once. Answers are on the final page.

1. The concept of _____ in business means being able to handle more work as it grows.
2. The new app has _____ the way people order food from restaurants.
3. Countries with developing economies are often called _____ markets.
4. The policy gained _____ when more people started supporting it.
5. The company focuses on _____ to ensure it can keep going in the long term.
6. Many people shop online because _____ are quick and easy.

Comprehension Questions

These questions are different from the online practice test. Choose the best answer (A, B, C, or D). Answers and explanations are on the final page.

Question 1

What is one way entrepreneurs in emerging markets impact their communities?

- A. By creating new types of currency
- B. By leveraging technology to solve problems
- C. By focusing solely on economic profit
- D. By reducing the number of local jobs

Question 2

Why is social entrepreneurship significant according to the passage?

- A. It focuses only on profit.
- B. It addresses social issues while being profitable.
- C. It replaces traditional commerce entirely.
- D. It primarily targets urban areas.

Question 3

What role does local knowledge play in entrepreneurship in emerging markets?

- A. It is irrelevant to business success.
- B. It helps tailor solutions for local needs.
- C. It only applies to large corporations.
- D. It hinders global investment.

Question 4

What is the main idea of the passage?

- A. Emerging markets struggle with entrepreneurship.
- B. Entrepreneurship in emerging markets has local and global impacts.
- C. Technology is not useful in developing countries.
- D. Traditional commerce remains unchanged in emerging markets.

Question 5

Why might international investors be interested in emerging markets?

- A. They have no potential for growth.
- B. Local entrepreneurs often fail.
- C. Successful startups can attract global attention.
- D. There is no competition in these markets.

Discussion & Writing Prompts

Each prompt references a specific detail from the passage above. Use for classroom discussion or a short written response (150–200 words).

1. Paragraph 1 describes how M-Pesa has changed financial services in Kenya. How might similar technology improve financial access in your country?

2. Paragraph 2 mentions Goonj's work with urban waste in India. What are some innovative ways your community could address local waste problems?

3. The passage discusses the global impact of local entrepreneurship. Can you think of a local idea from your country that could succeed internationally, and why?

Answer Key

COMPREHENSION QUESTIONS

Q1 B

Q2 B

Q3 B

Q4 B

Q5 C

VOCABULARY EXERCISE

FIB1 scalable

FIB2 revolutionized

FIB3 emerging

FIB4 traction

FIB5 sustainability

FIB6 transactions

Comprehension Question Explanations

Why the correct answer is right — and why each wrong option is incorrect.

1. What is one way entrepreneurs in emerging markets impact their communities?

✓ B — By leveraging technology to solve problems

The passage states that entrepreneurs use technology to solve everyday problems.

✗ A — By creating new types of currency

The passage does not mention creating new types of currency.

✗ C — By focusing solely on economic profit

Entrepreneurs also focus on social issues, not just profit.

✗ D — By reducing the number of local jobs

The passage suggests entrepreneurship creates opportunities, not reduces them.

2. Why is social entrepreneurship significant according to the passage?

✓ B — It addresses social issues while being profitable.

The passage states social entrepreneurship addresses social issues and is profitable.

✗ A — It focuses only on profit.

Social entrepreneurship is not focused solely on profit.

✗ C — It replaces traditional commerce entirely.

It challenges traditional commerce but does not replace it.

✗ D — It primarily targets urban areas.

It impacts both rural and urban areas.

3. What role does local knowledge play in entrepreneurship in emerging markets?

✓ B — It helps tailor solutions for local needs.

The passage highlights the importance of local knowledge in creating relevant solutions.

✗ A — It is irrelevant to business success.

Local knowledge is crucial for adapting solutions.

✗ C — It only applies to large corporations.

Local knowledge is not exclusive to large corporations.

✗ D — It hinders global investment.

Local knowledge attracts, not hinders, global investment.

4. What is the main idea of the passage?

✓ **B — Entrepreneurship in emerging markets has local and global impacts.**

The passage discusses the local and global impacts of entrepreneurship in emerging markets.

✗ **A — Emerging markets struggle with entrepreneurship.**

The passage highlights successes, not struggles.

✗ **C — Technology is not useful in developing countries.**

Technology is shown as beneficial in the passage.

✗ **D — Traditional commerce remains unchanged in emerging markets.**

The passage discusses changes in commerce.

5. Why might international investors be interested in emerging markets?

✓ **C — Successful startups can attract global attention.**

The passage notes successful startups in emerging markets draw international attention and investment.

✗ **A — They have no potential for growth.**

Emerging markets do have growth potential.

✗ **B — Local entrepreneurs often fail.**

The passage describes successful entrepreneurship.

✗ **D — There is no competition in these markets.**

Competition is not mentioned as absent in the passage.

MORE B2 LEVEL READING PRACTICE

Letters Refugee Camp Family Story Hope — <https://www.esl-tests.com/reading/b2/letters-refugee-camp-family-story-hope>

Global Health Preparedness Lessons Recent Pandemics — <https://www.esl-tests.com/reading/b2/global-health-preparedness-lessons-recent-pandemics>

Climate Migration Communities Move — <https://www.esl-tests.com/reading/b2/climate-migration-communities-move>