

# Entrepreneurial Ecosystem in Emerging Market - the Case of Peruvian Small Business

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**Abstract**— Peruvian small enterprises represent business initiatives with low impact on national productivity, high levels of informality and have focus on trade and services sectors with little incorporation of new technologies in their processes, which ultimately limit their ability to grow and develop.

The future development and sustainability of small enterprises does not depend only on the accumulated resources and capacities but on the set of institutions, networks of relations, public policies and stakeholders' interaction, between others. That is, to create the institutional structure capable of articulate and support the sustainability of the enterprise: an entrepreneurial ecosystem (EE). It should create the institutionalism as a support for the small business, and we sustain that it also requires additional intervention strategies (IS) to strengthen the network of relations where the enterprise operates and, therefore, work and interact with stakeholders, clusters, business districts and technological innovation centers.

**Keywords**— Entrepreneurial ecosystem, small business, network of relations, stakeholders.

## I. INTRODUCTION

LATIN American economies are beginning to observe a different behavior to the one we have been accustomed to in the past decade, characterized by an expansionary phase of the economic cycle that explains the growth of recent years. Context and different conditions today make justifiable the search for new formulas or ways to ensure the sustainability of the business, social and economic framework that small businesses represent in the countries of the region, due to factors that in the near future will affect the growth rates of the economy, which focus on: i) a steady decline in trade volume; ii) the drop in prices of raw materials; and iii) the fluctuation and uncertainty in global financial and monetary conditions.

In view of this state of affairs, a set of strategies that mitigate the impact of slower growth is required to consolidate what has been achieved thanks to the economic cycle that is ending. Therefore, the new challenges of the region as a whole should focus on preventing the increase of current poverty levels –something that we are beginning to achieve – which from now on will be affected by a lower rate of tax collection from exports of raw materials, as a result of the drop in international prices, as well as greater scarcity of foreign exchange for food imports and a deterioration in

financing conditions for businesses. This situation will also impact on the consolidation of an emerging entrepreneurial class that has been able to grow thanks to market conditions and the expansion of domestic demand that from now on, shall: i) direct their efforts to increase their productivity levels, ii) seek new growing markets to export their products and services to, and iii) rapidly incorporate new information technologies in their business processes. On the other hand, and from a perspective of dynamic competitiveness and from the viewpoint of the theory of institutions, the government is called to rethink public policies that should help reconfigure production linkages to boost the participation of the business sector in this new scenario [1].

It is in this context and conditions that small enterprises have to develop, despite their great diversity, their low contribution in the production of goods with a high value-added component, as well as the high concentration of their production in the domestic market which leads them to not being competitive, to favor the use of labor rather than applying technology, to have little access to technical progress and diversity in productivity, which in turn generates a structural heterogeneity characterized by a concentration of labor in low productivity strata.

Given this situation of initial disadvantage, it is understood that structural change in small businesses can hardly be the endogenous type and short-termed, that is, a change that is based on the set of resources and capabilities possessed by the sector. The viable alternative lies on the opposite front; structural change should come from the outside, from the set of public policies that can be deployed in order to encourage change in the business processes of small organizations. In the perspective of technical change and, consequently, a structural one, "the need to consider the role of public policies" is suggested. "...public policies are important to change the techno economical paradigm... and when the resistance arising from the previous unit (path-dependency) must be overcome. The choice and implementation of strategies for structural change are related to issues of political economy and building institutions ... "[2].

Thus, it is understood that the future performance of small enterprises depends not only on the accumulation of the resources and capabilities they are able to get, but the sustainability of small businesses will depend on the set of institutions, network, cultural behaviors, and knowledge transfer programs, as well as encouragement to the development of talent, public policies and social partners or stakeholders interaction, among other aspects. Therefore, it will depend on the possibility of creating institutions able to articulate and support the growth and sustainability of small

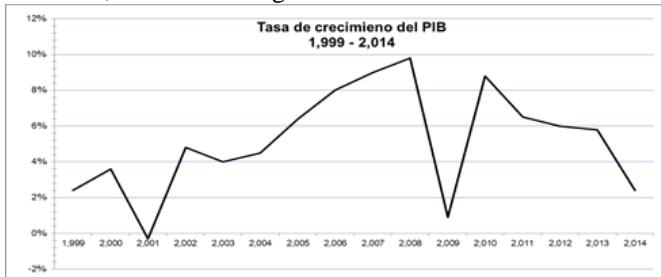
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businesses. Largely, it will depend on the functioning of what [3]-[11], called an entrepreneurship ecosystem or the institutional context and its relationship with the ventures [12]. In this sense, and according to the points made by Estrin et al, what will be most interesting to know is how the different types of institutions, relationships, stakeholders, among other components, affect the entrepreneurial activity of small business entrepreneurs in Peru [13].

## II. ABOUT PERU AND SMALL BUSINESS

In the last decade, most countries in the Latin American region - LATAM, experienced increased rates of economic growth and improved competitiveness with the economies of other regions.

In the case of Peru, the country has grown in the last sixteen years an average of 5% a year, despite the economic crisis of 2009; although it has not regained the growth rates of 2006 and 2007, as shown in Figure 1.



Source: own calculations based on data from the Instituto Nacional de Estadística (National Statistics Institute)

Fig. 1. – GNP growth rate

In 2007, Peru's per capita income was US \$ 7,600, tallying a growth of 54% in seven years, representing US \$ 11,725 in 2014. As shown in Table 1 - Peru in figures.

TABLE I  
PERU IN FIGURES

	2015	2014	2013	2012	2011	2010	2009	2008	2007
GDP annual growth rate	3.26	2.40	5.80	6.00	6.50	8.80	0.90	9.80	9.00
Income per capita in US \$	13.563	11.725	11.403	10.719	10.062	9.930	8.500	8.500	7.600
Global Competitiveness Ranking	69	65	61	61	67	73	78	83	86
Score of 7	4.2	4.2	4.3	4.3	4.2	4.1	4.0	3.9	3.9
Ranking Pillar 12: Innovation	116	117	122	117	113	110	109	110	100
Score of 7	2.8	2.8	2.8	2.7	2.7	2.7	2.7	2.7	2.8

On the other hand, in terms of competitiveness nation, according to Global Competitiveness Report, in the year 2007, Peru was ranked 86 in the global ranking of competitiveness, having achieved a score of 3.9 / 7 points. However, in seven years it managed to climb 21 places, rising to the position 65, reaching a score of 4.2 / 7. The best competitive performance that the country was able to achieve was the result of variables and factors, both exogenous and endogenous that impacted, in principle, the pillars of competitiveness, as stated by World Economic Forum. However, it is clear to see that, despite having advanced 21 positions, the results achieved in the innovation pillar, show serious stagnation. This reflects the low capillarity of companies to incorporate technical development or any connection with science, technology and innovation, as shown in Table I in the Appendix.

The situation becomes more dramatic if we analyze that the economically active population (EAP) employed by the small businesses focuses on core activities (agriculture, services and trade), reaching an 86% of low-tech labor work, a situation that is structurally unlikely to change overnight, as appears on Table II below.

TABLE II  
EAP EMPLOYED IN SMALL BUSINESSES (2002)

Sector	%
Manufacture	8.9
Trade	15.6
Services	18.3
Agriculture	52.4
Construction	4.1
Others	0.7
Total	100

Source: Levano (2005)

Act 30056, published in 2013, regulates small businesses in Peru. For a company to be considered as a small enterprise it must have annual sales between US \$ 180,000 and US \$ 2,000,000. Small businesses engage 9% of the economically active population (1,400,000 workers), compared to 53% of the EAP absorbed by micro enterprises, and 7% of the EAP employed by medium and large enterprises. Regardless of this classification, small enterprises have been characterized by carrying out entrepreneurship with low impact on national productivity [14], high levels of informality [15], high concentration in the sectors of trade and services, a minimal ability to incorporate new technology [16] and little ability to grow [17]. In comparison to the countries of the region, small businesses in Peru have a smaller share in the context of the whole business sector, with only 1.54%, exceedingly far from 16.10% as is the case of Argentina, or 13.40% in the case of Uruguay, as shown in Table III.

TABLE III  
PERCENTAGE DISTRIBUTION OF COMPANIES UNTIL 2010

	Micro	Small	Medium	Large
Argentina	81.60	16.10	1.90	0.40
Brazil	85.40	12.10	1.40	1.00
Chile	90.40	7.80	1.20	0.60
Colombia	93.20	5.50	1.00	0.30
Ecuador	95.40	3.80	0.60	0.20
Mexico	95.50	3.60	0.80	0.20
Peru	98.10	1.54	0.34	0.02
Uruguay	83.30	13.40	3.10	0.60

Source: [1]

This indicates a weak business structure, especially if 98.10% of the universe of companies in Peru is micro enterprises. With such a business structure, it is very little what can be achieved in terms of incorporating technology in order to improve competitiveness, because the critical mass capable of absorbing knowledge and technology transfer leverage is very scarce [18].

Today, small businesses in Peru are not sustainable because this structural deficit does not allow them to grow and have indicators similar to those on the other countries' in the region.

Thus, the small businesses fail to be a sustainable model in the entrepreneurial context of Peru.

The framework of the network of relationships, in which the companies operate seeking to be competitive, constitutes the natural or artificial space that favors the survival of organizations, referred to as "entrepreneurial ecosystem", which aims to promote the creation of businesses acting in four dimensions: that of the environment, to promote innovation; interaction among talents; funding, and workforce capabilities [17].

A closer definition at the reality of small businesses in Latin America tells us that an entrepreneurial ecosystem is.... "a business community, supported by a public context of laws and practices, formed by a base of interacting organizations and individuals producing and combining business ideas, skills, financial and nonfinancial resources that result in dynamic companies" [19].

In the case of Peru, the business abandonment measure lingers among the highest in Latin America and the Caribbean, with an increase of 5.1% in 2011 to 6.7% for 2012, [16]. In 2008, the annual mortality reached 18% (exit from the market of about 6,000 companies within a year of having been created). At the end of 2013, the indicator rose to 24%, which meant exit from the market for eleven thousand companies, which means having doubled the number of companies that have closed their activities in the last five years. Lima accounts for 52% of the companies [20]. These data cast doubts over the sustainability of small businesses. In this sense, we want to know if the entrepreneurial ecosystem contributes to their sustainability and what elements of the ecosystem are decisive.

### III. REVIEW OF THE LITERATURE

The most striking feature of small businesses is the low national productivity [14]. This situation reflects the lack of competitiveness that this business sector has, despite representing about eight million economically active people (73% of the economically active population), that is, about three million productive units [21].

This high concentration of labor occurs in economic units that employ between 1 and 50 employees, representing about 90% of companies in Peru, which implies little specialization and high transaction costs [1], unlike what is shown by a developed economy such as the American, where a high concentration of companies count on more than 50 workers (60%), allowing these companies to benefit from economies of scale and become more productive [17].

In addition to this low performance, a high mortality rate pervades in initiatives. Global Entrepreneurship Monitor - GEM 2013 reports that Peru has one of the highest discontinuity rates in the region, 6.7% [16]. The causes of this mortality are related to management capacity and promotion, production potential market conditions and financing [22].

Turning this situation around has been the challenge of the various incumbent governments and governmental institutions, some of them more engaged and knowledgeable on the subject than others, although many of the actions intending to promote the sector ended in populist acts and corruption [21]. The reality is that little has been done about it,

leaving the three key points raised by Williamson's unresolved, such as the level of corruption, strengthening property rights and the level of influence of government actions [13]. From the perspective of the strategy based on institutions it is clear that the dynamic interaction between companies and the institutions that regulate them generate the accumulation of strategic decisions based on formal and informal constraints, industry conditions and specific company resources [23], [24].

In this sense, as from the theory of institutions, the development of small businesses should ensure the employer an environment that allows them access to the necessary conditions for achieving the expected returns, i.e. the employer when choosing to invest resources should be sure to receive the highest --though volatile--expected returns, in doing business, rather than putting their human and social capital in a secure job, looking for a stable and constant level of income returns. In this way, the sustainability and continuity of small businesses will be based on certain institutional conditions, such as a government policy that encourages entrepreneurship [25].

A regulatory framework based on incentive structures can lead a person to create a new business (against the alternative of being hired by a third party) and thus becomes a critical element in the entrepreneurial activity, especially if these incentives are withdrawn from the market in the short term. A regulatory framework favoring medium and long-term reforms in the labor and financial markets will have a greater result of sustainability than short-term incentives [26]. This leads us to consider the need to determine how the small business entrepreneur can achieve competitive advantage to become sustainable over time, facing the permanent dilemma between developing a strategy based on their abilities or one based on the imperfections of the market and the regulation of it through public policy.

#### *Approaches of competitive advantage*

An enterprise is an open system and, as such, it provides a network that allows it to interact with their social participants or stakeholders. The results of company performance depend on the dynamic interaction established between its internal and external elements. From a strategic point of view, the overall environment becomes crucial to achieve competitive advantage, according to the principles of the school of industrial organization, a perspective widely promoted by [27]. However, from the perspective of resources and capabilities approach, the internal and active factors owned by the organization are crucial in the generation of a competitive advantage [28].

#### *A. Competitive advantage based on the analysis of the industry environment.*

This approach has its basis in the paradigm theory of industrial economy: *structure-conduct-performance* [29]. Thus, the profitability of each industrial sector will depend on the imperfections of the market structure (concentration of supply and demand, input-output barrier, dominant position in the supplier-customer negotiations, economies of scale, etc.) which the company will try to maximize through a focus on operational efficiency [30]. In this situation, since not

everything can be left to supply and demand, the regulator intervenes as a force seeking to balance the system, reducing inefficiencies. In this regard, the industry structure determines the competitive capacity.

#### *B. A competitive advantage based on the analysis of resources and capabilities.*

A different perspective comes in the nineties, with the 'Theory of resources and capabilities', which focuses its attention to the study of resource market imperfections, posing a new paradigm, called *capabilities-distinctive performance results* [30], that is, it develops an inside look at organizations as the basis of sustainability. For Wernerfelt, the company is as a set of resources [28].

The approaches revised earlier, although widely accepted in the corporate business world, are often not fully applied to new business initiatives, as well as to small and micro enterprises.

In light of these two paradigms, competitiveness and the reality of small businesses in Peru, we may make the following proposals:

- i) Sustainability of small businesses in Peru depends on the intervention of the regulator and stakeholders given the structural framework in which it operates.
- ii) The homogeneity of resources and the limited stock of resources and capabilities accumulated by small businesses in Peru do not ensure their sustainability.

#### IV. SUSTAINABILITY BASED ON THE NETWORK OF RELATIONSHIPS

When comparing the results obtained in Latin America with those achieved in developed economies such as Germany, France, Spain or Italy, for example, we see that one aspect prevails as an explanatory variable of the competitiveness of European companies -among other factors-, it is the network of relationships that are often woven among the actors and their environment, i.e. they have ceased to be initiatives trying to compete individually in a global environment, to become enterprises that rely on enterprise networks, developing production coordination mechanisms and business cooperation in order to survive, initially, and then evolve.

These schemes of collaborative work among companies (even though they do not stop competing among them) have led to a high business specialization, to the development of specific knowledge, to achieve economies of scale and to attain bargaining power in a global world [31].

Marco Dini believes that "competitiveness is not achieved individually, but rather as the result of a systemic effort in which both companies and institutions participate", so that it takes work schemes based on cooperation, partnership working, productive integration and the creation of dynamic networks [21]. Therefore, looking outside companies is imperative to find sources of competitive advantage, i.e., a look at the set of interactions that companies manage to establish with its environment, stakeholders and social partners and the set of relationships that constitute a natural or artificially created framework of cooperation networks [32].

However, unlike a model of competitive advantage based only on the pre-existing conditions of a specific business

sector, it is necessary, most of the time, to advance the development of basic conditions which promote the business framework (networks, industrial districts, clusters, territorial development) so that working companies and new business initiatives can achieve growth, be competitive and achieve sustainability [33].

In this sense, it is required, in order to achieve a competitive position, to design strategies that promote the coexistence and integration of businesses in a supportive environment which, without preventing competition, even among them, manage to establish a network of relationships and business interactions that initially ensure their survival and further consolidate its sustainability. This will permit to focus the unit of analysis and study, neither around the individual, nor on the economic unit alone but, on the contrary, it will allow focusing interest in the territorial space where entrepreneurship is generated, where the base for relationships is established and the provisions for them to reach conditions of sustainability are developed [34].

Accordingly, we must be acquainted with ... "the way businesses are organized and inserted about a dynamic business environment, thus generating competitive advantages" ... for which ... "the concerted action of social actors is required and especially selective, non-standard policies, regional and local are needed" ... [35].

#### *A. Entrepreneurial ecosystems (EE)*

The relationships framework, in which the companies operate seeking to be competitive, composes the -natural or artificial- space favoring the survival of organizations, called "entrepreneurial ecosystem," which aims to promote the creation of corporations acting in four dimensions: that of the environment to promote innovation, interaction among talents, funding and workforce capabilities [17]. Although, a broader and more complete vision of the factors making up a venture ecosystem is proposed by Daniel Isenberg who considers six areas or domains of interest: policies, finances, culture, support services, human capital and markets [5].

Nevertheless, following D. Isenberg's initial project proposal at Babson College (USA) named Babson Entrepreneurship Ecosystem Project (BEEP) in 2009, many multilateral development agencies started to develop their own ecosystem models, as it is the case of World Economic Forum (WEF) which proposes an ecosystem model shaped by eight components: market access, financing, regulatory framework and infrastructure, universities as catalysts, human capital and workforce, support systems, education and training and culture or, as the case of novel and original projects such as the Startup Genome that produces an index of the best entrepreneurial ecosystems worldwide (Global Startup Ecosystem Index) based on the performance of ecosystems to develop entrepreneurship, thereby analyzing the conditions fostering entrepreneurship, such as: Results, Financing, Performance, Entrepreneurial Talent, Support, Attitude, Tendency and differentiation capacity [36].

For James Moore, a business ecosystem is an interactive space of mutual interconnection and interdependence between economic operators, whose collective health is essential for the success and survival of organizations [3]. From this point of view, the new small business is also an open system, but the

ecosystem should encourage its growth and sustainability.

A closer definition to the reality of small businesses in Latin America describes an entrepreneurial ecosystem as ... "a business community, supported by a public context of laws and practices, formed by a base of organizations and interacting individuals who produce and associate business ideas, skills, financial and nonfinancial resources that result in dynamic companies" [19].

There is an up to date and extensive literature about the reality in Latin America which provides back up to the experiences and scope of policies devised to support small businesses in this region that reinforces the approach about the importance of business networks and entrepreneurial ecosystems [37]. A review of the various initiatives of efforts to develop entrepreneurial ecosystem in Latin America is presented below, on Table IV, in the Appendix.

#### *B. Intervention Strategies (IS) for sustainability*

The goal is to constitute competitive companies, ensuring their sustainability in the future market. However, given the difficulties experienced by businesses with little capacity to survive and compete, it is understandable that they are not able to overcome the adverse conditions individually, since they depend both on the conditions of their immediate environment and the capabilities and management skills of their leaders, as "... a considerable part of the competitiveness of enterprises depends on the forms and characteristics of the relationships that these companies establish with their surroundings, both productive and entrepreneurial" [32].

Given this reality, what is sought is to establish the necessary mechanisms to provide the business of the conditions and means to overcome the factors that generate adversity, but also to strengthen and develop the network of business relationships that make up the productive system. Therefore, we propose the following Intervention Strategies (IS).

1) Working with stakeholders. The main obstacle to overcome in this situation is the distrust of the very participants --skepticism of the business sector, its leaders and entrepreneurs-- to accept the opportunity to learn from the experience of others, which entails an active participation in interchanging processes of individual and collective knowledge in order to develop management skills for decision-making. To this end, it is necessary an analysis of the social partners or stakeholders to know with whom to work and, furthermore, recognize which actions the entrepreneur ought to develop to get closer to their stakeholders. In this sense, we present in Table V, in the Appendix, the stakeholder analysis.

2) Business networks. According to the proposal by the United Nations Industrial Development Organization, UNIDO, a business network "stands for a set of companies in the same sector and region that decide to collaborate on a voluntary basis without losing their independence, to achieve common objectives that they could not attain acting alone" [38]. For Marco Dini, enterprise networks are characterized by: a positive identification among the group members; they agree among the constituents to have a common strategic goal; and they establish a mechanism for decision-making [32]. Empirical evidence shows that enterprise networks have been

developed mainly according to the following types: i) Export Consortia: voluntary alliance of firms with the aim of promoting abroad its members' goods and services and facilitating the export of their products through joint actions; ii) Production Cooperatives: work scheme characteristic of companies in the agricultural and horticulturist sector, that unify human and material resources committing to produce jointly certain volumes in order to achieve critical mass; iii) Quality Consortia: business associations seeking to ensure high production standards based on: origin of the product and quality characteristics with the purpose of gaining access to highly protected markets [39], [40].

3) Industrial districts. The industrial district has been defined as "a socio-territorial entity characterized by simultaneous presence of a community of people and a population of companies in a defined territorial area ..., where the community and the company identify with each other" [34]. It is an economic and social system, especially integrated by the community of people who live in that town, where the competitive advantage depends precisely on the peculiar interpenetration between productive activity and the ordinary life of the people that takes place in the district, like a Italian industrial district models [41], [42].

4) Innovation and Technology Centers network .An innovation and technology center (ITC) is an institution that transfers technology and promotes innovation in enterprises. In the case of Peru, the ITCs are propped up by governmental action, through public policy procedures of the Ministry of Production. They are the technology partners of companies to promote innovation that will add greater value added and assure compliance with technical standards, good practices and other norms of quality and hygiene that allow taking advantage of the opportunities of trade agreements. The technological services provided by ITCs contribute to increase production, value added, sales revenue and consolidate quality employment and competitiveness [43].

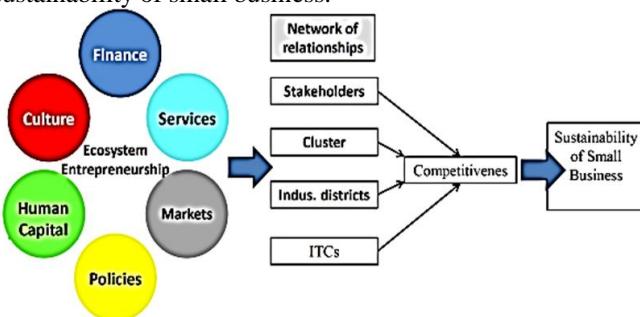
5) Model of production organization: Cluster. The cluster is considered as a model of production organization and as an approach to economic development [44]. It is an agglomeration of firms in the same productive or industrial sector or linked (through the sector value chain) in a defined geographical area, comprising companies of relative specialization, which results in advantages of scale and productivity of similar technological base and ongoing process of adoption of new and better techniques and good manufacturing practices [45]. In the context of these revised strategies that contribute to an ecosystem of entrepreneurship based on the network of relationships that can be generated, we can assert the following propositions :i) The sustainability of small business in Peru depends on the network of relationships that each company, as a node, succeeds in establishing and interacting with their ecosystem. ii) The sustainability of small businesses and the start of a network of relationships demand the implementation of strategies designed to create or strengthen the network through clusters, industrial districts, innovation centers, and technology to strengthen the territorial development where small companies exist.

## V. THE ENTREPRENEURIAL ECOSYSTEM (EE) ON THE SUSTAINABILITY OF SMALL BUSINESSES

It is considered that the sustainability of enterprises depends on the competitive advantage that they can achieve; however, many business initiatives require accompaniment spaces and support strategies in order to overcome the obstacles that market conditions may hold, either in aspects of size, access to specialized markets or managers' lack of administrative skills. In the case of small businesses, it should be worked at the ecosystem level in order to provide the means for the company to actively participate in the network of relationships involving an ecosystem, so the conceptual model of sustainability for small business is:

$$\text{Sustainability of small businesses} = f(\text{EE}, \text{IS})$$

In the Figure 4, we present the conceptual model for sustainability of small business.



Source: Compiled from Isenberg (2011)

## VI. DISCUSSION AND CONCLUSIONS

We have explored the conditions and the context in which small businesses are developed in the Latin American region and especially in Peru, where we mainly conclude there exist low productivity and a high concentration of inadequately skilled manpower in many production units which fail to benefit from production models based on economies of scale. Similarly, exploring the components that sustain competitive advantage, according to the classical models of industrial organization or resources and capabilities, we conclude that if we try to rigidly use such models, they do not point toward possibilities of sustainability, given the structural heterogeneity of small businesses in Peru. Faced with the reality of these reflections we come to the proposals of the theory of institutions having to accept that a concerted action is needed to create the space and conditions to ensure the sustainability of small businesses and to strengthen the business network and the network of relationships necessary to support them, from the implementation of public policies that encourage entrepreneurship.

A clear perspective from the theory of institutions is the intervention of the ecosystem that is home to companies that, according to Isenberg, include six domains of intervention, which entails that in order to gather support; small companies should be institutionalized [5]. However, we further conclude that intervention strategies must be clear and targeted in order to create and strengthen the business network or the set of connections where the small company operates, which initially must be worked with stakeholders and clusters, industrial districts and technological innovation centers. The discussion

meant to define where to start will stay in the background as we believe that strengthening small businesses should come from the establishment of public policies aimed at establishing and developing the basic conditions for the sustainability of such small businesses.

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## APPENDIX

TABLE IV  
ENTREPRENEURIAL ECOSYSTEM INITIATIVES IN LATIN AMERICA

Country	Objetive	Creation	Main Activities
<b>Argentina:</b> <i>Buenos Aires Emprende</i>	To encourage the creation and development of new businesses with innovative features and strengthen and expand the network of organizations dedicated to supporting the development of new productive, commercial and service projects.	2008, created by the Undersecretariat for Economic Development of City Government in partnership with universities, NGOs and decentralized agencies.	It supports business initiatives or with innovative or technological profile.
<b>Bolivia</b> <i>Red Bolivia Emprendedora</i>	To promote mechanisms that advance coordination and partnerships between stakeholders and increase the added value of their services so that their work is more effective and efficient for the benefit of entrepreneurial culture.	2005, from the initiative of the Emprender, Neo Empresa, Avina, Fundes y Funda-Pro foundations. Currently the technical coordination is in charge of the Trabajo Empresa Foundation	To strengthen the business environment through the development of public policies to promote entrepreneurship
<b>Brazil</b> <i>Proyecto Innovar</i>	To promote the development of Brazilian technology-based SMEs through instruments for their financing, especially venture capital.	May 2000, promoted by <i>Financiera de Estudios de Proyectos</i> , FINEP, (Financial Research Projects) acting in partnership with IDB / MIF, the National Council of Scientific and Technological Development, PETROS, ANPROTEC and other institutions	The project includes: <ul style="list-style-type: none"> <li>• The funds incubator Innovar</li> <li>• Brazil Innovation Forum</li> <li>• The venture capital portal Brazil</li> <li>• Red Innovar: network exploration and business development</li> <li>• Development of instruction and training programs.</li> </ul>
<b>Chile:</b> <i>Emprende Claro</i>	To attract and develop projects to enhance life quality through innovative products and rapid adoption services of easy access for all.	Created by Mobile Claro with participation of LG, Incuba UC, Dictu, Endeavor, Corfo, in partnership with universities	Aimed at 3 types of entrepreneurs: <ol style="list-style-type: none"> <li>1. Mature:</li> <li>2. Early stage</li> <li>3. <i>Servilletas</i>: those who have an idea.</li> </ol>
<b>Colombia:</b> <i>Law 1014 and Red Nacional de Emprendimiento</i>	To unify criteria, tools and methods for the processes of awareness, training, pre-incubation, financing, entrepreneurship, business training and sustainability.	2006 1014 Law. 2008, <i>Red Nacional de Emprendimiento</i> , led by the Ministry of Commerce, Industry and Tourism	To promote knowledge of science and technology to create enterprise units, adaptation of new technologies and the development of an innovative attitude.
<b>México:</b> <i>México emprende</i>	To provide comprehensive care services in accessible, agile and timely manner to entrepreneurs and SMEs, according to their size and potential.	2009 Mexico Emprende business centers are created. 2014, the National Institute of Entrepreneurship, decentralized agency of the Ministry of Economy is created	To concentrate in an instance all the support from the federal government for SMEs, such as counseling, consulting, training and financing
<b>Uruguay:</b> <i>Emprendedores e red</i>	To help entrepreneurs in the early stages sharing the same passion and creating a sense of belonging, in addition to keeping them informed about entrepreneurship in Uruguay.	2005 the Foundation promoted by the network Zona America is created	As a network: each became a nodal point able to generate information, ideas, proposals and initiatives, on an equal footing.
<b>Perú:</b> <i>Start Up Perú</i>	To promote the emergence and consolidation of new Peruvian companies that offer innovative products and services with high technological content, projection to international markets and involving the generation of quality jobs.	2013, it is an initiative of the Peruvian government led by the Ministry of Production	It seeks to become the ideal medium for the community to meet and collaborate, obtain information and tools for entrepreneurial development, find sources of financing and access to international networks.
<b>Venezuela:</b> <i>Ecosistema Nacional de Emprendimiento- ENE</i>	To support enterprises that may arise from the perspective of a business or social project in multiple areas, in order to collaborate with the ethical and sustainable national development.	2010, the ENE is an initiative of more than sixty organizations (entrepreneurs, academic, NGOs, trade associations, financial institutions and investors, incubators, and utilities).	To support entrepreneurs in the challenges that they undertake every day to participate as true citizens in the production, exchange or supply of goods and services.

Source: Own elaboration based on Auletta, N. & Rivera, C. (2011), Kantis & Federico (2011), (RBE (2014), Lemon and Lerner (2012) and Peru Start Up (2014)

TABLE V  
ANALYSIS OF THE MOST RELEVANT STAKEHOLDERS

Stakeholders	Tendency	Objective	Strategy	Activity
1. Shareholders	- In favor	- Adding value to the investment.	To encourage and provide opportunities for innovation in order to achieve higher productivity.	<ul style="list-style-type: none"> <li>- Business management training to staff.</li> <li>- Motivation teamwork with a common purpose.</li> <li>- Access to local and international news.</li> <li>- Local and international fairs.</li> <li>- Participation in business networks that generate openness to different markets.</li> </ul>
3. Universities	- Positive	- Supporting entrepreneurship and achieving new ventures.	To motivate and empower students to form their own companies.	<ul style="list-style-type: none"> <li>- Include in the curriculum of most careers the topic of entrepreneurship.</li> <li>- Present entrepreneurs' testimonies.</li> <li>- Visit companies.</li> <li>- Motivate to submit business ideas.</li> </ul>
4.- Banks	- Negative	- Providing access to finance for small businesses.	Segment companies according to their life cycle and borrowing capacity.	<ul style="list-style-type: none"> <li>- Minimize the risk of the institution while facilitating the creation of new businesses.</li> <li>- Finance new business with institutional guarantees that can support them.</li> <li>- Offer a new financial product.</li> </ul>
5.- Business networks	- In favor	- Being the institutional platform supporting the strengthening in management of new and existing enterprises.	To generate support and information services for small business.	<ul style="list-style-type: none"> <li>- Provide access to partners' networking.</li> <li>- Offer courses for innovation, finance, marketing, human resources and operations as basic issues.</li> <li>- Organize local fairs with the corresponding participants' preparation.</li> <li>- Report permanently about financing and existing competitions.</li> </ul>
6.- SUNAT (Revenue Service)	- Against	- Simplifying procedures and providing clear policies to promote formal undertaking.	To adapt existing rules and procedures to the reality of small business.	<ul style="list-style-type: none"> <li>- Perform sharing procedures with users and review the steps to be taken to achieve the formalization of businesses.</li> <li>- Give advice for fill and submission of statements.</li> </ul>
7. Ministry of Production	- Positive	- Supporting new entrepreneurs and existing entrepreneurs.	To implement public policies for the development of small business.	<ul style="list-style-type: none"> <li>- Disseminate information available through the web.</li> <li>- Promote participation in Startup Peru.</li> <li>- Spread contests and financing.</li> </ul>
8.- Municipalities	- Neutral	<ul style="list-style-type: none"> <li>- Simplifying procedures for the operation of enterprises.</li> <li>- Reduce the time for obtaining licenses</li> </ul>	To implement business development units.	<ul style="list-style-type: none"> <li>- Identification of new projects in each area to know the universe of business support</li> <li>- Promote entrepreneurship by location.</li> </ul>
9.-Entrepreneurship center and business incubator.	- In favor	- Promoting and supporting the creation of new businesses.	To strengthen centers to meet the demand for new entrepreneurs.	<ul style="list-style-type: none"> <li>- Train future corporate counsel.</li> <li>- Casuistry development for teaching.</li> <li>- Joint promotion programs of the state institutions and multilateral bodies.</li> </ul>
10.- Church	- Neutral	- Promoting value for partnership working.	To create communities interested in entrepreneurship.	<ul style="list-style-type: none"> <li>- Motivate people to an associative work.</li> <li>- Training in business management</li> <li>- Share a contact network both nationally and internationally</li> <li>- Promote the social responsibility of each person</li> </ul>

Source: Own elaboration