Entrepreneurship as a Predominant Factor in the Economic Growth of the Parish of Leonidas Plaza, Ecuador 2021

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Abstract— The objective of this investigation analyzed the entrepreneurship and its influence on the economic development of one of the parishes of Caton Sucre, specifically, the parish of Leonidas Plaza Gutiérrez, from 2015, 2016, 2017 and 2019, each of the possible factors that helped the growth of enterprises within this sector were detailed, starting from a global point of view until reaching the microeconomic levels of the sector that was analyzed, subsequently the information obtained that helped the critical analysis of the results found during the course of the investigation was contrasted, the methods used were the bibliographic review and the logical historical method, the bibliographic materials follow the order of established and already mentioned years, together with the scientific reading, the two variables of this topic responded to the problem posed for research, how entrepreneurship encourages the economic development of this sector.

Keywords— Entrepreneurship, development, SMEs, jobs, economy.

I. Introduction

Economic ventures within a country, which mostly adopt the trend of Small and Medium Enterprises, recognized today by the acronym SMEs, have positively influenced the economic development of a country, according to García & Villafuerte (2015) worldwide, SMEs have played an important role in the development of countries, despite technological changes and especially the disadvantages they face with large companies, stating that their prominence is due to the importance they have in the economies of the countries and by the high degree of job creation.

Along the same lines, García & Villafuerte (2015) mention that:

As it is used to having a simple organizational structure that streamlines decision-making and adaptability to changes in the environment, while improving the flow of information and communication between its members, it results in greater flexibility and structural adaptability. Likewise, since they are often family businesses, a high level of commitment and motivation prevails among its members, while closeness to the client gives them information advantages and greater flexibility to produce small quantities, in the short term and with certain specifications. (García G and Villafuerte M, 2015).

Ecuador is not the difference, being a country rich in natural resources that are available to its people, and their desire to get ahead, a large number of businesses have explosively emerged that have borne fruit in due time, Furthermore, according to their size, Barrera (2001) cites that the companies created here are divided into the following categories: "micro-companies employ up to 10 workers, and

their fixed capital, discounted buildings and land, can go up to 20 thousand dollars ".

"Artisan workshops are characterized by manual labor, with no more than 20 workers and a fixed capital of \$ 27,000", in the next position we have "small industries, which can have up to 50 workers," then the "Medium industries, which can house from 50 to 99 workers, and the fixed capital should not exceed 120 thousand dollars", and, finally, "Large Companies, which are those that have more than 100 workers and 120 thousand dollars in assets fixed "(Barrera M. 2001).

The potential that they offer when undertaking this type of company must be taken into consideration, according to Barrera (2001), this potential refers to:

The ability to generate wealth and employment, helping to energize this economy, solving problems and social tensions, thus improving their governance, and, by requiring lower investment costs, the economy of depressed regions and provinces, adopt a development more dynamic, because it uses mostly national inputs and resources, opening that niche of export possibilities, generating money for the company and promoting the country's economic growth (Barrera M, 2001).

Another argument refers that these modalities, based on the principles of self-management, free association of workers, cooperation, efficiency and viability, bring together all those individuals excluded from the market, the Specific practices of these companies are inscribed in a new productive rationality, in which solidarity becomes a support for the initiatives, since they generate effective materials and extra-economic profits (Barrera M, 2001).

Although the creation of ventures provides thousands of facilities for people who want to interfere in this world, Barrera indicates that:

There is a certain deficit in programs oriented towards the field of business administration in the country, in certain cases, the focus on entrepreneurship is lost when the idea of working under the command of a boss is sown, losing those possibilities of generating employment, and with it, that percentage of Ecuadorians who need them grows (Barrera M, 2001).

Despite this misfortune, more and more students who are being trained in administrative careers, prepare them for the identification of product and service needs, that know how to respond to them by identifying opportunities that will serve as a basis for innovation and creation of new companies.

The identification of needs is the beginning of the creation of an enterprise, the newspaper Líderes of the week of December 23, 2019, in the article entitled, "Entrepreneurship, a way of productive investment of savings" analyzes precisely this point, we all want improve our quality of life, which leads us to think about what to do to change that lifestyle, based on this premise, the entrepreneur seeks to identify that need, which becomes profit within the market, yielding that 3 of each 10 Ecuadorian adults are undertaking today.

Now, based on more technical standards, the diagnosis of enterprises in Ecuador needs to be carried out for the planning period established by the Decentralized Autonomous Government, also called "GAD", although these are carried out annually, it is necessary that they offer a overview of the canton in question, its main peculiarities, including physical, geographical and geological characteristics.

It is especially important to have a description of the political structure of the Canton, the fundamental economic activity in its development and the generalities of its structure as a population, all these factors will help to determine which enterprises are the ones that perceive the greatest value in the economic development of our country, country.

Boza & Manjarrez (2016) According to Ecuadorian companies.

Education in entrepreneurship and business creation has a favorable impact on the intention to undertake, especially of those entrepreneurs who were trained during their primary and secondary studies, in addition, that being exposed to some type of education in Entrepreneurship influences the perception of having knowledge and skills necessary to create a business (Boza E and Manjarrez N., 2016).

Salinas & Osorio (2012) carried out a study in 2010 establishing that, of 73 universities studied, a total of 52 addressed the subject, of which 10% were oriented to postgraduate degrees, 14% to courses included in programs of postgraduate studies, 11% organized it as open courses, and only 3% was aimed at training for a degree in entrepreneurship through a degree.

What do you want to achieve by analyzing these indices, since it is clear that the training of professionals in entrepreneurship and social innovation encourages the creation of employment-generating companies, creating that social commitment on the part of students and graduates to comply with the provisions related to guaranteeing decent work.

However, in the opinion of experts, Amorós (2011) tells us that the limited growth of small and medium-sized national companies is one of the aspects that decisively influence the insufficient development of Latin American countries, compared to the Globalizing trends in recent years, in conditions of unequal competition, small and medium-sized national companies perish, and with them products and services that were directly related to cultural uses and their own ways of life are also extinguished.

That is why, that the development of SMEs in Latin America are one of the ways to strengthen, energize and diversify the national industry against the powerful transnational companies that threaten them, the continuous strengthening in these local scenarios is a source of employment, Together with professionals duly trained in this branch, they will prioritize innovation and evolution in their country.

In matters, Ecuador currently offers the possibilities for the take-off of this type of business, a clear example is credits of up to \$ 10,000 without the need for a guarantor for students with growing business promises, these self-managed growth reforms to SMEs classify the country as an opportune and feasible space to satisfy this change in its productive matrix.

However, despite all the aforementioned, there are limitations that hinder the success of this type of company, a notorious factor is the lack of preparation, many of those who start a business are people who have not completed their third level of studies, some that have not even finished high school, because of this, those businesses that get up, close a week or a month, the main cause, the lack of teaching by schools and colleges about entrepreneurship.

As it has been noted, entrepreneurship is vital for the change of the productive matrix and development of the country, hence the training in entrepreneurship, since it would provide citizens with the skills of strategic thinking, awareness of the need for innovation, preparation to face change and uncertainty, communicative competence and ability to identify new needs, just to point out some of the advantages that derive from this training.

Specifically speaking of the entrepreneurial part of Manabí, Espinosa (2019) says that after the tragic event of the 2016 earthquake in Ecuador, Manabí, being one of the most affected sectors, he did not stop entrepreneurship, in fact, between the years of 2016 - 2019 programs for entrepreneurs were intensified in the improvement of recipes, techniques and methods to attract customers, along with gastronomic fairs for entrepreneurs that encouraged their talent and business.

All these opportunities after the terrible phenomenon that hit the Manabí, was not an impediment to the resurgence of it, a proof of this is the businesses that emerged from what happened, Espinosa (2018) mentions Manabí as the most productive, "300 new products were created in 12 Manabí cantons, based on traditional recipes and raw materials from the province". Something extremely encouraging in terms of entrepreneurship in the Manabí region.

Entrepreneurships in Manabí are not only based on edible products, many of the businesses that have been built within the region are related to artisans, manufacturers, bazaars,

clothing stores, among others, they are just a few in this growing era of entrepreneurs who have risen to be successful.

Espinoza (2019), based on studies carried out at the Manabí level, in 2015, "safeguard measures were applied that affected most of the industry, despite this did not affect the food sector, in fact, it allowed the increase in percentage of considerable sales, increasing with it the enterprises of this branch".

In sequence, in 2016, all sectors went through an economic crisis due to the earthquake that occurred on April 16, which is also reflected in 2017, expressing this scenario in economic losses, even with the above occurring. It took a turn as of 2018, generating profits of \$ 2,138,049 in food SMEs in the province of Manabí.

Manabí has a sector called, Cantón Sucre, this sector has the highest rate of entrepreneurship, most of the citizens of Sucre opt for the vision of entrepreneurship, why this inclination is due, because due to the scarcity of jobs, due to this, they decide to form their own business and have a fixed financial support for the well-being of their family.

Within Catón Sucre is the beautiful city without a copy, Bahía de Caráquez, the parish of this is called Leonidas Plaza, place where this research is developed, under the theme "Entrepreneurship as a preponderant factor in the economic development of the Parish of Leonidas Plaza".

From this topic the following approach emerges, "How entrepreneurship in the Parish of Leonidas Plaza Gutiérrez increases the economic development of this sector." It is known in advance that this small sector was not very recognized, thanks to the ventures and new business ideas associated with the demographics of this sector, Leonidas Plaza has flourished in the eyes of its visitors and citizens.

Based on the proposed approach, the general objective of this research is to analyze how entrepreneurship in the parish of Leonidas Plaza Gutiérrez contributes to the economic development of the sector, it is wise to say that what benefits the economic movement in a sector is the flow of money that it can generate, there are various ways to generate this flow, in this case, the ventures are the factor to be analyzed.

The number of entrepreneurship surveys in the parish will be investigated, their increase and decrease, the most representative, the most frequently established ventures and the factors by which the entrepreneurship in this sector grew from 2015 to 2019.

As a next step, the respective comparison and contrast between the different years will be carried out, analyzing the variables in the chronological scale of the years in question, to carry out the respective synthesis between them, analyzing the reason or reasons whose influence could affect the increase or decrease of the enterprises that were established there.

Explain in detail the percentages of growth or decrease of the present investigation, in order to carry out the analysis that corresponds to the general objective of the investigated topic; how entrepreneurship in this parish generates the economic development of the sector.

This sector has 3,443 inhabitants, most of its inhabitants are dedicated to informal and semi-formal jobs, with payments that are below the basic unified salary established by law, only

a small part of its inhabitants have a permanent job and with a stable salary.

This situation occurs due to the lack of jobs, this coastal area is dedicated to fishing, the residents near the estuary are mostly fishermen, the other people who live there are engaged in part-time and part-time jobs, some of them they bricklayers, waiters, among others.

What stands out about this parish is the number of microbusinesses and enterprises established here, although not all the time it was this way, along with innovation, Leonidas Plaza Gutiérrez has been adapting to the recent evolution of neighboring cities, to this growing boom in entrepreneurship.

In addition to wanting to be on a par with neighboring nations, the growth of enterprises in this sector is due to various factors, one of them is the growth of tourism, Bahía de Caráquez was linked to this economic sector, after the event occurred in April 2016, this sector became obsolete.

Some of the premises found there closed, the establishments that remained standing despite the terrible event located in the center, were relocated due to the deterioration that Bahía de Caráquez had suffered after the earthquake to the parish of Leonidas Plaza Gutiérrez.

After three years the tourists scared by the seismic movement of that time returned, but this time, Leonidas Plaza had become the center now, most of the restaurants, boutiques, barber shops, hairdressers were in this place, at that time reason, people who did not have establishments or even business ideas came up.

This growth of ventures was what reactivated the commercial activity of the sector, providing its citizens with the opportunity to start a business after the tragedy, thus increasing the arrival of tourists and the rent of establishments for those who chose to continue.

The change of administration is also an important factor in the economic growth of the parish, the current mayor, Ingrid Zambrano together with the renewed staff of GAD Sucre (Decentralized Autonomous Government) have encouraged this end, the new provisions support the growth of the entire Canton based on the ideas of entrepreneurship, and of course, the parish of Leonidas Plaza would not be left behind.

Another important factor that should not be overlooked is the current rate of young people studying university degrees, in recent years the number of these has been increasing, Leonidas Plaza has two university extensions, the Universidad Laica Eloy Alfaro de Manabí and the Technical University of Manabí.

People from various parts of Catón Sucre come to these universities, in turn, these same people who do not know this sector of their Canton consume from the premises and enterprises that are located here, generating values for the parish, which is understood as development in the economic flow of Leonidas Plaza Gutiérrez.

II. MATERIAL AND METHODS

The methods used in the present investigation are:

The logical historical method, based on investigations related to the lifting of enterprises in the parish of Leonidas Plaza, the different classes of premises and the percentages

that each one represents in the total of enterprises that exist from 2015 to 2019.

Pérez (1996) say what the historical is related to the study of the real trajectory of the phenomena and events in the flow of a stage or period and the logical is concerned with investigating the general laws of the operation and development of the phenomenon, studies its essence.

Uniting these two concepts:

The logical and the historical complement and link each other. In order to discover the fundamental laws of phenomena, the logical method must be based on the data provided by the historical method, in such a way that it does not constitute simple speculative reasoning. In the same way, the historical must not be limited only to the simple description of the facts, but must also discover the objective logic of the historical development of the research object (Pérez G, 1996).

Following the course of the research, the objective of using this method is to analyze the different years in contrast to the increase and decrease of the ventures that were seen from 2015 to 2019 to analyze in detail the different factors that influenced the earlier mentioned, the result of this analysis will answer the question posed in the introduction to this topic, how entrepreneurship in the Leonidas Plaza sector influences the economic growth of the parish.

Another of the techniques used in the research was the bibliographic review: Also called documentary "consists of the review of existing bibliographic material regarding the subject to be studied. It is one of the main steps for any investigation and includes the selection of information sources" (Matos A, 2018).

The bibliographic method, under scientific reading that enriched the subject, starting from the macro level to finally reach the micro level, analyzing external factors that significantly affect the independent variable of the subject, the undertakings, and how the same micro level contrasts, that is, the economic development of Leonidas Plaza.

III. RESULTS

Based on the statistical information collected in the Bahia Extension Tourist Observatory in the years 2015, 2016, 2017 and 2019 as activities of three currently active research projects regarding the businesses established in the Leonidas Plaza parish, it was possible to observe a considerable increase in the growth rate of commercial activity and a variation at the business level thereof, as shown in the following table.

TABLE 1. Comparative study at the level of commercial activity

Social denomination	2015	2016	2017	2019
Gastronomic services	13	31	38	82
Retail services	30	87	53	132
Workshops	9	27	8	33
Others	17	63	25	71
Total	69	208	124	318

Source: Authors, 2021

In the first group are gastronomic services, these include restaurants, bazaars, bakeries, coffee shops, among others, in 2015, the number of stores under this name is 13 businesses,

in 2016 they increased considerably to 31 stores of This type, in 2017 shows a very unrepresentative growth in comparison between the years 2015 and 2016, and finally, in 2019 the amount grew favorably to 82 stores under this denomination, representing a 50% growth compared to the previous year. It can be confirmed that the stores of this type did not decrease during the 4 years contemplated in the table, even after the earthquake of 2016 the number of businesses in this group did not decline and its growth was manifested by 4.5%.

The second group called retail services, contains the spaces for stores, commercials, barber shops, cybers, sales centers, among others, the number of these in 2015 is 30, in 2016 the number of them increased to 87 stores of this type, however, in 2017, the number of them decreased, with only 53 stores in this category, but in 2019 the businesses of this group grew favorably with the number of 132 stores in the parish of Leonidas Plaza, being the highest number of businesses within the table.

In the group of workshops, the businesses that comprise it are; vulcanizers, lubricators, mechanical and carpentry workshops, in 2015 they started with a total of 9 businesses of this type, continuing with 2016, their number reached 27, but then, in the following year, their number went back to the decrease, counting only 8 of these, however, in 2019 it exceeded the average of 27 of the year 2016, leaving behind the decrease suffered in 2017, with a total of 33 stores of this denomination.

The last group includes all those who could not be considered in the others, such as; gyms, pharmacies, refrigerators, hardware stores, stationery stores, cooperatives, funeral homes, among others, the initial total of 2015 was 17, in 2016 its amount increased exuberantly with the number of 63 of these, but, arrived in 2017, it's The number dropped to 25 in its entirety, a very low amount, despite this, in 2019 its sum exceeded the amount of 2016, recovering the decrease it obtained in 2017.

Unifying all the businesses contemplated in the table, in 2015, the number of micro-businesses and enterprises is 69 in its totality, if that amount is considered in the economic flow of the sector it would not be very high, however, in In 2016 their number was 208 in total, considering the demographics of the parish, their movement would be noticeable in the economy of the same, however, in 2017 their coefficient suffered a drop, leaving only 124 of the 208 conceived the previous year, now, in 2019, the number of these tripled, obtaining the sum of 318 businesses and enterprises that currently continue to operate and provide a service at the parish level, denoting a representative economic growth at the level of community.

The total of 208 is considered, according to the demography of the sector as an important factor in its economic flow, 318 businesses in the parish would be considered important economic flows for the Leonidas Plaza Gutiérrez sector, being on par with the influence they have the tourists in the economic development of the analyzed and indicating the activities and interventions of the students of the marketing and marketing career that they study in the Extension.



IV. CONCLUSIONS

The research carried out from the surveys of enterprises in the parish of Leonidas Plaza in the years 2015, 2016, 2017 and 2019 show a representative growth at the level of commercial activity in the area under study, despite the telluric event that occurred in the year 2016, which devastated more than 65% of the businesses in the towns of the province of Manabí, and which in turn led to a decrease in enterprises in the sector, recognizing the role that the Bahia Extension academy has played in promoting, strengthening and position the commercial activity in the communities of the sector and at the same time induce entrepreneurship as a sustainable alternative to economic activity in the communities.

The most significant factor in the decrease in enterprises in the sector was the earthquake incident on April 16, however, as there were reasons that slowed its growth, there were factors that reactivated its boom, such as the arrival of more visitors to the sector, the new reforms brought by the mayor's office under the concept of economic growth and the high number of professionals specialized in this branch helped to overcome its stagnation.

The total of 318 businesses undertaken in the sector, a figure that continues to rise, shows the influence that these have on the economic development of this sector, being key components in the economic flow of the same, this proves that the enterprises are preponderant factors in the economic development of the sector and of the different sectors of the country.

V. RECOMMENDATIONS

Although there is a risk plan in place in the case of natural phenomena, it would be important that the Catón Sucre mayor's office have a risk plan for the businesses that are located there, since they are the ones who keep society afloat, the fluidity of money is what moves a country, in this case, it moves this sector.

Encouraging citizens in entrepreneurship with free training would favor the sector, so it would no longer depend so much on tourism, but on the capacities of its residents to attract it and generate the economic benefits that its citizens and the sector need.

The town continues to grow, and with it, the need for jobs, facilitating the lifting of enterprises within the sector by the mayor's office, through innovative ideas and accessibility to them, will provide the sector with what is necessary to cover the lack of these.

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