



SUSTAINING COLOMBIANS THROUGH THE ENTREPRENEURIAL PIPELINE – A POLICY CHALLENGE FOR COLOMBIA?



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At a glance – Key findings:

- Colombia compares very favourably with other efficiency-driven economies on positive attitudes of the adult population towards entrepreneurship, the level of confidence Colombians have in their abilities to start and run a business, their perception of good opportunities to start a business and their low fear of failure.
- It outperforms the average for efficiency-driven economies on the rate of early-stage entrepreneurial activity, but the lower ratio of new business owners to established business owners is troublesome, since the rate of established business ownership has been on the decline for the past three years.
- Gender gaps in entrepreneurial activity exist throughout the pipeline.
- Although early-stage enterprises are relatively innovative in terms of their products and competitor markets, the vast majority are employing old technologies. The level of innovativeness is greater than in established businesses.
- There are several weaknesses in the framework conditions for entrepreneurship, although some improvements in experts' assessment of these are noted over the past eight years, possibly due to advancements in government policies and programmes since 2006 and 2009

Major policy recommendations

- Accelerate the integration of entrepreneurship and new enterprise creation skills as core curricula in all levels of the educational system, including across university programmes.
- Establish Centers for Entrepreneurship Development in all regions of Colombia, especially to support potential, nascent and new entrepreneurs.
- Ensure that start-ups and young businesses have access to financing to properly capitalise their enterprises and fund their activities, including technology acquisition.
- Encourage entrepreneurs to pursue higher value added business opportunities.
- Include the targeting of women entrepreneurs in the National Entrepreneurship Policy and articulate specific programmes to ensure that they have equal access to opportunities, financing, business support, mentoring and networks..

Prepared by Lois Stevenson with input from Rodrigo Varela, Leader of the GEM project at the Universidad ICESI, and Jhon Alexander Moreno. This policy brief and the full GEM reports can be found at: www.gemcaribbean.org
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This policy brief is based on findings from the GEM research studies in Colombia conducted by the Colombian National Team represented in the GEM Caribbean project by the Centro de Desarrollo del Espíritu Empresarial of the Universidad ICESI. It is further informed by an analysis of national level policies, programmes and initiatives aimed at supporting the development of entrepreneurship and micro, small and medium enterprises (MSMEs) in Colombia.

INTRODUCTION

The Global Entrepreneurship Monitor (GEM) is the largest global study of entrepreneurship. GEM started in 1999 with 10 participating countries and in 2013 covered 70 countries. Whereas most small and medium enterprise (SME)-related studies and data collection efforts focus on firms, GEM focuses on the attitudes, activities and characteristics of individuals who participate in the various phases of entrepreneurship. The objectives of the GEM research are to: (1) measure differences in the level of entrepreneurial activity between countries; (2) uncover factors determining the level of entrepreneurial activity; and (3) identify policies that may enhance the level (and quality) of entrepreneurial activity at the national level.

The “GEM Caribbean” initiative (www.gemcaribbean.org) is a four-year project, supported by Canada’s International Development Research Centre (IDRC), to establish, train and strengthen entrepreneurship research teams in Barbados, Belize, Colombia, Jamaica, Suriname, and Trinidad & Tobago. The research by these teams applies the GEM methodology to measure the levels, underlying factors, and environmental constraints of entrepreneurship within each national environment, and comparatively within the region. The project seeks to provide policymakers with a stronger empirical foundation to inform actions and monitor progress in the promotion of entrepreneurship and job creation in the Caribbean.

CONTEXT FOR ENTREPRENEURSHIP IN COLOMBIA

Colombia is an upper-middle income country of 48.3 million inhabitants with gross domestic product (GDP) per capita of USD 11,890.¹ It is classified by the World Economic Forum as an efficiency-driven economy. MSMEs are an important segment of the economy, accounting for 40% of GDP, over 80% of the workforce, and 13% of exports (OECD, 2014).²

However, by OECD standards, Colombia has an extremely high level of income inequality and relative poverty (Joumard and Londoño Vélez, 2013). The unemployment rate in July 2014 was 9%,³ but higher for women than men (11.6% versus 7%). In fact, women accounted for 55% of the unemployed, although they make up 43.2% of the active labour force. A very large share of the economy is informal, comprising 50-70% of employment (Joumard and Londoño Vélez, 2013).

The MSME sector in Colombia exhibits a low level of productivity and competitiveness. According to the Ministry of Trade, Industry and Tourism (MinCIT, 2009), there are several contributing factors: business informality⁴; the high costs and time required to deal with the red tape for doing business; difficult access to financing; limitations on market access; little access to new technology; lower protection of property rights; low levels of innovation; underdevelopment of entrepreneurial skills; reluctance to share ownership of the company; and limited interagency coordination. The National Development Plan 2011-2014 recognises the importance of MSMEs and

entrepreneurship to the country's socio-economic development and stipulates policies and actions to create "a competitive environment that transforms ideas into businesses, the businesses into jobs, jobs into higher income, and, thus, less poverty and greater wellness and social progress" and to support the development of high value-added and innovative products and services that can compete in international markets (DNP, 2011).

The mandate for entrepreneurship and MSME development rests with the Ministry of Trade, Industry and Tourism (MinCIT) and is governed by Law 590/2000 on promoting development of MSMEs, amended by Law 905/2004, and Law 1014/2006 on promoting a culture of entrepreneurship. The existence of these laws indicates the level of importance placed by the government on creating the conditions conducive to MSME and entrepreneurship development and addressing obstacles to enterprise creation and growth. The National System for the Support and Promotion of MSMEs, created in 2004, is responsible for articulating public policy toward MSMEs. It is comprised of a range of public and private actors, financial and non-financial entities, and various programmes, laws and procedures, and is assisted in the design and formulation of MSME promotion policies through the Council of Microfirms and the Council of Small and Medium Firms. These laws and policies have been complemented by a number of other laws and regulations to develop seed capital funds, the National System of Creation and Business Incubation, INNpalsa and other regional and national entities.

The MinCIT also implements the National Entrepreneurship Policy (see MinCIT, 2009). This policy framework focuses on three pillars: (1) facilitating the formal initiation of businesses, (2) promoting access to funding for entrepreneurs and start-ups, and (3) promoting interagency coordination for the promotion of entrepreneurship. The policy also seeks to

¹ World Development Indicators database 2014, World Bank.

² Workforce data is from the Economic Census of 2005, and export data for 2003, the latest available in Colombia.

³ "Comportamiento del Mercado Laboral por Sexo, Trimestre Abril-Junio de 2014. Boletín de prensa, Departamento Administrativo Nacional de Estadística/DANE.

⁴ Informal MSMEs are constrained by lack of management capacity and access to formal sources of financing and other governmental support mechanisms.

address the promotion of "non-financial" support to entrepreneurs from conceptualisation of their business idea to its implementation and to promote ventures that incorporate science, technology and innovation.

One of the limitations in developing appropriate policy for entrepreneurship development in Colombia has been the lack of up-to-date data on MSMEs and on the sector's performance trends. Since 2006, a new source of credible data on entrepreneurial activity and the nature and characteristics of entrepreneurship for Colombia has been available, the outcome of a decision of the Consortium of four universities: Universidad ICESI, Universidad del Norte, and Universidad de los Andes, and Universidad Javeriana, to join the GEM research project. The aim was to have better information about the situation in Colombia and to be able to compare Colombian data with other countries, regions and types of economies. The Consortium has produced eight national reports, several regional reports⁵ and some special topic reports. The findings of these studies offer important policy implications for the government of Colombia and other stakeholders in the entrepreneurship eco-system and have become an important evidence base for entrepreneurial policies in Colombia. This policy brief presents selected results and policy implications from the GEM Colombia project.

Colombians hold very positive perceptions and attitudes towards entrepreneurship

The GEM Colombia findings reveal that social perceptions towards entrepreneurship are very high - close to 90% of Colombian adults hold the view that entrepreneurship is a good career choice - and these favourable perceptions have sustained over time. They are also the highest of any GEM country.

Globally, GEM research finds that, relative to the general adult population, individuals who are involved in early-stage or established businesses tend to be more confident in their own skills to be able to start and manage a business, are more alert to the existence of unexploited opportunities, and are less likely to allow the fear of failure to prevent them from starting a new venture. These are among the factors that contribute significantly to shaping an individual's entrepreneurial "mindset" (Arenius and Minniti, 2005), and, thus, indicators of the potential level of entrepreneurial capacity in a country.

Almost 60% of Colombian adults believe that they have the skills and abilities to start and run their own business. Although down from 68% in 2006, this skills indicator is very positive for Colombia because, according to GEM global studies, individuals who are confident in their skills to start a business are four to six times more likely to be involved in entrepreneurial activity.

Over two-thirds of the Colombian adult population see good opportunities available to start a business "in the next six months", and report that the fear of failure would not prevent them from starting a business (although down from 75% in 2006). This suggests a large pool of potential entrepreneurs (Varela et al., 2014a).

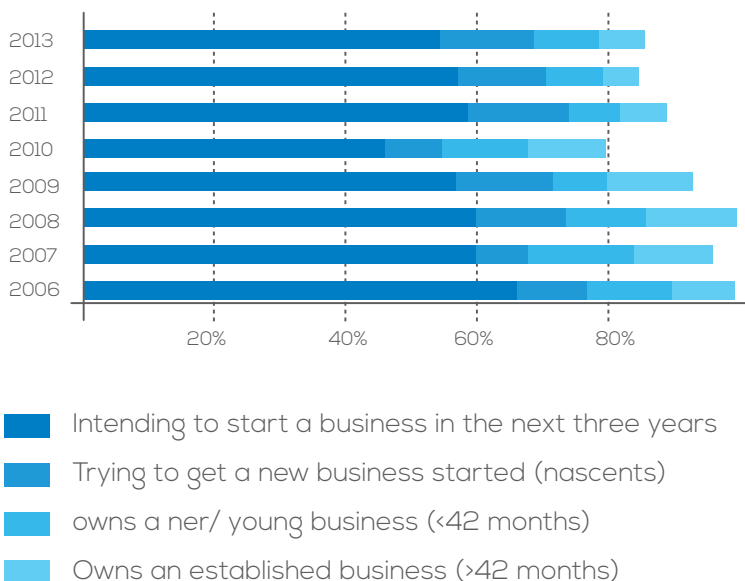
⁵ Copies of the national GEM reports for Colombia can be accessed online at: <http://www.gemconsortium.org/docs/cat/4/national-reports/>; <http://www.gemcolombia.org/publicaciones/>; and <http://www.gemcaribbean.org/publications/>

These positive perceptions and attitudes towards entrepreneurship are reflected in a comparatively high expression, in 2013, of intent to start a business within the next three years (54.5% of adults in Colombia versus an average of 24.8% of adults across efficiency-driven economies) (Amorós and Bosma, 2014).

Entrepreneurial activity rates are high, but vary from year to year

Colombian adults indicate a high level of entrepreneurial orientation. In 2006 and 2008, almost 100% of adults reported some level of attachment to entrepreneurial activity, with 60% or more of them intending to start a business within the next three years, and up to 26% already owning a young (less than 42 months old) or an established business (more than 42 months old). However, there are some interesting trends in the entrepreneurial pipeline that are worthy of attention.

Fig. 1. Pipeline trends in entrepreneurial activity levels, 2006-2013



Since 2010, the level of intention to start a business (while still higher than in most GEM countries) has been declining, although the percentage of adults actively trying to get a new business started (nascent entrepreneur) has remained relatively stable at about 14%. In 2013, there were 1.32 adults trying to start a business for every adult who already owned a new business that was less than 42 months old. This is about average for efficiency-driven economies, but lower than the average for Latin American countries (1.68:1), suggesting a smaller pipeline of nascent entrepreneurs relative to the stock of new enterprises.

Of some concern is the declining percentage of adults with an established (mature) business, dropping to 6% in 2013, compared to a high of 14% in 2008. In 2013, Colombia ranked 4th among 28 efficiency-driven economies on the rate of early-stage entrepreneurial activity and well above the average of 14.4%, but dropped to 15th in the ranking on the established business ownership rate, well below the average of 8.0%. The declining established business ownership rate could suggest that new business owners are having increasing difficulty with survival rates, so fewer of them are lasting in the market for more than 42 months.

To address these declining trends, the government would be well placed to focus on stronger promotion to encourage more Colombians to actively pursue entrepreneurship (convert those with intent to the nascent stage) while at the same time promoting stronger start-ups by encouraging and facilitating innovative enterprises that are able to compete more effectively in the marketplace, and ensuring that nascent and new entrepreneurs are able to access the support they need to successfully launch a sustainable enterprise.

⁶ Early-stage entrepreneurial activity is inclusive of adults trying to get a business started (nascent entrepreneurs) and the owners of a new business that is less than 42 months old.

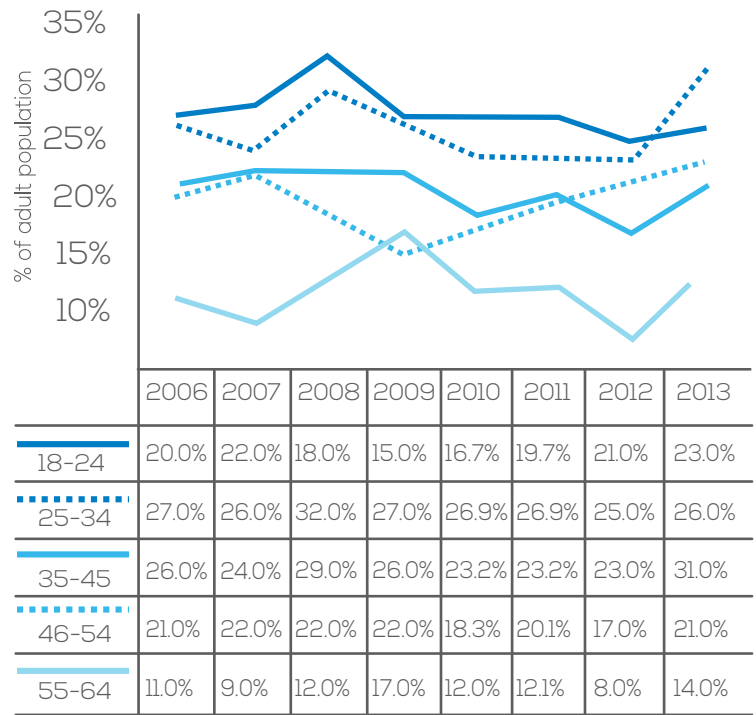
Age and education matter to the level of entrepreneurial activity

GEM studies find that early-stage entrepreneurial activity rates tend to be highest among the younger age groups (under 35 years of age). This is also the case in Colombia, although the level of entrepreneurial activity across age groups has varied by year. An interesting development in 2013 is the shift to the highest entrepreneurial activity rate among adults in the 35-44 age group (31%), compared to a national average of 24%. Also of note is the growing tendency, since 2009, of 18-24 year olds to be engaged as early-stage entrepreneurs (from 15% to 23%).

In general, entrepreneurial activity rates increase with levels of education. For example, GEM reports find that university graduates have a much higher entrepreneurial activity prevalence rate than adults with no formal education or only a primary school level education. This is also true for Colombia. In 2013, over 30% of the adult population with a tertiary level of education was engaged in early-stage entrepreneurial activity, compared to 17-18% of those with a secondary or primary level education (Varela et al., 2014). Among adults with no formal education, only 5% were involved.

Since more highly educated adults have a greater probability of developing growth businesses, one of the policy objectives in Colombia should seek to integrate entrepreneurship in a cross-disciplinary manner across the education system with a focus on secondary, technical and university education programmes. This is important given that individuals who have been exposed to entrepreneurship education and training tend to have higher start-up and survival rates, as well as growth ambitions.

Fig. 2. Entrepreneurial activity rates vary by age group



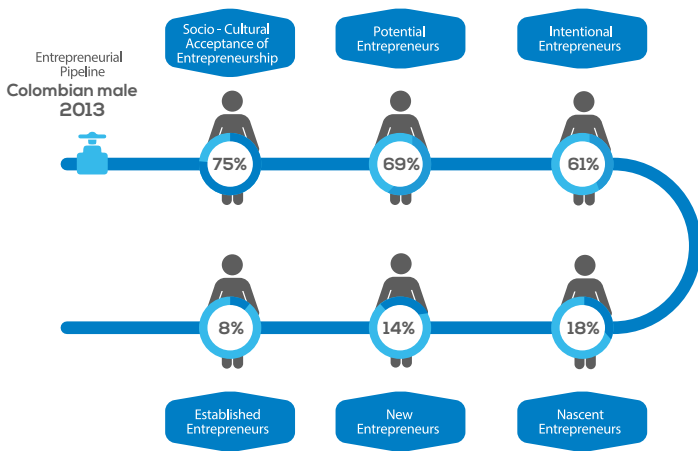
Relatively large gender gap in entrepreneurial activity rates...

Across GEM countries, the early-stage entrepreneurial activity rates for adult women are generally lower than for men, which is also the case in Colombia. In 2013, 30% of adult males were trying to start a business or owned a new/young business compared to about 17% of adult females, and only 4% of females owned an established business, compared to 8% of males. The gender gap of 13 percentage points in early-stage entrepreneurial activity rates between males and females is almost twice the average for Latin American and Caribbean (LAC) countries. The male-to-female ratio for Colombia has averaged about 1.5:1 since 2006, but rose to 1.76:1 in 2013, which was the second largest gender gap in the LAC after Suriname.

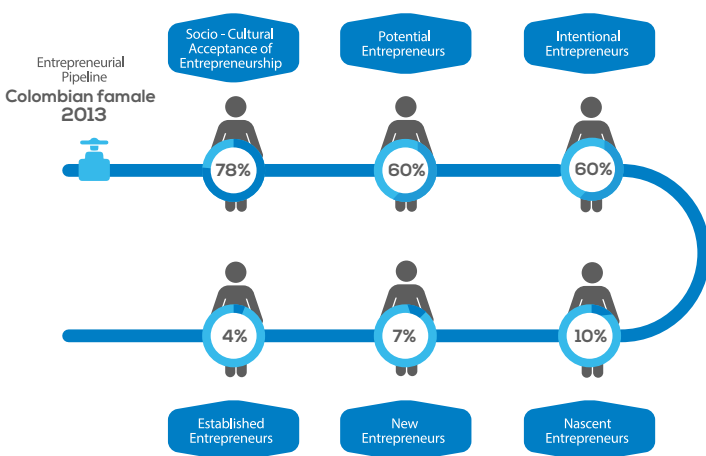
Over the past eight years, women have accounted for an average of about 40% of the Colombian adults trying to get a business started or owning a new business (but dropped to 36% in 2013), which is lower than the female share of the Colombian labour force.

However, the level of entrepreneurial orientation of females starts from a smaller base (intention rate) and progressively continues to diminish, relative to males, throughout the entrepreneurial pipeline.

Graphic 1. Entrepreneurial pipeline Colombian male 2013



Graphic 2. Entrepreneurial pipeline Colombian female 2013



In 2013, males were 1.25 times more likely than females to intend to start a business; 1.75 times more likely to be a nascent entrepreneur; 1.82 times more likely to be a new business owner; and 2.1 times more likely to be an established business owner (Varela et al., 2014b). The bottom line is greater leakage of women than of men from various phases of the entrepreneurial pipeline. For example, while there is one male nascent entrepreneur to every 3.5 males with the intent to start a business, there are almost five adult females with the intent to every one trying to start a business. This phenomenon suggests that policy initiatives are required to address the barriers faced by women in moving through the progressive stages of entrepreneurial activity.

Table 1. Gender differences in entrepreneurial activity levels

| | intentional ^a | Nascent ^b | Ratio b/a | New ^c | Ratio c/b | Established ^d | Ratio d/c |
|-------------------|--------------------------|----------------------|-----------|------------------|-----------|--------------------------|-----------|
| Adult males (M) | 61.1% | 17.5% | 0.28:1 | 13.5% | 0.77:1 | 7.9% | 0.58:1 |
| Adult females (M) | 48.9% | 10.0% | 0.20:1 | 7.4% | 0.74:1 | 3.9% | 0.53:1 |
| Ratio (M÷F) | 1.25:1 | 1.75:1 | 1.4:1 | 1.82:1 | 1.04:1 | 2:1 | 1.1:1 |

...plus qualitative differences in female entrepreneurial activity

Colombian policymakers should also consider certain key qualitative differences in male and female entrepreneurial activity. Across countries, GEM data reveal that a lower percentage of adult women than men have confidence in their skills and ability to start and run a business and a

⁷ Women make up about 43% of the economically-active population in Colombia ("Comportamiento del Mercado Laboral por Sexo, Trimestre Abril-Junio de 2014, Boletín de prensa, Departamento Administrativo Nacional de Estadística/DANE, p. 2).

higher percentage indicate that fear of failure would prevent them from starting a business (Kelley et al., 2013). This is also the case in Colombia where about half of adult women consider that they have the knowledge and skills required, compared to two-thirds of adult men. For more than a third of women, fear of failure would prevent them from starting a business, compared to less than 30% of men.

Women are also more likely than men to be motivated to start a business out of necessity than to pursue a good business/market opportunity (Kelley et al., 2013); in the case of Colombia, twice as likely to be motivated out of necessity (27% of women entrepreneurs versus 13% of male entrepreneurs). In addition, female owners of both new and established businesses are much less likely than men to have employees and also report lower job growth aspirations for their businesses. Most critically, Colombian women with established business (more than 42 months old) are much less likely than men to create jobs for others – 53% versus 83%, the largest gender gap in LAC countries and one of the highest across all GEM countries (Kelley et al., 2013).

The National Entrepreneurship Policy (MinCIT, 2009) does not identify the development of women entrepreneurs as a priority nor make any provision for policies and programmes to improve their level of participation in entrepreneurial undertakings. Propositions for the Colombian government suggested from the GEM data, and supported by findings from Powers and Magnoni (2013), are to direct assistance to help create women-owned businesses and scale-up the activities of women’s existing micro or small enterprises, with a focus on training in entrepreneurship and business management, technical assistance, support for formalisation, mentoring, exposure to successful role-models, the creation of business networks, and access to financing

Colombian early-stage ventures outperform the LAC average on indicators of “innovativeness” ...

In 2013, 80% of the early-stage entrepreneurs in Colombia reported that their products/services would be perceived as new by some or all of their customers, compared to an average of about 40% of the early-stage entrepreneurs across LAC countries. In addition, 55% indicated that few or no other businesses offered the same products, compared to the LAC average of almost 45%. It is also promising that early-stage ventures consistently display higher levels of innovativeness in their product/service offerings than established businesses and are more likely to be operating in markets with few or no competitors.

...but are weak on the use of new technologies

The one innovation-related area where Colombians are very weak is in the use of the latest technologies. Almost 90% of the early-stage entrepreneurs are using old technology (more than 5 years old) and only 1.3% are making use of the latest technology (less than 1 year old). Either they are unaware of the latest technologies or do not have sufficient financing to acquire these. In any case, this issue is one that may require policy attention, as the level of technology used in an enterprise can have a dramatic impact on its productivity and competitiveness.

Assessment of the Entrepreneurial Environment

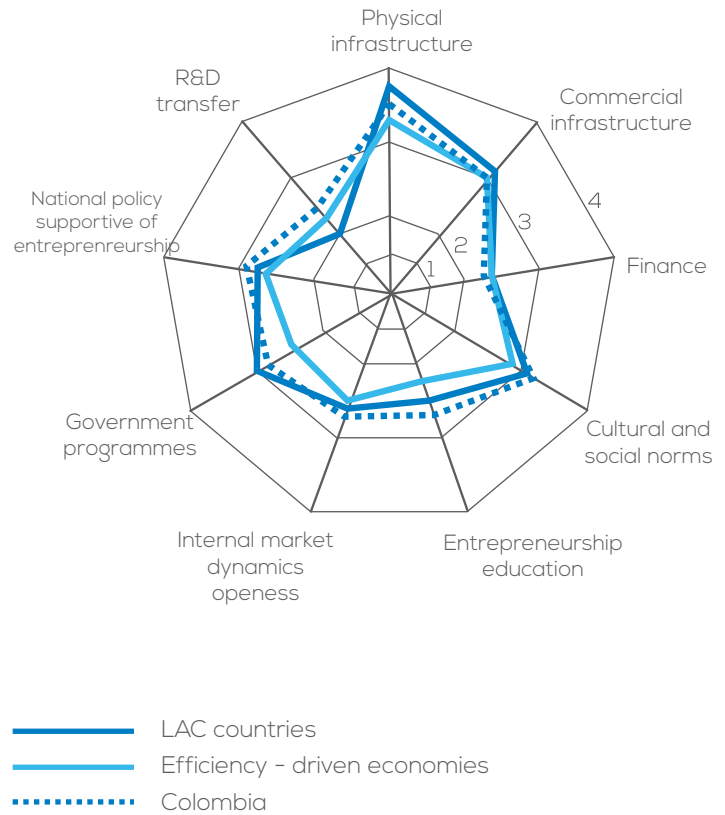
GEM also measures the strength of the Entrepreneurial Framework Conditions (EFCs) associated with influencing the environment for entrepreneurial activity

In 2013, national experts in Colombia assessed the physical infrastructure in the country as the strongest EFC (3.3 out of 5), followed by cultural and social norms (relative to fostering entrepreneurial attributes and attitudes) (3.1), and government programmes (3.0). The weakest assessments were given to R&D transfer (2.4 out of 5) and access to finance (2.3). Except for finance, the national experts in Colombia viewed the EFCs in a more favourable way than the average for the LAC and efficiency-driven economies. This was especially with respect to government programmes,⁹ national policy support, and the internal market dynamics/ openness.¹⁰ However, only three of the nine EFCs achieved a mean score of 3 or more out of 5, suggesting general weaknesses in the environment for entrepreneurship.

On the other hand, there has been an improvement in national experts' views on the strengths of several of the EFCs in Colombia from 2006 to 2013. The largest gains are in government policies and programmes favouring entrepreneurship, with increases in the average scores of 27% and 16% respectively. Improvements in experts' views on government policies and programmes likely reflect increased government efforts since 2006.

Experts' views also reflected improvements in their assessment of the financing EFC, but this is still seen as the weakest EFC in terms of meeting the needs of new and growing firms. The "Index of Systemic Conditions for Dynamic Entrepreneurship" also reinforces that the supply of funds for entrepreneurs is inadequate, particularly presenting an obstacle for start-ups (Kantis et al., 2014). Although Colombia is believed

Fig 4. Assessment of the Entrepreneurial Environment *

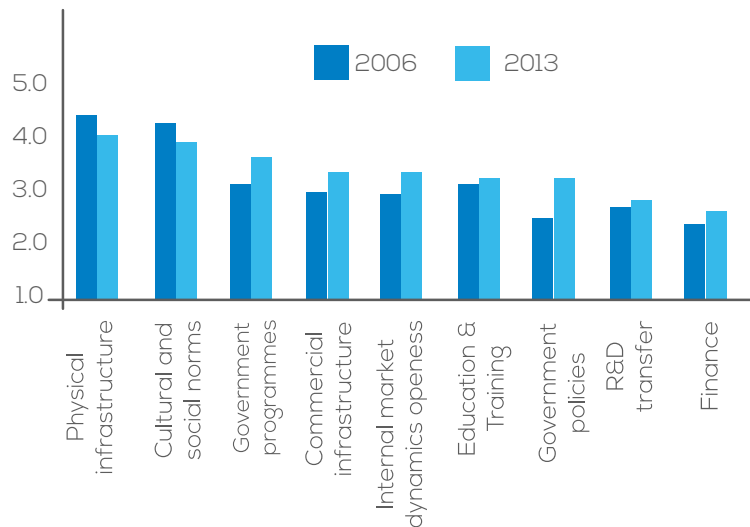


to have one of the most developed venture capital ecosystems in the LAC, early-stage venture capital, seed and angel investing is still underdeveloped.

⁸The presence and quality of government programs directly assisting MSMEs.
⁹Market openness is defined as the extent to which new and growing firms are free to enter and compete in existing markets.
¹⁰Ease of access to utilities, communications, transportation, land or space at a price that does not discriminate against MSMEs.

*Note: Based on results of the National Experts Survey: 5=strong agreement with the set of statements regarding the adequacy of the Entrepreneurial Framework Condition; 1=strong disagreement with the statements.

Fig. 5. Change in national experts' views on strengths of Colombia's Entrepreneurial Framework Conditions, 2006 versus 2013



POLICY IMPLICATIONS AND RECOMMENDATIONS

Colombia compares well with LAC and efficiency-driven economies on societal attitudes towards entrepreneurship, entrepreneurial capacity perceptions of the adult population, intentions to become entrepreneurs, and early-stage entrepreneurial rates, but there are areas in need of policy attention.

One of the major entrepreneurship policy issues is leakage in the entrepreneurial pipeline, particularly the conversion of adults with the intention to start a business to nascent entrepreneurs and of nascent entrepreneurs to new business owners. This issue may be addressed by integrating entrepreneurship as a component of all educational programmes, so as to both strengthen the culture of entrepreneurship and build the level of practical knowledge and skills in becoming an entrepreneur, and ensuring that potential and nascent

entrepreneurs have access to a system of support to help them overcome obstacles they might face in developing their enterprises. The level of entrepreneurial activity through the entrepreneurial pipeline could also be enhanced by addressing gender gaps between women and men.

The diminishing ratio of established to new business owners is also a key policy concern, which may be remediated by providing post-creation support to new enterprises with the aim of increasing their sustainability rates.

Another policy issue is maintaining a high level of innovation among early-stage ventures since significant value is associated with new products and new markets. Particularly crucial are actions to improve the technological level and competitiveness of Colombian enterprises. This could be achieved by introducing creativity and innovation as generic skills in all educational processes, implementing entrepreneurship education in all engineering, science and technology studies, supporting research projects that could lead to technological spin-off start-ups, and providing financing to enable the integration of new technologies and the commercialization of innovative products.

In addition, several of the EFCs show weaknesses that may prevent Colombia from realising the full contribution of entrepreneurial activity to its growth path. The weakest of these EFCs is in the area of financing for new and growth ventures.

Colombia has a number of support programmes and initiatives to promote and nurture new entrepreneurs and improve their managerial capacities through the National System for the Support and Promotion of MSMEs and within the framework of Law 1014 and the National Entrepreneurship Policy. Clearly the policy approach is to address the needs of new entrepreneurs through the various phases of the entrepreneurial process. However, the GEM Colombia findings indicate some priority actions

that need to be taken to address leakages in the entrepreneurial pipeline. These could specifically relate to increasing the percentage of the adult population motivated to become entrepreneurs and then helping to successfully transition more of them through the entrepreneurial pipeline into formal established ventures with higher innovativeness and value-creation potential. This may require better coordination among the various existing organisations, programmes, and initiatives offering pre- and post-creation support to nascent and early-stage entrepreneurs.

Given the current framework of MSME and entrepreneurship support, the findings

wider coverage. The MinCIT initiative to adapt the experience of the American Small Business Development Centers (SBDC) model in Colombia is a move in the right direction.

Specific recommendations

1) Accelerate the integration of entrepreneurship as core curricula in all levels of the educational system, including at the university level, with the objective of exposing students in all disciplines to the knowledge and skills to pursue new venture opportunities across sectors. Law 1014 (2006) has made it mandatory for primary and secondary institutions to promote entrepreneurial attitudes in the pedagogy, but this development is recent and will require significant investment to develop curriculum, train teachers, and foster inter-institutional networks of support to roll-out initiatives across the educational system. The law, however, does not apply to the tertiary level of education, where there is also a need to expose all students to entrepreneurship, including in engineering, science and technology programmes.

2) Establish Centers for Entrepreneurship Development in all regions of Colombia to provide support services to potential, nascent and new entrepreneurs. The experience of the Centros Alaya in Cali, the Cedezo in Medellin and other similar institutions should be expanded to provide

3) Review all financing programmes to assess the extent to which they are meeting the needs of new entrepreneurs and growth firms, including the number of entrepreneurs assisted relative to those with demand for financing, and accessibility by women entrepreneurs. These include activities of the Fondo Emprender, the National Guarantee Fund, the MSME INNpulsa Fund, the Opportunity Bank, the angel investor networks, and venture capital funds. The aim is to ensure that start-ups and young businesses have access to financing to properly capitalise their enterprises and fund their activities, including technology acquisition (grant funds, seed capital, credit lines with suitable terms, micro-credit, government-backed loan guarantee schemes focusing on compensating for the collateral deficiency of new entrepreneurs, angel and venture capital programmes). This is particularly important for new entrepreneurs with higher-risk innovative enterprises and women and young people who have more difficulty accessing commercial bank financing because they lack collateral and track records.

4) Encourage entrepreneurs to pursue higher value-added opportunities by:

- Generating and widely disseminating information about new venture (and value chain) opportunities in knowledge intensive, creative, service and innovation-related activity that are in line with the government's goals of promoting the development of innovative businesses.
- Offering workshops on business opportunity recognition to develop the ability of potential and nascent entrepreneurs to recognise higher potential, innovative business opportunities, and supporting activities such as Startup Weekends and accelerators that encourage the development of higher value-added business

ideas.

- Fostering stronger linkages between public research centres, universities and the private sector to facilitate the transfer and commercialisation of R&D, and increasing the level of resources to support commercially promising research projects.

- Expanding the number of business incubators (and premises) to develop the capacity of new entrepreneurs and their innovative start-ups. The National System of Creation and Business Incubation with its focus on pre-incubation, comprehensive enterprise development services, and access to seed capital has the makings of a good practice in Colombia and should be adequately funded to increase its scope and impact.

5) Include the targeting of women entrepreneurs in the government's entrepreneurship policy and articulate specific programmes to ensure that they have equal access to opportunities, financing, business support, mentoring and networks. A model worthy of replication and scaling-up in all parts of Colombia is the *Mujeres Emprendedoras Colombianas por la Competitividad* (ECCO) programme, which has the objective of fostering the creation and

strengthening of sustainable and competitive enterprises run by women, so women's entrepreneurship can contribute more to the economies of Barrancabermeja, Bucaramanga, Cartagena and Cucuta. The programme provides business development services (support, technical assistance, consulting, training, business links, commercial promotion, information, and mentoring) to help women with innovative business ideas launch their projects or strengthen an operating company.

6) Provide on-going funding support for the annual production of GEM analysis and both regional and national reports. This will enable Colombia to continue to track trends in entrepreneurial activity and provide an evidence-based mechanism for setting quantifiable policy targets and benchmarking its entrepreneurial performance. Several governments around the world depend on the GEM data to help benchmark their progress in reaching their policy goals to improve the level and quality of entrepreneurial activity, which would also be a beneficial strategy for the government of Colombia.

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