“MUJERES ECCO”: WHO ARE THEY, HOW ARE THEIR BUSINESSES LIKE AND HOW DOES THE ENTERPRENEURSHIP SUPPORT PROGRAM IMPACT THEM?

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Abstract

To infer about the impact of the program in the empowering of the entrepreneurs of a program to support entrepreneurship called Mujeres Ecco, it was necessary to determine what improvements were achieved in areas related to their life quality and what business practices are currently being carried out by the entrepreneurs, due to the training received in the program by using a survey to a representative sample of all the entrepreneurship beneficiaries in Bucaramanga. Therefore, this study presents the characterization of the entrepreneur beneficiaries of Mujeres Ecco program, of their companies and an attempt to conclude about the influence of entrepreneurship in aspects related of the quality of life of the beneficiaries.

Introduction

"Mujeres Ecco" was an enterpreneurship support program aimed at creating competitive and sustainable businesses run by women with technical or university studies residents in the four goal cities: Bucaramanga , Cúcuta , Cartagena and Barrancabermeja in Colombia. It was carried out between 2009 and 2013, funded by the Inter-American Development Bank (IDB) and the Chambers of Commerce of the four cities were the program took place. Therefore, the main goal of Mujeres Ecco was contribute to increased participation of women in the economy of these cities, through entrepreneurship.

Bucaramanga (Located in a northeast department of Colombia called Santander) was the city where the highest percentage of program execution took place and it is an interesting example to illustrate the dynamics of this entrepreneurship support program and the effects on their beneficiaries. This paper shows the results of the program in this city, in terms of the business that were created and the changes that lived the women involved.

Literature review

Entrepreneurship is important because of small businesses role in job creation, according to the cited text of Zoltan Acs's in Mandysová review (2012) referring to the experience in the United States. In developing countries this type of enterprises are the most common according to DANE (National Administrative Department of Statistics), that is the reason why they are learning from the experience of developed countries, who recently has paid more attention to entrepreneurship because it is seen as a way to renewal their economic performance; In Colombia, for instance, the support programs camed out in response to the high level of unemployment that has lived for decades the country.

However , fostering entrepreneurship is not a task that can only be driven by the government. The integration of public authorities, other actors in society as educational institutions , teachers , third sector organizations , financial institutions and businesses , it is essential to build scenarios capable of generating multiple productive alternatives through different business models. Specifically speaking of women entrepreneurship, according to the Multilateral Investment Fund (FOMIN) (2012), female entrepreneurship can promote economic growth in their environment and generates a social benefit not only them , but also in the people around them .

Santander Entrepreneurship Wide View

Santander meanwhile , is characterized as a competitive department with low unemployment rates. According to DANE (National Administrative Department of Statistics for its acronym in Spanish)(2014) in the moving quarter September-November 2013 Bucaramanga was the city with the lowest unemployment rate in the country with an unemployment rate of seven point six percent, followed by Bogota with a rate of seven point eight percent and Barranquilla with a rate of eight point one percent.

Mujeres Ecco

The formulation of the project was carried out using as a reference model the one titled "Young people with Businesses" that was a program carried out by the IDB, and the Corona Foundation from 2004 until 2008. Thus, the elements composing the logical framework project are:The component called "Creation and support of new companies", which was itself divided into two subcomponents: Business creation and business strengthening. The first, as its name suggests, offered advice for creating businesses to entrepreneurs with an innovative, sustainable, competitive idea that also have growth potential. On the other hand, the subcomponent called "business strengthening", aimed to provide entrepreneurs who had at least one year of operation, the necessary tools for make their businesses grow and improve their market share. On the other hand, It was expected that an entrepreneur who participate in the program show a significant change in different personal and business aspects, such as knowledge and business skills, the entrepreneurial attitudes and collaborative networks.

The program initiated with a training cycle that consists of six stages and three filters (about 7 months) distributed as follows: **1 Month** dedicated to the selection of business ideas and general education in entrepreneurship, **3 Months** formulating a business plan and finally **3 Months** to implement the business plan. To ensure effective and comprehensive support to business ideas throughout this training cycle, each entrepreneur worked with three consultants in finance, marketing and strategy.

Method

To infer about the impact of the program in the empowering of the entrepreneurs, it was determined what improvements were achieved in areas related to their life quality and what business practices are currently being carried out by the entrepreneurs, due to the training received in the program. A survey applied to a representative sample of all the entrepreneurship beneficiaries in Bucaramanga, was used to characterize these aspects in the beneficiary population; so on, this study presents the characterization of the entrepreneur beneficiaries of Mujeres Ecco program , of their companies and an attempt to conclude about the influence of entrepreneurship in aspects related of quality of life.

The size of a sample that represents the total number of entrepreneurs in the city of Bucaramanga, was calculated using *stratified random sampling method when the population is finite and sampling is without replacement (appendix 1)*, because environmental conditions and methodology of the program evolved from a cohort to another, converting the entire sample in a *non-homogeneous* . From the above, it is obtained that the representative sample which should be consulted is 45 beneficiaries. The number of observations for each *stratum* was distributed according to what is shown in Table 1 (appendix 2).

Although attempted to contact all beneficiaries , some of them claimed to have no intention to participate in the study and other could not be definitively contacted. Then, we were able to contact a total of 39 beneficiaries of the 45 required , seven of which said they had closed their businesses, and one of them had sold it as shown in Table 2 (appendix 2). As consecuence, The increase in *sampling error* from five percent to five point fifty seven percent, is minimal and is considered acceptable for the purposes of this study.

Results

On March 27th, 2014, Mujeres Ecco program performed the official closure of the program where were presented, among others, the following achievements showed in Table 3 (appendix 2).

Furthermore, from the survey applied to a representative sample of entrepreneurs who participated in the program "Mujeres ECCO" in Bucaramanga, results were found about the profile of women selected, companies that were created and the impact generated by the program in entrepreneurial activity. The findings of the survey are showed below in Figures 1, 2 and 3 (appendix 3).

Who are mujeres ecco – Bucaramanga?

"Mujer Ecco" is a professional woman who has made additional business studies after the end of the program, 25-35 years old, with at least one child, married (or have been it at some point), and residents in 3rd or 4th stratum in the city of Bucaramanga (figure 1).

Which kind of companies where created through the program?

Their companies were created with own savings, as sole proprietorship and are majority dedicated to commercial, service and manufacturing economic activities. Mostly generates indirect jobs to third parties and its profits are reinvested in the company (figure 2).

What was the impact of "mujeres ecco" in its beneficiaries?

Some of the women went to live 3rd stratum to 4th stratum and also increased the percentage of women who are financially responsible for a person of his environment. Mostly make contributions of 21 percent – 40 percent of the costs of family support and almost half of them, assure reinvest their profits (figure 3).

Discussion/conclussions

The profile of Mujeres ECCO, put into context the entrepreneurial activity carried out by the beneficiaries of the program. In this way, it is showned that most women, the vast majority professional and in permanent training, distributed their time between business and the rol of mothers and wives.

It is also important to note that the funds used for the creation of enterprises come mostly form savings and that the company profits are reinvested. However, despite the training provided by the program, the surveyed women remain very conservative with respect to the economic activities choosed, to the type of business figure of the business and for the low number of jobs created.

Also, can be concluded that female entrepreneurship can be an alternative that women improve their quality of life and their families, while getting a professional growth through a competitive and sustainable entrepreneurship. The results show an improvement in the economic contributions to the household, the economic support to third parties, and the availability of capital to invest.

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APPENDIX 1. CALCULATION OF THE SAMPLE SIZE

By using the equation:

$$\boldsymbol{n = \frac{z^2 * p * q * N}{(e^2 * (N - 1)) + z^2 * p * q}}$$

Dónde:

N =	Entire population	= 112
Z =	Z (95% safety)	= 1,96
P =	Expected proportion (0,05)	= 0,05
Q =	1-p (0,95)	= 0,95
E =	Research accurancy	= 5%

The number of observations that were necessary for each cohort was calculated with the following equation:

$$n_{i=\ n*}\ \frac{N_i}{N}$$

Where:

n =	Representative sample calculated	= 45
Ni =	Total number of beneficiaries per cohort to assess	=Varía por corte
N =	Total population of beneficiaries of the program (sub component creation, Bucaramanga)	= 0,05

Calculation of experimental error (sampling error)

By decreasing the size of the sample, the sampling error increased from 5% to 5.57% and was needed to recalculate the error of research by the equation:

$$\boldsymbol{e} = \sqrt{\frac{\boldsymbol{z^2} * \boldsymbol{p} * \boldsymbol{q} * (\boldsymbol{N} - \boldsymbol{n})}{\boldsymbol{Nn}}}$$

N =	Entire population	= 112
Z =	Z (95% safety)	= 1,96
P =	Expected proportion (0,05)	= 0,05
Q =	1-p (0,95)	= 0,95
n =	Size of the observed sample	= 39

APPENDIX 2.TABLES

Table 1.

Number of beneficiaries selected by cohort.

Cohort	1	2	3	4	5	6	7	Total
Number of beneficiaries	6	6	8	6	6	6	7	45

Source personal compilation

Table 2.

Companies surveyed by cohort.

Cohort	1	2	3	4	5	6	7	Total
Number of surveyed beneficiaries	3	6	7	6	5	6	6	39
Active companies	2	5	5	3	4	6	6	31

Source personal compilation

Table 3.

Mujeres Ecco's program achievements in Bucaramanga.

	Sensitized women	**Women trained in the enterpreneurship model**	**Businesses plans created**	**Companies created**
Goal	2640	264	132	88
Achieved	2557	320	204	112

Source Activities Progress Report month 57. March of 2014.

APPENDIX 3. FIGURES

FIGURE 1. WHO ARE MUJERES ECCO – BUCARAMANGA?

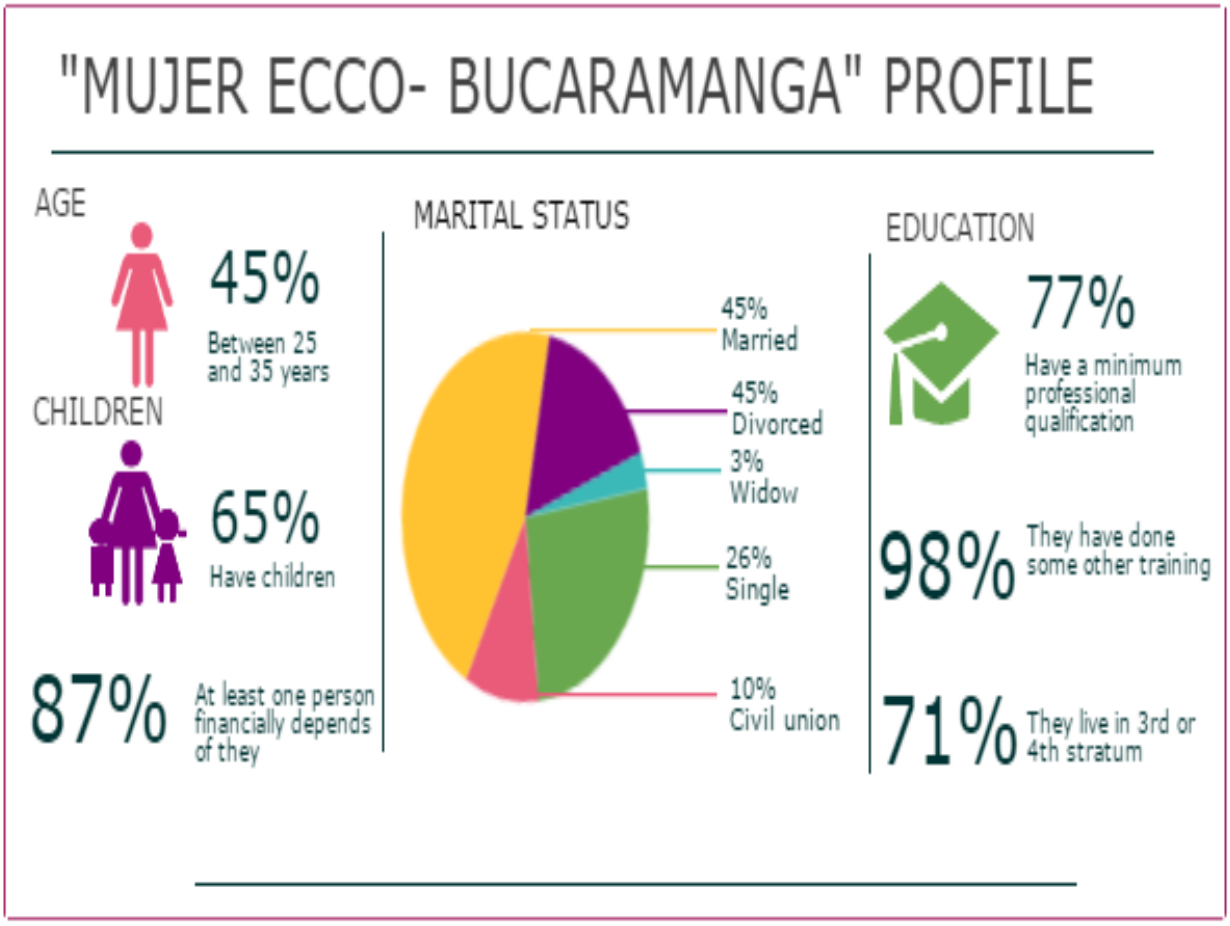

FIGURE 2.
WHICH KIND OF COMPANIES WHERE CREATED THROUGH THE PROGRAM?
FIGURE 3.WHAT WAS THE IMPACT OF "MUJERES ECCO" IN ITS BENEFICIARIES?

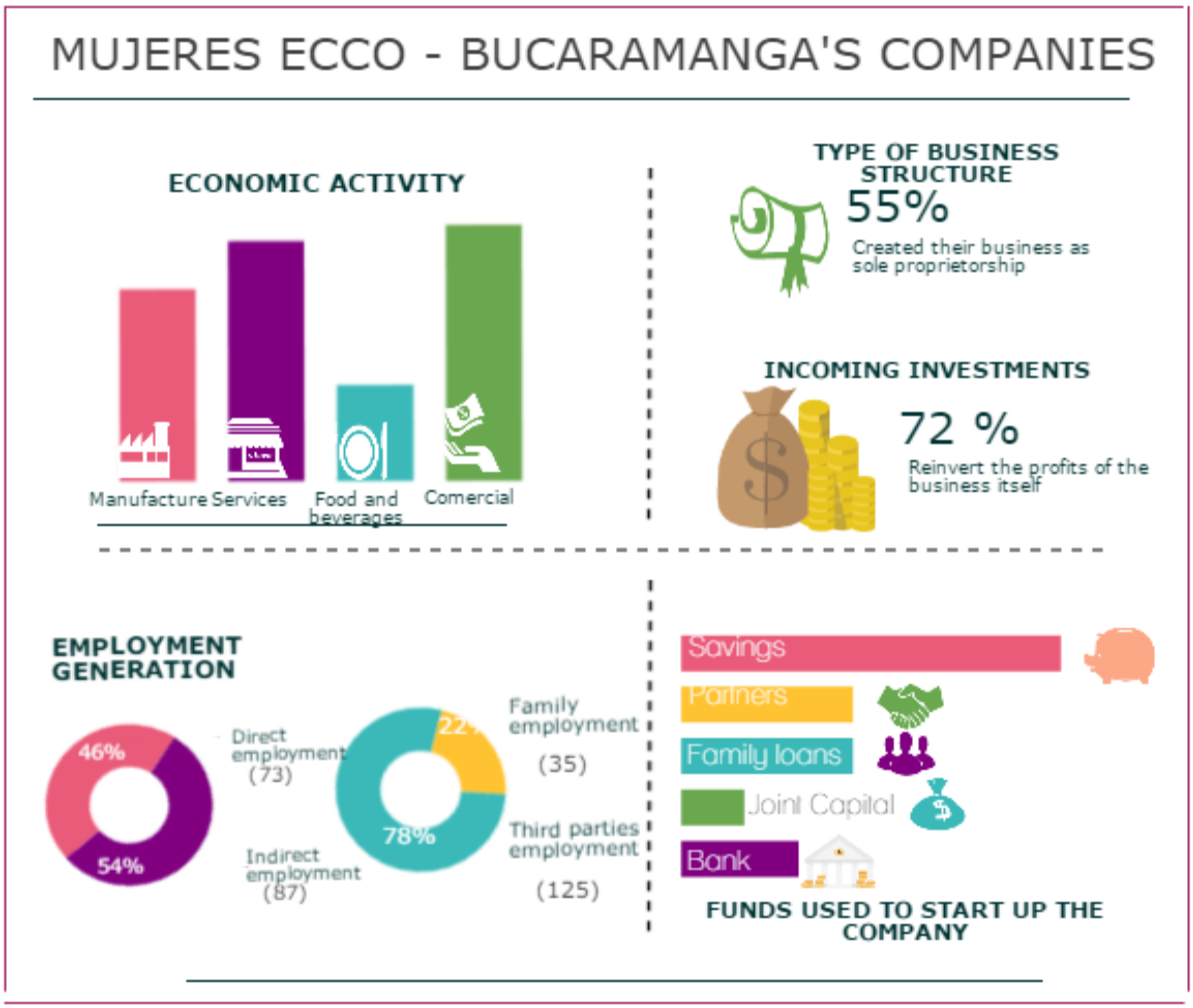
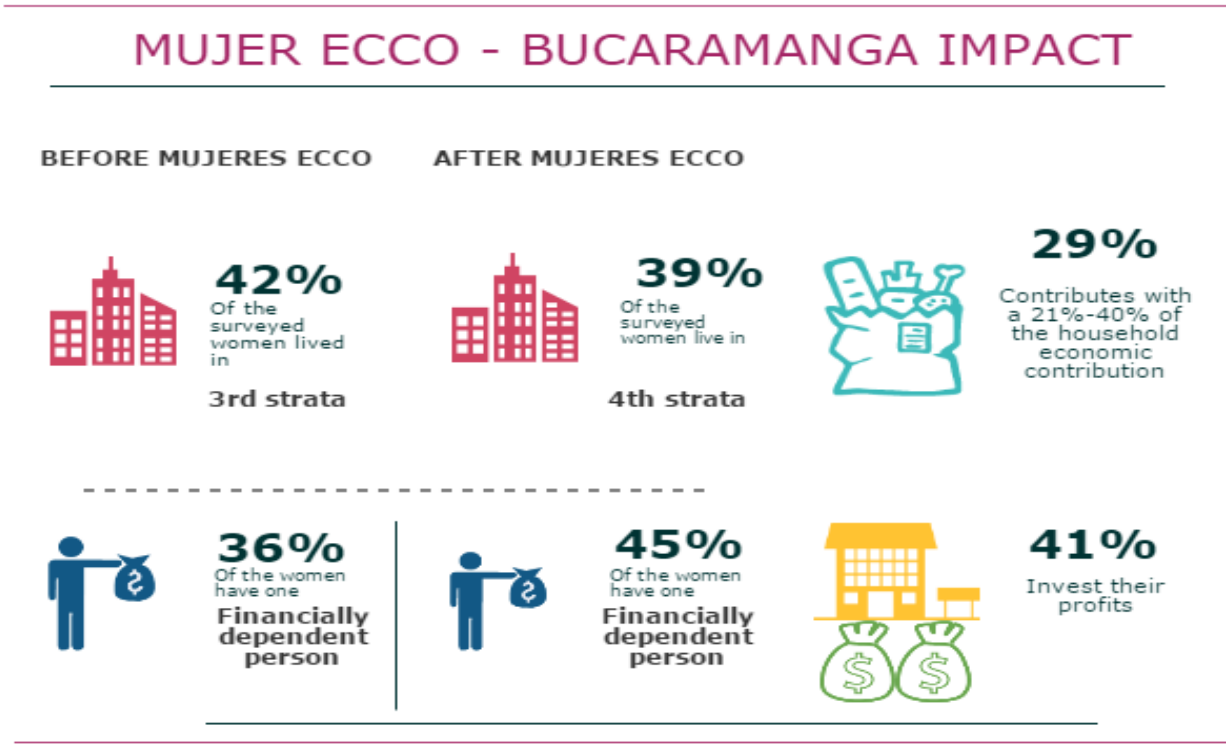
FIGURE 3.
WHAT WAS THE IMPACT OF "MUJERES ECCO" IN ITS BENEFICIARIES?