

# 50

Presentation date: December, 2019

Date of acceptance: January, 2020

Publication date: March, 2020

## PUBLIC INVESTMENT:

CONTRIBUTING FACTOR FOR GROWTH AND BUSINESS ENTREPRENEURSHIP

## LA INVERSIÓN PÚBLICA: FACTOR CONTRIBUYENTE PARA EL CRECIMIENTO Y EMPRENDIMIENTO EMPRESARIAL

Letty Angélica Huacchillo Pardo<sup>1</sup>

E-mail: [luacchillo@ucv.edu.pe](mailto:luacchillo@ucv.edu.pe)

ORCID: <https://orcid.org/0000-0002-6862-7219>

Noé Torres Surita<sup>1</sup>

E-mail: [torresn2367@gmail.com](mailto:torresn2367@gmail.com)

ORCID: <https://orcid.org/0000-0001-9539-6797>

Emma Verónica Ramos Farroñán<sup>1</sup>

E-mail: [eramosf@ucv.edu.pe](mailto:eramosf@ucv.edu.pe)

ORCID: <https://orcid.org/0000-0003-1755-7967>

<sup>1</sup> Universidad César Vallejo. Perú.

### Suggested citation (APA, seventh edition)

Huacchillo Pardo, L. A., Torres Surita, N., & Ramos Farroñán, E. V. (2020). Public investment: contributing factor for growth and entrepreneurship business. *Universidad y Sociedad*, 12(2), 350-355.

### ABSTRACT

The main objective of the research is to analyze the contribution that public investment has for business growth and entrepreneurship, taking as evidence the population of Piura that enjoys works already executed, obtaining data collected from entrepreneurs who perceived these events as a result of the construction of an Avenue called José Aguilar Santiesteban in the city of Piura. The type of research study was applied as required by the scientific method, which refers to it as a correlational research with a mixed approach. There are about 120 businesses that enjoyed the benefits witnessed, having results that emphasize the determination of the importance of the public sector through investment, for the growth of those studied. They indicated that they agreed with having witnessed important changes regarding the company. The study of different business factors that emphasize growth and entrepreneurship was also included. Proving that, the most important thing that indicates growth and main factor for entrepreneurship is the variation in profits.

**Keywords:** Public investment, business growth, business entrepreneurship.

### RESUMEN

La investigación tiene como objetivo principal analizar la contribución que tiene la inversión pública para el crecimiento y emprendimiento empresarial tomándose como prueba la población de Piura que goza de dichas obras ya ejecutadas, obteniendo datos recolectados de empresarios que percibieron dichos acontecimientos productos de la construcción de una avenida llamada José Aguilar Santiesteban en la ciudad de Piura. El tipo de estudio de la investigación fue aplicado según lo requerido por el método científico, la cual refiere a la misma como una investigación correlacional con un enfoque mixto. Se observa unos 120 negocios que gozaron de los beneficios presenciados, teniendo resultados que hacen énfasis a la determinación de la importancia que tiene el sector público mediante la inversión, para el crecimiento de los estudiados. Los mismos indicaron estar de acuerdo con haber presenciado importantes cambios respecto a la empresa. También se incluyó el estudio de diferentes factores empresariales que hacen énfasis al crecimiento y emprendimiento. Demostrándose que, lo más resaltante que indica crecimiento y factor principal para el emprendimiento es la variación de utilidades.

**Palabras clave:** Inversión Pública, crecimiento empresarial, emprendimiento empresarial.

## INTRODUCTION

This research is based on the need presented by business owners or companies on knowledge of strategies that allow them to better develop their activities, and above all to find the best way to take advantage of the resources that are essential for the growth or entrepreneurship of new business. This is related to the intervention of the state through public investments, which make it possible to reach different parts of the national environment, making them benefit from the works that are carried out in their favor.

Public investment is one of the most referred issues when talking about economic and financial growth, given that the factors that are altered as a result of a work are related to profitable benefits and commercial movement, allowing people who enjoy these benefits to be in a situation of great changes that if taken advantage of would serve as an impetus for the growth of their businesses or also for the creation of new companies, which when witnessing the improvements of the environment could achieve a good positioning in the commercial market.

The objective is to determine what are these benefits that are presented with respect to the main factors of business growth and entrepreneurship, and together with them to know what are the means that should be carried out to carry out such events, being a fundamental part of the study the recognition of each one of the improvements that were developed in the José Aguilar Santiesteban avenue, as a population under study and to be able to collect the necessary data to verify the veracity of what is expected to be obtained.

Gutiérrez & Melgarejo (2017), was proposed to determine in detail how the investment processes are classified in the large projects that are effective in the Colombian country, taking into account the importance that this has in the business sector, taking into account the technical, organizational and environmental aspect of them to be able to determine the necessary factors for the execution of what it is intended to achieve with investments.

Orellana & Marshall (2017), in his article on the "Relationship between public municipal investment and quality of life in metropolitan cities in Chile, where it aimed to determine the importance of the public sector, through its investments for the improvement of quality of life of the cities that require their intervention, obtaining as a result the great impact that arises from each project that is presented which, when the denial of said benefits is witnessed, stops the growth that in this case was carried out in municipalities where also Works requirements are registered for the best functioning of entities

that represent a fundamental part in the economic growth of the environment.

Ramírez (2018), in his article "Private and public investment in the performance of the sectors of the Mexican economy: 1993-2015" whose purpose was to determine the importance of public investment for the growth of the Mexican country, and especially factors that are altered each time that the public sector is efficiently present with the construction of works for the benefit of the population. Having as a result points strictly related to the objective of the study, where the need to relate investments to the type of policy that is managed in the national environment is promulgated, since it is a positive hypothesis that the state's investments show certain benefits with the business sector and therefore economic, this depends on how the country's policies are carried out.

Therefore, public investment can be specifically related to the growth of the business sector and more factors that stimulate an improvement in the economy, as presented by the aforementioned author. Focusing the results of the same one can add the need that many of the entrepreneurs have to undertake based on the new resources that are born from the intervention of the state, and that in the future the results would be seen, since the factors that are altered by Such events are clearly related to the commercial sector of the place where the highlighted points are applied.

Palacios (2018), in his article "Effect of Public Investment on road infrastructure on the growth of the Peruvian economy between the years 200-2016, where it was proposed to appreciate the way in which public investment through the management of related projects Infrastructure, determine the stability of the economy of a country, therefore, after the development of the research, the author concluded including the importance of the presence of investments by the state by increasing GDP as the main factor, and stimulating which is the factor that is suddenly altering, which is related to business growth.

Hernández (2015), developed an investigation on the identification of social productive projects and public investment decisions, where the objective prevailed to identify within a specific environment, the needs that have the need to execute projects for the benefit of society, and especially the way in which the public sector analyzes such events in order to influence and intervene in the improvement of the situation in which they find themselves. Determining that public investment fulfills one of the most important functions in population growth, all this based on the great achievements that arise from the impact of executing certain projects.

Ayón & Barahona (2019), in its article called “the public investment of the GAD and its impact on the economic recovery of the parish Abdón Calderón del Cantón Portoviejo, where it was proposed to determine the importance of the public sector through its intervention in a non-profit entity For profit and religious, where the need for people close to it was emphasized, they can be able to achieve a better infrastructure in the mentioned place, finding that the efforts made by the entities that need the presence of it, are Suddenly they are intervened by the policies that hinder the process, but which, when carried out, becomes an impact on the entities that enjoy these benefits.

García (2019), in his article called “Effects of subnational public indebtedness on Public Investment in Mexico” which aims to determine the relationship between public spending, public Investment and population growth determine the general objective of the investigation is broader, the purpose is the same, since in the investigation it is intended to determine how the state presents the investments for the benefit of its population and especially It is the process of the same, where public debt comes in to carve, which at a certain point is a determining factor for the magnitude of the investments that can be executed and therefore grow economically.

In fact, the research showed the relationship that exists in public investment and the growth of the productive sector, which in turn is distinguished as one of the ways that drive business growth and therefore encourage the creation of new businesses. Therefore, the presence of the public sector can be identified as a fundamental part in the changes that may arise from it in the business and commercial sector of the place where such statements are made.

Andia (2014), in his article “National Public Investment System” makes a critical analysis, where they maintain the objective of explaining and observing some of the components of Public Investment with the sole purpose of being able to provide an improvement with respect to the aforementioned issue and, above all, to provide the necessary information on the public sector’s action through the same, having as fundamental basis for the determination of the object, to structure in an efficient way the 3 phases of the investment that are developed when executing a work.

After the investigation, public investment is seen as the basis for many entrepreneurs that are born from it or also for those who already have a business, and next to them the importance of a good application and management of it is stressed if it is intended to obtain good results as mentioned by the aforementioned author.

Therefore, the way in which regions and cities have been emerging changes with respect to the business sector and therefore in the economic growth of the country as a whole, and that despite the complications that have been visualized with respect to external relations that are presented, the state has been able to maintain the executions of the works that have mostly served as a boost for business growth.

Ponce (2015), in its report on Public Investment and regional economic development, where it was proposed to determine the importance of the public sector for regional economic growth, which includes all the factors that make such events possible, taking into account the sector business as a fundamental basis for it. Therefore, it was determined how important is the management of projects that the state performs to improve many aspects that are related to the economy of the country, which in the first instance are visualized in business growth and entrepreneurship.

Calderón (2019), conducted an investigation called Public Investment in infrastructure and regional development in the Mexican country, where it was proposed to determine the important intervention of the public sector for the development of a specific region, where infrastructure plays a relatively crucial role for economic growth, born from the changes that are present in the business sector, which is the most enunciated with respect to economic changes, since they are altered when use is made of works that come from the state, making the population prosper in general.

Taking into account each factor that is altered as a result of the investments, it is possible to promulgate the need to take advantage of each resource that comes from such events with the notion of making possible future projects that make entrepreneurs show their expectations and follow growing in the business and commercial field that in the future will be focused on the well-being of people who enjoy such works.

## MATERIAL AND METHODS

The investigation was carried out through a correlational study, so that the damages that were obtained were related to the information that was collected from the owners of the businesses adjacent to José Aguilar Santiesteban Avenue, where the influence of the intervention of public investment in business growth and entrepreneurship.

Likewise, the investigation is based on a non-experimental cross-section, so that none of the data was manipulated, acting with total certainty of what was collected during the

investigation, and with it was analyzed in a given exercise that includes the 2019.

The population was determined as finite as mentioned (Fernandez, Collado & Baptista, 2014), so that the number of individuals is known, assigning a 95% confidence level, since many of the data of interest, they were already carried out by the public sector that is part of the research.

The total number of respondents amounts to 120 people who have businesses and are close to the aforementioned work, based on the survey as the main source of data collection, in order to obtain concise data from the protagonists, and to analyze together to the objectives that have been raised.

## RESULTS AND DISCUSSION

The results clearly focus on the most important thing that can be seen for business growth, which is business growth, since most companies depend on the aforementioned factor. The average response is 4.62, which, on the scale assigned in the survey, refers to the fact that they agree that public investment through the construction of the work under study contributes to commercial growth and therefore to companies continuing to grow simultaneously (Table 1).

Table 1. Contribution of public investment.

Aspects	Average	Standard Deviation
1. Do you think that the construction of the work contributes to the commercial growth of the environment?	4.62	,492

Table 2. Changes product of the Investment.

Aspects	Average	Standard Deviation
1. Do you infer that changes have arisen after the construction of José Aguilar Santiesteban Avenue?	4.69	,468
2. Do you think these changes are related to your business?	4.62	,539

The results mentioned in the item (Table 2), indicate the agreement that the protagonists have when witnessing the public sector through the work executed, the average of 4.62 in both questions refers to agreeing with the positive intervention that investments have for their businesses or companies. It is clear that, if the changes that were witnessed are related to business, the altered points are necessarily determining factors for a company, such as an increase in market or product growth and in proportion a profitable growth.

Table 3. Market growth.

Aspects	Average	Standard Deviation
1. Could these changes make future projections possible?	4.57	,590
2. Does the maintenance of the aforementioned work do you think is fundamental for the future of your business?	4.60	,497

The statement shows the determinant that the owners (Table 3) of the entities consider with respect to the changes that arose after the execution of the aforementioned work, since the average amounts to 4.57 and 4.60 respectively, being proportional to the scale that they mention agreeing with the changes that arose and that new projects are possible after mentioned changes, such as the growth of the company itself, assigning new services or products or expanding it. It also focuses on the field of innovating about a new project that has in mind the product of the benefits that originated and that would make it possible to obtain good results.

Table 4. Financing factor.

Aspects	Average	Standard Deviation
1. Have you had financing facility to face the changes?	4.12	,705
2. Is financing a product of sales variation?	4.19	,671

The statements show the main factor for the operation (Table 4) of a company and can also be related to business growth and entrepreneurship, as well as 4.12 and 4.19 of the average number of responses that indicate agreeing that the changes witnessed in financing are product of the construction of the studied avenue, making it one of the most important factors so that it can be undertaken in new businesses or also grow the one they already have.

Table 5. Profit Benefit.

Aspects	Average	Standard Deviation
1. At what percentage do you say that growth has arisen?	2.29	,774

One of the ways to determine the proper (Table 5) functioning of a company is to measure the utilitarian benefits that it maintains, where an average of 2.29 representing more than 40% increase in profits, including in the same data that are related to entrepreneurship according to what is wanted by the owners of the companies.

Once the results of the research have been collected, interests related to it are promulgated, which are born from

the similarity of objectives, where the need prevails to determine the importance of the public sector through public investments, for growth and entrepreneurship business, where responses are established that arise from the interrogations that were presented to respondents, who are part of the beneficiaries of the avenue that was taken as a population, taking into account the presence of the public sector and the variations that arose from it.

In the execution of the instrument, the expectations of the instrument were taken into account, where questions were raised based on the determination of the magnitude of changes that arose after the execution of the aforementioned work, where 78% of the respondents' state that there is a large relation of changes that make possible the growth of their businesses and that are possibly seen in the notion of arguing new projects in the future.

This result is highlighted in the research of Andia (2014), who, in his critical analysis of public investment, states that such is a fundamental phase for the growth of companies and businesses, where it is stipulated that such results also depend on the management that the public sector has about them. Therefore, the results of its investigation coincide with the results presented in the investigation, and therefore the protagonists indicated the importance of public investments to improve their business situation and that of their environment.

Likewise, the items applied indicated the need to know to what extent new changes have been achieved for the benefit of entrepreneurs, resulting in the acquisition of new relevant income at the time when the work did not yet exist, where you can relate to the financial and therefore economic growth of business and its environment coinciding with the article by Ramirez (2018), who in his report related to Public and private investments obtained that are a fundamental part for the economic and financial development of a country as a whole, of which entrepreneurs are part, through the commercial or services sector that are the most used in the business world.

All the factors that make possible the growth and entrepreneurial entrepreneurship are linked to an increase in demand for products, growth rate, expansion of the market to which they belong and therefore a considerable increase in their income, which are those who finally allow the financing of the same, and that make possible the management that the company has, based on its objectives.

Regarding the benefits that come with the intervention of public investment can be visualized through the commercial movement that is born as a result of the execution of a work, since the improvement of a visual panorama, makes people have a better ease of movement by the means,

and therefore, to have the possibility of acquiring the product or service, making that benefits are derived based on those that have a business, or also the fact that new services or products are undertaken based on such fact.

It is necessary to emphasize that such investigations coincide with what was found in the present investigation, since similar objectives were raised and the importance of the investments determined, which causes the state for the benefit of the population, and that those are a fundamental part for growth and entrepreneurial entrepreneurship, and above all allow the new steps that may be based on new scopes that can be acquired over time.

Another highlight in the research, are the means by which the idea of starting a business is promulgated, which are mostly linked to the effect of financing and other resources that when assimilated with research focuses on resources that are the product of a good functioning of an entity, since the majority is born from a good financing and also the panorama of the place where the project is going to be executed together with the relationships that are expected to be done, acts that according to the results are born from the effects of an intervention of the state through public investments represented in works that are carried out such as the work Aguilar Santiesteban de Piura. Taking into account the research of García (2019), where I relate public debt to public investment to determine them as main acts for business growth, and that mostly depend on how efficient they are executed.

The results obtained together make reference to all the authors mentioned in the research, deducing the capacity that public investment has to maintain the possibilities of growth and entrepreneurial entrepreneurship, where the necessary tools and resources to perform them are perceived, everything depends on the management that employers have in order to have access to such benefits as a result of state intervention for the benefit of the general population.

## CONCLUSIONS

Public investment plays a very important role in the business world, since it directly influences the main factors that make it possible for businessmen to grow and also to start new businesses, in the case of Aguilar Santiesteban Avenue, where a positive impact that the beneficiaries emphasize, and as a result of this they have seen the need to manage new objectives.

Likewise, the efficiency of the investments will depend a lot on the way in which they are executed and that the phases that must be taken into account for the execution of the same are fulfilled, since the changes that arise

after the intervention of the aforementioned cause that Companies can manage differently and visualize a panorama that extends to a considerable time, which is linked to the duration of the projects.

The decision-making by the protagonists greatly influences the results of the indicated, since the changes that are witnessed are related to the implementation of new resources that are necessary for growth and entrepreneurship, but will depend on the efficiency they have Entrepreneurs to take advantage of such facts.

The factors that are altered after the intervention of public investments are related to purely financial effects, since the commercial movement is one of the main ones observed and, therefore, make it possible for production to increase to some extent, contributing finally to an increase in income, making it possible to take advantage of such events to obtain better results or plan new projects.

#### BIBLIOGRAPHIC REFERENCES

- Andia, W. (2014). El sistema nacional de la inversión pública. Un análisis crítico. *Industrial Data*, 7(1), 70-72.
- Ayón, G., & Barahona, C. (2019). La inversión pública del GAD y su incidencia en la reactivación económica de la parroquia Abdón Calderón del cantón Portoviejo. *Dom. Cien.*, 5(2), 252-274.
- Calderón, N. (2019). *Inversión pública en infraestructura y desarrollo regional en México, un enfoque econométrico*. Theses.
- García, M. (2019). Efectos de la deuda pública subnacional en la inversión pública productiva de México. *Análisis económico*, 34(87).
- Gutiérrez, H., & Melgarejo, M. (2017). Automatic Classification of the advancement of Public Investment MegaProjects in Colombia, From a Technical, Organizational and Environmental Approach. *Ingeniería*, 22(3).
- Hernández, G. E. (2015). *La identificación de proyectos productivos sociales y las decisiones de inversión pública*. México: UNAM.
- Orellana, A., & Marshall, C. (2017). The relación entre inversión municipal pública y calidad de vida en las ciudades metropolitanas en Chile. *Cadernos Meprópole*, 19(39), 665-686.
- Palacios, C. (2018). Efecto de la inversión pública en la infraestructura vial sobre el crecimiento de la economía peruana entre los años 2000-2016. *Ingeniería Industrial*, (36), 197-210.
- Ponce, S. (2015). *Inversión Pública y desarrollo económico regional*. (Tesis de Magíster en Economía.). Pontificia Universidad Católica del Perú.
- Ramírez, E. (2018). Inversión privada y pública en el desempeño de los sectores de la economía mexicana: 1993-2015. *Econ: teor. Práct.*, .48.