



The Impact of the Covid-19 Pandemic in Colombia on the Entrepreneurial Sector

William A. Barbosa Duran

Facultad De Ciencias Administrativas Y Económicas, Universidad Francisco De Paula Santander, Ocaña, Colombia.

DOI: <https://doi.org/10.55248/gengpi.2022.3.8.58>

ABSTRACT

The research of this article focused on analyzing the positive and negative aspects that permeated the ecosystems of entrepreneurship in Colombia, from the strong impact of isolation during the Covid-19 pandemic. The methodology used was a documentary type bibliographic design, through which the main objective was developed. The conclusion of the work determined that the entrepreneurs designed new models to continue providing their services and marketing their products. However, many of them also required business restructuring or reorganization, evolving towards new frontiers that allow them to generate income and consolidate in the market.

Keywords: entrepreneurship, pandemic, isolation, reorganization, impact.

1. Introduction

The whole world was affected by the speed and ease of Covid-19 infection, affecting factors such as health and the sequential development of life. However, the impact of the pandemic modified the normal course of people's quality of life in different aspects, such as the economy of the countries and, as a consequence, those businessmen who were beginning to consolidate their break-even point.

The pandemic touched the enterprises, and confronted them with new challenges from different aspects. According to (Torres Torres, Bernal Álava, & Peñafiel Moncayo, 2021) the effects of the pandemic also permeated employment at a general level, as most companies resorted to the reduction of staff, salaries, among others. However, from any crisis situation it is possible to transform towards the generation of new ideas, models, entrepreneurship and innovation in the services and products sector (Page 3).

In sectors such as Latin America and the Caribbean, the effects of Covid-19 also affected the entrepreneurship ecosystems. (Kantis & Federico, 2021) state that the entrepreneurship sector bet on new changes and adaptation to the situation experienced by the spread of the virus throughout Latin America.

In Colombia, according to (Cabrera Camargo, 2014) business models faced with the unexpected arrival of the pandemic had to restructure their business models through the use of technological tools, as well as the redesign of their service and product portfolios to meet the new needs of consumers. (Page 10).

Particularly in Colombia, the situation highlighted several situations in this context, which is why the positive and negative impact of entrepreneurship ecosystems in Colombia during the Covid-19 pandemic will be analyzed. The study will be carried out within the framework of a documentary type bibliographic design.

2. Theoretical Framework

Organizations have always been concerned about having a positive impact on the market and achieving better income, based on innovation in products and services that allow the satisfaction of market needs. Based on this, various figures are developed, such as leadership, which is born from the very existence of man, from where activities such as entrepreneurship are developed in different contexts and scenarios (González-Castro, Manzano-Durán, & Torres-Zamudio, 2021).

A leadership model that has achieved great recognition in the current context is the entrepreneurship that arises from innovative ideas, capturing the attention of people and the consolidation of new companies that emerge from family nuclei or groups of dreamers' friends.

(Niebles Nuñez, Niebles Nuñez, & Barrios Parejo, 2020) affirms, regarding the theoretical origin of entrepreneurship, that at the beginning of the 20th century the first theoretical foundations began to be laid, which laid the foundations for the concept. Quoting Schumpeter (1934), it can be established

that it was he who first exposed the concept of entrepreneurship and entrepreneur, adding that these are characterized by the search for unconventional or unknown solutions to environmental needs. (Page 15).

According to (Pacheco - Sánchez & Rodríguez – Téllez, 2019), the entrepreneurship sector seeks to satisfy the needs and requirements of consumers. The authors also cite that entrepreneurship should be coupled to the needs of consumers and respond to society and the environment. (Page 18).

Currently, there is a larger population of entrepreneurs in early or young ages, which shows that innovation and business creation in this age range enjoy higher expectations of economic and personal growth, with a lower degree of fear of failure (Alarcón& Andrade).

3. Methodology

The methodology used was a documentary type bibliographic design, through which the main objective was developed (Hernández Sampieri, Fernández Collado, & Bautista Lucio).

4. Results

During the last decades, the entrepreneurial sector has been growing, based on innovative ideas that captivate consumers with new products and services in the market. Additionally, these new companies have added a plus to their products and services, and that has been sustainability, responding to the triple bottom line, where not only the economic but also the social and environmental impact is a priority (Manzano-Duran, Peñaranda-Peñaranda, & Luna-Quintero, 2021)

According to figures cited in the research by (Plata Blanco, Vélez Prada, & López Ortégón, 2021) during the last few years, the entrepreneurship sector has grown exponentially (Page 12).

However, at the end of 2019, the economy sector, like other areas of development, has registered a series of harmful effects on account of the spread of Covid-19, with entrepreneurs also being affected. According to the National Federation of Traders (Fenalco), the effects of the pandemic were reflected in the closure of different sectors of the economy. It also states that only 15% of the entrepreneurs diversified their business activities, and others were forced to close their companies (Sabana-Colombia).

By analyzing the authors cited above, it was possible to identify a set of positive and negative causal factors that impacted the entrepreneurship ecosystems in Colombia. In the positive sphere, the challenge of confinement led entrepreneurs to develop, together with information and communication technologies, a series of strategies to keep each of their businesses on their feet; home delivery and self-care strategies were also decisive in supporting the continuity of these businesses.

On the other hand, there were companies that could not emerge in this area, and on the contrary were affected by the confinement, the peaks of the pandemic, the high cost of inputs, the proliferation of the virus, the indebtedness, their business costs and others, ending with the closure of their businesses, for approximately 2 years.

In sequence of the above, it is possible to affirm that the Covid-19 pandemic was the trigger for two particular situations regarding the development of entrepreneurial ecosystems in Colombia. The first scenario refers to those who did not take measures or whose business management did not allow them to reach the peak of the break-even point during the confinements, peaks of the pandemic, reduction of jobs and salaries, and other situations generated by the pandemic.

The second situation is framed to highlight the positive aspects of those who managed through multiple tools, took advantage of the situation, identified new needs in the market, and acted according to the strength required by an entrepreneur to move forward with their business idea, during the time of crisis generated by the Covid-19 pandemic, demonstrating to an entire country that the desire to forge a better future and innovative ideas are more prevalent in the face of unexpected circumstances.

5. Conclusions

At the end of the analysis, it was possible to conclude that the pandemic was a black swan that drastically revolutionized the economy, industry and all human beings.

Regarding the harmful effects of the pandemic on entrepreneurship, it was possible to identify that in the positive sphere, the challenge of confinement led entrepreneurs to develop, together with information and communication technologies, a series of strategies to keep each of their businesses going; home delivery and self-care strategies were also decisive in supporting the continuity of these businesses.

Finally, as an analysis of the negative spectrum, a total closure of a large number of enterprises was caused, with the loss of jobs, rental income, the livelihood of thousands of families, the frustration of destroyed dreams, and so on.

References

Alarcón, C. L., & Andrade, M. J. (n.d.). EL EMPRENDIMIENTO EN COLOMBIA Y SUS DIFICULTADES: Un análisis desde la percepción. Retrieved 2022, from https://repositorio.unbosque.edu.co/bitstream/handle/20.500.12495/3033/Andrade_Martin_Jesus_Javier_2020.pdf?sequence=1&isAllowed=y

- Cabrera Camargo, R. (2014). Trabajo Proyecto de Grado 2: El Emprendimiento en Colombia: Una Oportunidad de Desarrollo. Retrieved from <https://repositorio.uniandes.edu.co/bitstream/handle/1992/16720/u702890.pdf?sequence=1>
- González-Castro, Y., Manzano-Durán, O., & Torres-Zamudio, M. (2021). Liderazgo: una práctica sistémica en el futuro empresarial. *Revista Científica Profundidad Construyendo Futuro*, 14(14), 64-72. doi:<https://doi.org/10.22463/24221783.3161>
- Hernández Sampieri, R., Fernández Collado, C., & Bautista Lucio, P. (n.d.). *Metodología de la Investigación* (6 ed.). México: McGrawHill. Retrieved from <https://www.uca.ac.cr/wp-content/uploads/2017/10/Investigacion.pdf>
- Kantis, H., & Federico, J. (2021). Resiliencia y reinención de los emprendedores latinoamericanos en el contexto del impacto provocado por la pandemia. Sarah Schineller (A&S Information Partners, LLC) . Retrieved from <https://publications.iadb.org/publications/spanish/document/Resiliencia-y-reinencion-de-los-emprendedores-latinoamericanos-en-el-contexto-del-impacto-provocado-por-la-pandemia.pdf>
- Manzano-Duran, O., Peñaranda-Peñaranda, M. M., & Luna-Quintero, J. C. (2021). Sostenibilidad y proyectos sostenibles: Estudio bibliométrico. *Revista Científica Profundidad Construyendo Futuro*, 14(14), 15-24. doi:<https://doi.org/10.22463/24221783.3160>
- Niebles Nuñez, W. A., Niebles Nuñez, L. D., & Barrios Parejo, I. Á. (2020). El emprendimiento en Colombia: análisis del marco legal y su incidencia en la generación de empleo. *Justicia*, 25(38), 35-52. Retrieved from <http://www.scielo.org.co/pdf/just/v25n38/0124-7441-just-25-38-35.pdf>
- Pacheco - Sánchez, C. A., & Rodríguez - Téllez, F. (2019). Empresas B: un diagnóstico sobre su aplicabilidad. *Revista Científica Profundidad Construyendo Futuro*, 10(10), 2-9. doi:<https://doi.org/10.22463/24221783.3354>
- Plata Blanco, M. R., Vélez Prada, J. D., & López Ortigón, C. C. (2021, Febrero 26). Estudio del impacto de la pandemia del COVID-19 en las dimensiones institucional, ecosistema e individuo del emprendimiento de base tecnológica en Colombia. Retrieved 2022, from <https://repository.universidadean.edu.co/handle/10882/10452>
- Sabana-Colombia, U. d. (Ed.). (n.d.). *Emprendimientos de la crisis a la oportunidad*. Retrieved 2022, from <https://www.unisabana.edu.co/portaldenoticias/tutoriales/emprendimientos-de-la-crisis-a-la-oportunidad/>
- Torres Torres, Á. O., Bernal Álava, Á. F., & Peñafiel Moncayo, I. R. (2021). La afectación de los emprendedores en época de pandemia. Retrieved from <https://revistapublicando.org/revista/index.php/crv/article/view/2267/2488>
- Universidad de la Sabana. (n.d.). Retrieved 2022, from *Emprendimientos de la crisis a la oportunidad*: <https://www.unisabana.edu.co/portaldenoticias/tutoriales/emprendimientos-de-la-crisis-a-la-oportunidad/>