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EDITOR'S NOTE

SNEA - Entrepreneurial research in emerging economies: recent advances
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According to the latest report from the Latin America Venture Capital Association (LAVCA), the investment of private capital and venture capitalists in Latin American companies went from 143 million dollars in 2011 to 4.6 billion dollars in 2019, Brazil and Mexico being the countries that concentrated more than 65 % of total investment. This represents a 3000 % increase in investments over a 9-year period, which implies an incredible boom in venture capital investments in the region.

Despite the significant increase in investment by venture capitalists and angel investors in Latin America, established ventures in the region have hardly increased. According to data from the Global Entrepreneurship Monitor (GEM), the percentage of the population between 18 and 64 years old who declared themselves a new business owner went from 18.51 % (2010) to 23.53 % (2019), on average, for Brazil, Colombia, Chile, Peru and Mexico. The situation is even more modest for those who declared having a business established for 42 months or more, as they went from 8.22 % (2010) to 8.25 % (2019), on average, for the same countries.

A simple subtraction between the percentages of the two previous indicators allows us to approximate entrepreneurial insolvency that increased, on average for the previous countries, from 10.29 % (2010) to 15.29 % (2019). In this scenario, fear of failure and overconfidence, understood as two sides of the same coin, played a very important role. On average, for the above mentioned countries, fear of failure went from 30.08 % (2010) to 40.84 % (2019) while overconfidence increased less, since it went from 65.95 % (2010) to 70.48 % (2019). In other words, fear of failure was more important and this may partly explain why the nascent entrepreneurship grew so little and the growth of established businesses remained constant.

Although this global panorama, there are noticeable differences in the region, for example, Chile was the country with the greatest increase in entrepreneurial activity, as it went from 16.77 % (2010) to 36.71 % (2019), while Peru reduced its entrepreneurial activity from 27.24 % (2010) to 22.39 % (2019). Countries with greater entrepreneurial activity have a greater increase in entrepreneurial insolvency, a greater number of established ventures, higher fear of failure than overconfidence and inequality in the percentage of women over men involved in entrepreneurial activities, especially in ventures initiated by opportunity rather than by necessity.

Attitudes of entrepreneurs also respond to the entrepreneurial ecosystem in which they operate, which is made up of the different actors that promote entrepreneurship and by the adoption of social and cultural policies and norms that also promote it. According to the experts interviewed by the GEM, the availability of financing for entrepreneurship, the implementation of regulations that promote entrepreneurship and the availability of physical services and infrastructure to support entrepreneurship have been reduced or have

remained constant between 2010 and 2019.

In the case of the five mentioned countries, on average, availability of subsidies for entrepreneurship went from 2.50 (2010) to 2.47 (2019), where a score of 1 implies a highly insufficient resource and a score of 9 means a highly sufficient resource. Likewise, government support in terms of regulations went from 2.58 (2010) to 2.60 (2019) and access to infrastructure went from 3.63 (2010) to 3.62 (2019). According to experts, the factors of the entrepreneurial ecosystem that have improved, albeit modestly, are government programs to promote entrepreneurship (from 2.64 to 2.78), school education in entrepreneurship (from 1.91 to 1.97) and social and cultural norms that promote entrepreneurship (from 2.94 to 3.06).

The aforementioned shows a portrait where a greater presence of angel investors and venture capitalists still fails to support the ventures established in the region. Furthermore, there is a greater nascent entrepreneurship in the region, with greater participation of men than women, with incipient and disjointed government support and with very timid progress in education for entrepreneurship at the school level.

Given this background, I am pleased to present eight articles in this second special issue of the Mexican Journal of Economics and Finance (REMEF). The first six articles provide contributions to entrepreneurship in the region from theoretical and empirical perspectives, while the last two provide contributions from a methodological perspective. This issue has the distinguished participation of authors from Brazil, Chile, Colombia, Costa Rica, Peru and Mexico, which allows a panoramic vision of different aspects of entrepreneurship in the Latin American region.

Governments can promote new ventures through the field of exports. The first article entitled *"Psychic Distances and the Export Success of Born Globals Firms"* (**Lezana, Cancino, Guede and Salazar-Elena**), presents empirical evidence using data from the Chilean government agency Corporación de Fomento de la Producción (CORFO) in charge of promoting entrepreneurship with high growth potential in Chile. The authors find that new ventures that export to psychologically distant destinations are more successful than those companies that export to neighboring countries. Furthermore, those companies that are financed with private capital tend to export to nearby countries and not to distant ones; while having more experiences in previous ventures (successful or failed) increases the probability of being global and exporting to more distant destinations. These results help governments promote the creation of global companies so that they export to more distant destinations and that private capital joins this challenge.

As I previously indicated, fear of failure increased in the Latin American region and overconfidence with it, although to a lesser extent. Therefore, in order to promote nascent entrepreneurship, it is very important to know the factors that affect or condition individuals' fear of failure. In the article *"Fear of failure: What drives it in Latin America?"* (**Mongrut and Juárez**) the authors propose a model and identify several factors that affect the emotional response of individuals to fear of failure given the external situation they face in Brazil, Colombia, Chile, Mexico and Peru. They conclude that the experience of individuals regarding fear of failure is a dynamic process affected by their gender, age, education and self-perception and that is mitigated or amplified by the network of entrepreneurs and the previous negative business experience. Moreover, they conclude that the positive self-perception of individuals reduces their fear of failure by 19 %, which implies that overconfidence helps them surpass their fear of failure.

The entrepreneurial ecosystem is the context that allows new ventures to be born and the establishment

or consolidation of ongoing ventures. This ecosystem is affected by various factors: availability and access to financing, government programs to promote entrepreneurship, regulations that promote entrepreneurship, regulated markets, development of human capital with entrepreneurial education, technology and research and development, access to infrastructure and cultural and social norms in line with a sustainable enterprise.

Regarding the entrepreneurial ecosystem, in the article entitled *Çomprehensive evaluation of the entrepreneurial ecosystem of Costa Rica and proposals for its improvement"* (**Núñez and Leiva**) the authors integrate five different models of valuation of entrepreneurial ecosystems, which contain 66 variables in total, in a single model with 8 categories. With this integrated model, they value the entrepreneurial ecosystem for Costa Rica, finding that it is in a regular state where the highly insufficient factors are the availability and access to financing and the generation of technology and research and development for entrepreneurship, the remaining factors being rated as insufficient with the exception of access to infrastructure. The results obtained with this model are very close to the opinion of the experts consulted by the GEM.

In the article *"Global entrepreneurial ecosystem from a financial and technological perspective"* (**Rodríguez**) the author uses the methodology of the nearest neighborhood to classify the global, financial and technological entrepreneurial ecosystem of 43 countries, in 2006 and 2018, in three levels: high, medium and low. The author found that there is very little mobility from countries that are classified in the global ecosystem as high or low due to their level of research and development. In the case of the financial ecosystem, a greater difference was found between countries as they go from a low level to a high level, which can be attributed to the availability and access to financing. In the technological ecosystem, as in the global one, there is little mobility since there is a great disparity in the promotion of technological applications through research and development between countries. In short, access to infrastructure is insufficient and two factors that drive the mobility of countries in their entrepreneurship ecosystems are access and availability of financing and the promotion of technological development for entrepreneurship.

Despite previous results, it is essential to analyze whether greater availability and access to financing is a sufficient condition for it to translate into greater productivity of companies. In the article *"Financial inclusion and productivity: the Colombian case"* (**Gómez, Morales and Castellanos**) the authors use the census of small manufacturing companies in Colombia to determine whether the provision of financial services such as leasing, insurance or credit increases the level of small business productivity. They conclude that the availability of and access to financial services does not lead to an increase in the productivity of small businesses because transactional costs (such as interest rates) prevent this from happening. In other words, government regulation is key to promoting not only greater entrepreneurship but greater productivity of companies.

How do entrepreneurs translate their entrepreneurial intention or orientation into concrete entrepreneurial actions (new products, new processes and/or technologies, internationalization, among others) that are called corporate entrepreneurship when carried out by companies? In the article *"Entrepreneurial orientation and corporate entrepreneurship: differences and complementarity in an intention-action model"* (**Cardona, Martins and Velasquez**), the authors show that entrepreneurial orientation translates into corporate entrepreneurship actions when entrepreneurs have the necessary capacities to do so. Specifically, they found that the absorption of knowledge (entrepreneurial and financial education), access to financing and external

cooperation networks positively impact entrepreneurship capacities and therefore help entrepreneurs to take corporate entrepreneurship actions.

Generalized least squares regressions are usually used in entrepreneurship when the series considered are stationary and when they are not. Although it is important that the series be stationary, it is always convenient to explore the models with simulations to avoid bias in the estimation of the coefficients. In the article *"Granger revisited: t values and the empirical OLS bias with stationary and non-stationary time series using Monte Carlo simulations"* (**Guerrero de Lizardi**) the author reminds us that using stationary series to avoid spurious regressions suggested by Clive Granger is usually forgotten and that it is necessary to analyze the bias in the estimated coefficients and not only verify whether the series is integrated or not.

The last article in this special issue allows us to dig into the world of Big Data Analytics (BDA) and shows how it can impact the financial performance of companies. In the article *"How can Big Data contribute to improve the financial performance of companies?"* (**Delfino and Lastarria**) the authors propose a methodology that allows including BDA tools and relating them to the financial Key Performance Indicators (KPI) of the company. The proposed methodology can also be applied in the valuation of new ventures and has the potential to be applied in other areas.

As we can see, each of the eight articles presented have made a significant contribution to the entrepreneurship area of knowledge, either from an empirical, theoretical and/or methodological perspective. Therefore, I hope that in this second anniversary issue of REMEF entitled **"Entrepreneurial research in emerging economies: recent advances"** the reader finds the contributions interesting and that it promotes even further the discussion of the entrepreneurial phenomenon in the Latin American region that it is still in its infancy.

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