



## A House: A Small Company



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### Abstract

The traditional models of development have allowed humanity to reach social levels never before suspected, but at the same time these developmental models have favored the social division into two large groups: one where people have many resources and manage to satisfy the most minimal cravings and others with very little or nothing, that is debated on a daily basis by hunger, unhealthiness and lack of education. Local development starts from principles based on the resources and possibilities of communities and people grouped into families that can produce, market and self-supply the productions that are capable of developing within their environment, although under certain conditions external resources are considered. The project aims to promote favorable conditions. Therefore, that the province of Manabí can sustain its agricultural production from the families themselves, by introducing innovations in the systems or local groups of small businesses that stimulate social development in the territorial dimension, promoting a change that favors the development of zone 4 and the progress of the small business. The work shows the proposal of a model that will allow the action of the province in the development of SMEs to boost social development from value-added productions and the creation of new value chains, promoting new ways of marketing that can be introduced. The objective of the work is aimed at promoting the creation of the CIDAI establishment to promote the techno-scientific research of the MIPYMES-UPA "S productive urban-rural areas of the development area 4.

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**1. Introduction**

In a world where agricultural and economic resources reach everyone, but only a part is fully satisfied with them. In the light of the 21st century. It is necessary to move towards new models of social development, a model where the mistakes of the past are not imitated, a model based on the use of local resources for the locality, a model that eliminates hunger, unhealthy and lack of education, a model of equitable distribution of wealth and the results of work

The small business is the basis of social and business development of any country, in the province of Manabí there are different types of companies, but in the agricultural sector is required to promote this type of economic organization, based on a concept focused on local development and the maximum use of endogenous resources. The Provincial Federation of Micro, Small and Medium Enterprises of Manabí FEDECAPIM-PROPEM is a potential innovator, developer, and researcher, to search for innovative solutions to the current problems of the Manabitas producers so that this potential will be reversed in creating small Companies from each producer's house.

The economic and development axis: Manta - Montecristi - Portoviejo, concentrates approximately 72% of the small productive enterprise and 97% of the large industry, while in the northeast and south of the province, only small ones have been developed, and micro family businesses, widely decentralized [1]. Economic development at the local level is a process of transformation of the economy and society starting from a specific territory and aimed at overcoming the difficulties and demands of structural change in the current context of increasing competitiveness and economic globalization, as well as greater appreciation of environmental sustainability, in order to improve the living conditions of the population [2]. This requires decisive and concerted action between different local, public and private actors, to create a territorial environment that encourages productive activities in general [3].

According to the ninth survey of the small and medium industry of Ecuador, conducted by the Observatory of Small and Medium Enterprises of the Universidad Andina Simón Bolívar (UASB), SMEs that have managed to venture into other markets are those of sectors such as food, the metalworking, clothing and footwear [4]. The productive apparatus can, through small business, contribute to local development, an expansion that is feasible in a political framework where planning helps the distribution and equitable use of wealth, the preservation of the environment and the adequate use of resources, both for its commercialization as for self-consumption. The growth of small businesses, due to a local effort, will also contribute to a more homogeneous national development [5].

According to [6] he plans that "You will win the bread with the sweat of your brow", without entering into theological discussions, the punishment that God imposed on man would be, at this time, if it could be fulfilled, a blessing for millions of beings humans who do not have the possibility of winning it. " In some developed countries, the development of microenterprises has been boosted, since it plays an important role in times when unemployment increases and automation techniques take the place of men. In this environment, the microenterprise resumes to improve the workforce, resolving a social problem focused on the economic contribution in the family and small communities, so that the factors linked to economic and social development can be invigorated with decent jobs.

In the province of Esmeraldas, a study was conducted where a contextual analysis of competitiveness in Latin America was made in recent decades, where the Andean countries, including Ecuador, Peru, and Colombia, have grown less than developed countries, and even less than other developing countries, losing relative importance in the global economy [7].

The microenterprise operates in the territorial environment based on the social commitment as responsible for the operation by local needs. These organizations will be able to improve the economy and commercialization of their products according to the quality of these and their demand in the market, while in their product design and management they are linked to the social and economic problems of the territory, so that they can meet with its economic-social role in union with other micro-companies, giving solutions from the local level and starting from their needs.

The vision of corporate social responsibility is complex when assessing the interrelationships that exist between small businesses, the production environment and the variety of environments where they materialize their activities. Some authors suggest that companies face challenges when investing in social responsibility, preferring to invest in less expensive and more visible activities. The ideal would be for the company to reach a level of integral responsibility for its conviction, for the benefits it represents for society as a whole [8].

Zone 4, where the provinces of Manabí and Santo Domingo de los Tsáchilas are located, is in production conditions to provide a significant boost to the country, in the fulfillment of the objectives to achieve a change in the productive matrix, for which a project has been proposed. Training and quality control laboratories to promote scientific research techniques of urban-rural productive MIPYMES in that area. In this sense, integration is proposed to achieve the best possible result [9].

The objective of the project is to look for more competitive products within the productive chains; train the populations that meet the productive conditions and fight to achieve social equity through improving the quality of life of each family and therefore each small company that participates in a value chain [10]. The microenterprise represents a potential for local development, mainly in developing countries, in Ecuador and especially in zone 4, where unemployment is an element that is present, not only in cities but also in rural areas where the productions that will be evaluated are made.

In the province of Manabí, the agricultural potential allows the development of small industry, which would allow introducing innovative results that can propel the local development of isolated areas, decreasing unemployment and some social problems existing at the community level. The objective of the work is to promote a vision of economic progress focused on local development, boosting the progress of 500 small businesses under integrating and organizational ideas, which will allow the promotion of new value chains and better positioning to face the competition

## 2. Research Method

From the knowledge of the products that today can be marketed with quality and rural social work; It is proposed to develop a procedure that allows gradually incorporating the development of small businesses, producers where families will become SMEs, until reaching approximately 500 small businesses in zone 4 (Manabi and Santo Domingo de los Tsáchilas), in order to expand the development of small businesses in areas producing peanuts, bananas, cacao, peppers, and sugarcane. Inventories of producers and types of agricultural products will be carried out. The methodology that has been proposed has been obtained through observation and interviews in visits made to people who continue to reside and work in rural areas. In the case of the province of Manabí, it will be divided into two sectors, one in the northern zone centered in the canton of Roca Fuente and the other in the southern zone in the Canton of Portoviejo.

## 3. Results and Analysis

The provinces of Manabí and Santo Domingo de los Tsáchilas have enough agricultural production, which allows them to make these products competitive in the market, encouraging rural and peri-urban populations to be stimulated in the production of quality goods and services, can evaluate to be introduced in the national and international market, allowing the creation of value chains that allow improving the infrastructure of the regions studied and support for the disadvantaged, where today they continue to lack resources.

The province of Manabí is experiencing a period of economic reactivation, requiring not only a legal framework for social research and development aimed at favoring private investment by UPA and SMEs, but also supporting small businesses with the idea of reducing migration to other provinces, creating sources of work throughout the region and small companies where FEDECAPIM will support and direct the idea by fostering and promoting in a first stage the development of goods and services in less developed

territories. Figure 1 shows a map where the work area is indicated, and the territories of application of the idea of promotion in a first stage are appreciated.

### 3.1 Development proposal

The work area will be divided into two sections: triangulating the studies in, each selected portion, for example: the southern zone will be triangulated between Roca Fuerte-Santa Ana-Jipijapa and the northern zone will be between, Roca Fuerte, Santa Ana and Jipijapa, as shown in figure 1, the center will remain in Roca Fuerte.

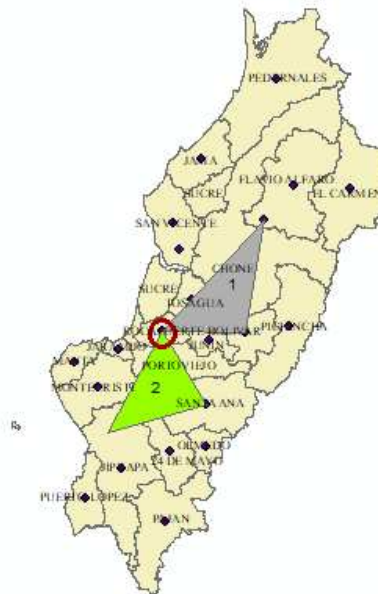


Figure 1. Work zone in the first stage

Source: [11]

The project has a duration of five years for the first stage. It is planned to select five products (peanuts, plantains, sugar cane, cocoa, and peppers), then it will be extended to other products; those selected for the project correspond to traditional crops. Other products will be incorporated into the development of small businesses, such as tagua, royal palm, rice, beans, coffee that is currently working in rescue programs in the area of Jipijapa, among others. It is necessary to mention that of these products more than 160,000 people depend on this region and that they sell non-value-added productions

At present, the producers do not have an appropriate culture to sell their products with the necessary quality, a factor that makes that in the market their products have little value. The organization responsible for the project will train the producers so that they can obtain better quality products, which will also be evaluated in a laboratory that will be built for these purposes in the development center

### 3.2 Case study, Peanut

In Ecuador since ancient times, peanuts are produced. Figure 2 shows a graph where you can see the relationship of the production of peanuts by provinces, being able to see that the province of Manabí is one of the largest producers.

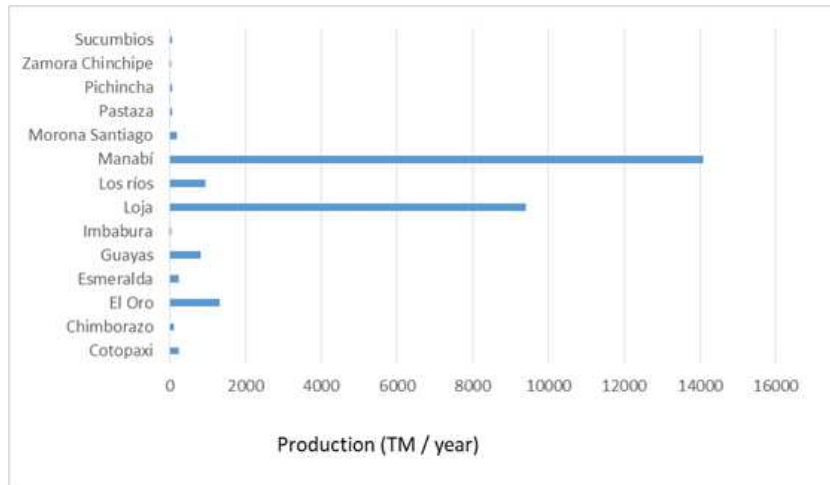


Figure 2. Producción de Maní por provincial

Source: [12]

In the province of Manabí, the main cantons that stand out in the production and cultivation of peanuts are Santa Ana, Jipijapa, and Rocafuerte. Most producers sow during the rainy season, mainly because they do not have an adequate irrigation system. The variety Tarapoto (INIAP-380) is the most used by farmers, presenting the highest resistance to diseases and good adaptability to the rigors of climate that are experienced in the territory, with yields that can be significant if the best practices are applied agricultural [13].

The peanut is a basic product in the diet of the manaba, the producers dry their harvests using traditional methods that are not suitable for the current dynamics of the market, existing possibilities of introducing technologies that allow him to apply modern methods of drying [15]; Figure 3 shows the traditional method of drying peanuts in the open



Figure 3. Traditional peanut drying methods

Currently at the Universidad Técnica de Manabí has developed a solar dryer for grains that have been applied in Jipijapa, where the product is obtained with a quality drying. Figure 4 shows the solar dryer built with native materials of the town; in the image on the left, the dryer is shown in its external appearance and in the image on the right, the interior is shown. The peanuts are placed in the drawers and the drying process would be faster and of higher quality. This is one of the examples that could be developed in small companies, in order to make production viable, obtain higher quality and add value to the product.



Figure 4. Solar grain dryer built with cane Guadua

Source: [16]

This experience can be reproduced in the peanut producers of the studied area achieving higher quality and product yield. The work contributes to the development of the project the possibility of growth of the small company, being able to achieve solutions of scale applicable in each house a small company, where products such as peanuts constitute a front of action to the sustainable commercialization of high quality and where the families o inserted in the project, can contribute to the creation of new value chains, improving marketing and thus also living standards and their social conditions. The remaining products linked to the project in the first year of execution can offer similar analyzes based on the fact that the province of Manabí is rich in agricultural and fishing productions, which can contribute to raising the standard of living of society and the economic results of the province.

The practical value of the work makes it possible to recommend its study in the remaining products that will be implemented in the first year of the project, which is somehow committed to the life of rural communities and agricultural development.

#### 4. Conclusion

The research carried out corroborates the need to adopt new models of development that start from the territory and the efficient use of indigenous resources, a local development scheme capable of improving the quality of the products that are marketed by introducing small SMEs at the family level and with this, create new value chains that allow the commercialization of agricultural productions to be increased in the first stage of the PROPEM project. It was found that by taking advantage of the resources currently available and the application of work schemes linked to local development, the small business can be re-empowered, through cooperative association schemes, that allow the creation of new value chains and the strengthening of the commercial image of zone 4, especially in the province of Manabí.

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