


# Chapter 8

## How to Encourage the Entrepreneurial Spirit in Ecuador: Aged Entrepreneurship Profiles

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### ABSTRACT

*This chapter focuses on understanding profiles of aged entrepreneurship according to the Ecuadorian reality. Through literature review, information gathering, and studies of the Ecuadorian environment, it is established that aged entrepreneurship, beyond visualizing opportunities or needs, is motivated by self-government and the search for a dignified life that impacts society; however, there are barriers linked to the physical and mental conditions due to aging, also adding the prejudices of the environment on the capabilities of this age group. The development of four defined profiles according to these elements results in the establishment of own actions of the government and of the whole society to create opportunities for active inclusion that allow this group to extend its professional and productive life cycle within society.*

### INTRODUCTION

The oldest entrepreneurs are a group of workers that currently are focussing on interest and research. Likewise, the concept of mentoring by older adults is on the rise, being able to learn from them, their success stories (Morales-Montoya, Lozano-Segura, Lopez-Liria, Padilla-Gongora, & Aguilar-Parra, 2018). This entrepreneurship referred to elderly people (Gray entrepreneurship / Older entrepreneurship) is understood as a business initiative manifested by people of 60 years or more, to start their own business, as a strategy to face the challenges of their process of aging (Padilla-Góngora, Aguilar-Parra, Díaz-López, & Manzano-León, 2016). Authors such as Kuratko, Hodgetts (2007) Dahalan, Jaafar

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and Rosdi (2013), consider that entrepreneurship is an innovation process that leads to creating a new company through four dimensions: personal, organizational, environmental and processes, driven by governmental, educational and institutional networks that seek to create their opportunities through the use of innovative processes with limited resources.

The whole society is beginning to understand that those high-level entrepreneurs with their wealth of work and life experience, deep networks, and enthusiasm to keep being productive are an extensive resource that can be exploited. We must stop thinking that they represent a liability, and we must have the conviction that they are an asset with which we must work to unleash their full potential (Isele & Rogoff, 2014). The growth of entrepreneurship among the elderly has positive implications for the economy, in general, considering that a healthy business population can be beneficial for both workers and consumers since the competition for employees increases salaries, and competition for customers decreases prices. Entrepreneurship among the elderly will be increasingly important in the coming decades considering that their population continues to increase, and therefore, life expectancy at higher ages has increased; On the other hand, the proportion of elderly people who are self-employed has decreased, which causes concern considering that specific policies have affected the current scenario (Wilmoth, 2016).

The trajectory of these entrepreneurs probably differs from previous generations, for three main reasons: (1) the economy of knowledge provides better human, social and physical capital, and that capital is particularly valuable for certain types of entrepreneurs; (2) Growing up in the Golden Age of Capitalism of the United States and the Golden Age of Innovation in the United States are particularly transformational; and (3) while the evidence that older people are more enterprising is not necessarily conclusive, the importance of the effect of age could be on the fact that certain types of entrepreneurs are more common in an older age (Zhang & Acs, 2017).

This importance of senior entrepreneurship leads to questions about their motivations and tensions: What motivates them? What worries them? Although there are several empirical and conceptual studies, it seems that there are given differences by the environment in which adult entrepreneurs live. While studies such as those of León-Mendoza (2017) indicate that there are factors such as gender, age, employment status, accumulated work experience, membership in a social organization and civil status, among other aspects that influence entrepreneurship, there are other studies that indicate that despite the fact that business activities in general decrease with age, there are significant differences between countries in terms of the level of leading enterprise, with the national business environment being relevant factors, as well as education in the primary and secondary level and that I+D are transferred as conditions that deserve more considerable attention as enhancers of business inclusion (Pilkova, Holienka, & Rehak, 2014).

On the other hand, Small (2011) cited by Padilla et al. (2016) points out the following as the main motivations that older people have to undertake: a) To enjoy being an entrepreneur; b) To have experience of being an entrepreneur; c) Wanting to have a self-employment; d) Have always been an entrepreneur; and e) Being unemployed. However, just as there are motivations, there are also barriers to the development of senior entrepreneurs; some of them are prejudice and discrimination against aging; information and regulations that harm the elderly; and the barrier to obtain or facilitate resources (Kautonen, 2013).

These parameters of incentives and barriers have led to understanding the senior entrepreneur from several perspectives, such as the one proposed by Singh and Denoble (2003), who describe three categories: the reluctant, the constrained, and the rational.

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