



(RESEARCH ARTICLE)



## PEDET zones and their promotion of entrepreneurship on the beach of Belén, Norte de Santander

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### Abstract

The following investigation is developed through the qualitative method of descriptive documentary type, where its objective is the evaluation of the growth of new entrepreneurs for the year 2020 that arise from the PEDET policy and under its tax benefit in the municipality of Playa de Belén, being this municipality favored by its agricultural, tourist and location characteristics; where the entrepreneurial impulse can have a high level of emergence favored by these policies created after the peace process with the FARC and where as a result we see a negative result in the registration of new companies and ventures, despite the efforts made by governments to establish policies that favor the creation of new enterprises and sources of employment for the most vulnerable populations as a result of the social, economic and cultural consequences left by groups outside the law in these territories.

**Key words:** Law; Territory; Risk; Peace; Governments

### 1. Introduction

Taking into account the peace process in Colombia, in which the armed group FARC, demobilizes and through an agreement puts an end to the armed conflict, building for Colombia, a path of opportunities in the framework of peace, for which laws, decrees were issued, in order to propose social policies, in the territories in which the armed conflict was developed with greater vigor, policies aimed at sustainable development of the regions, in order to achieve a lasting peace, for this purpose strategies were established in different fields, to consolidate the welfare and development, consequently, this article will evaluate the results of Decree 1650 of October 9, 2017 concerning the ZOMAC zones, which have special characteristics Law 1650 " That according to Article 237 of Law 1819 of 2016, new companies, which are micro, small, medium and large enterprises, that have their main domicile and develop all their economic activity in the Zones Most Affected by the Armed Conflict -ZOMAC, complying with the minimum amounts of investment and employment generation defined by the National Government, shall comply with the substantive tax obligations corresponding to income and complementary tax, following the parameters mentioned below" before mentioning the special conditions of the law, the evaluation referred to in this article is the development of micro and medium enterprises in the municipality of La Playa Norte de Santander, which is framed as a special zone ZOMAC, entrepreneurship as socioeconomic development of the municipality and entrepreneurship will be analyzed as a generator of development of societies and how this will positively affect this municipality, it is to clarify that the research will be framed in the evaluation of the above mentioned policy in the growth of entrepreneurship in the municipality and how this was developed.

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## 2. Methodology

The research is of a qualitative nature of documentary type in which the importance of entrepreneurship as a factor of sustainable socioeconomic development in the regions is framed, in addition to a quantitative approach in which the result of the strategy is framed, in the municipality of La Playa Norte de Santander.

The research has stages that aim to demonstrate the factors that made the success of the strategy possible, or otherwise the factors that prevent the development of the strategy and its consequences, and as the last stage of the research, the result of the strategy derived from the law will be evaluated in terms of enterprises developed for the municipality of Playa Norte de Santander, municipality of Pedet.

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## 3. Theoretical Framework

The research is based on recognizing entrepreneurship as a fundamental factor of socioeconomic development in the regions of the country. For this article, the focus is the region of Catatumbo and specifically the municipality of La Playa Norte de Santander, which is located at a distance of approximately 200 kilometers from Cúcuta, capital city of the department, and 25 kilometers from the city of Ocaña, urban center, which is characterized for being the second city of the department, and has direct influence on the municipality of La Playa. The beach according to census 2005, has a population of 5,150 inhabitants, its main economic activities, agriculture, tourism, domestic trade and a small industrial activity that produces sweets, handicrafts.

[1] That entrepreneurship is not only necessary to study it from a single perspective, but should be analyzed from various perspectives involved in the creation of companies. For him, the four dimensions are: Individuals, organization, environment and process, this means that it is necessary to evaluate several factors that affect the development of entrepreneurship in the regions and in general, in addition to factors that are particularly identified in the regions in which it is intended to implement entrepreneurship programs as socioeconomic development.

One of the factors to be included is the level of risk and perception in society according to, [2] Consumption behavior as a result of the pandemic "due to a great concern for the economy and job stability. Where 92% of Colombians consider that the country is in recession and manifest as main concern during the pandemic, for example this factor pandemic covid 19 may affect the outcome of the strategy, which most likely had not foreseen, because it appeared as a global catastrophe and as we learn about its effects and consequences is managing the risk it generates in the economy, and especially in the development of enterprises by the adverse conditions posed by its management.

[3] research on entrepreneurship seen from the environment, are given in three main approaches; an economic approach, where it is stated that entrepreneurship is seen as a generator of economic growth mainly; psychological approach, where it is stated that it is human capital that promotes entrepreneurship and finally the institutional approach states that it is the institutional conditions (i.e. state institutions), which condition the phenomenon of entrepreneurship. The strategy proposed in the law for entrepreneurship development in the PEDET regions, how does it analyze the factors that impact the development of entrepreneurship in the region, since the factors mentioned above are common and impact the development of entrepreneurship in the regions.

In addition, innovation and new ways of generating entrepreneurship, is a factor that can be identified as particular in the challenge of entrepreneurship, according to [4] companies continue to generate countless benefits to organizations, although it is clear, the construction of a healthy and responsible humanity with everything that surrounds it has become one of the primary goals for the development of society, this new way of doing organization is embracing the whole idea of generating a positive impact to everything around us" we can see that the new challenges facing society, makes that the behaviors and variables, which are analyzed in the generation of entrepreneurship in the regions include factors and methodologies that must be taken into account in the approaches associated with the strategies of entrepreneurial development in the regions, the regulatory aspects derived from the rules and laws, are determining aspects, [5] there are regulatory structures that include laws and regulations established by the government in order to control aspects of society." These aspects that are inherent to the socioeconomic growth of the regions, since only the policies that the governments issue in the way of strengthening the strategies that for this case is the entrepreneurship, as a factor of welfare, for the society of the municipality of the beach, and that the political actors recognize in the entrepreneurship a way, for the strengthening of the socioeconomic conditions, that contribute to improve.

Entrepreneurship requires leaders as mentioned by [6] since man is the fundamental nucleus of the system, leadership allows him to build shared visions". It is important to have leaders that society recognizes in order to build dream

projects. Entrepreneurship is a fundamental factor in the development of the regions of the departments, the Nation, since they are generators of determining factors in economic growth such as, work, investment relations, consumption, and economic growth of societies through the distribution of capital, via taxes, with which society expects [7] considers that: "Sometimes the lack of fundamental freedoms is directly related to economic poverty", factors that are taken into account for the entrepreneurship policy in areas affected by violence, adopt this strategy to generate social changes. From the perspective of financial management, as mentioned by

[8] "The main goal in financial management for municipalities, districts and departments is to improve the allocation of financial resources, thus achieving development and common welfare", which is precisely what is sought and in which the regulations of pedet zones are framed, that the resources have a destination in entrepreneurship, as a factor generating common welfare and development, so that once the peace of the armed conflict generated by the guerrilla of the Revolutionary Armed Force of Colombia FARC is consolidated, guerrilla group that was born out of the discontent of a percentage of the population and with the hope of improving the economic conditions of the inhabitants of the country, took up arms for a period of 60 years, and in 2018 the peace agreement was signed between the Colombian government and the leadership of the guerrilla group, This is how the peace agreements were born, with the aim of consolidating peace and generate benefits to society, which for all the years already mentioned and suffered the inclemencies of the conflict, have the hope of improving their socioeconomic conditions and regional development, as mentioned,

[9] The determination of the critical points, the participatory exercise allows to know the conditions of the production systems, from the socioeconomic and environmental perspective", for the development of the peace policy and regional development, it is important the socioeconomic perspective and in a superlative way the environmental, starting from these factors both political, social, environments, the norms were issued and for the present article we will take what corresponds to the law 893 of 2017 by which the pedet zones are cran in which we find related the municipality of the beach of Belen, N.S, in which it is covered by decree 1650 2017, which mentions " That numeral 6 of article 236 of law 1819 of 2016, establishes that the Zones Most Affected by the Armed Conflict -ZOMAC, are constituted by the set of municipalities that are considered as most affected by the conflict, which will be defined for the effect by the Ministry of Finance and Public Credit, the National Planning Department -DNP -And the Agency for the Renewal of the Territory -ART". Thus, even though the municipality of La Playa is denoted as a PEDET zone, it is also a ZOMAC zone, with its special characteristics and in particular to "Article 1.2.1.1.23.1.3. New companies that start activities in the Zones Most Affected by the Armed Conflict - ZOMAC - beneficiaries of the taxation regime. Are beneficiaries of the incentive of progressivity in the general rate of income tax and complementary, the new companies that are constituted and start their main economic activity as of December 29, 2016 and that also comply with the following requirements", from this rule is that the investigation is derived since as we evidenced , in the municipality of Playa de Belen Norte de Santander which belongs to the ZOMAC zones, has a very important benefit which is aimed at promoting and developing entrepreneurship, in the municipality starting from a state policy which is that if it develops an enterprise in the municipality and meets some conditions such as: Decree 1650-2017 "To be legally constituted and registered in the corresponding Chamber of Commerce of the jurisdiction of the municipality in which it is going to develop all its economic activity in the terms of article 1.2.1.1.23.1.2., of this decree; will be entitled to the benefit concerning the payment of taxes specifically income tax, it is important to note that there are some minimum requirements in terms of amount of capital invested , employment generation.

A determining factor in the financial valuation of projects is the valuation of the internal rate of return, which in a financial premise is catalogued as the risk premium, in other words, for investing capital in a business which intrinsically has a level of risk and precisely the investor seeks to satisfy that risk exposure, through a rate of return on the project, or the venture, and once in accordance with these variables the project is learned.

How to determine the great benefit that through a government policy, stimulates investment in ventures in the municipality of La Playa de Belen, is through a very simple evaluation in the cash flow, which determines that at the time that the venture is exempt from income tax, in addition to other guarantees in tax matters, will be reflected in a higher internal rate of return since the cash flow is freed from an important cost related to taxes, in such a way that the government is really encouraging entrepreneurship in these special zones, this as a generator of socioeconomic welfare, regional development and will be the first step for these municipalities to free themselves from the permanent review that permanently affects them. The objective of the article is to show how effective it is in terms of new enterprises in the municipality of Playa de Belen, derived from the benefit proposed by the government.

#### 4. Results and discussion

In order to determine the result of this research, the number of new legal entities in the municipality of Playa de Belén will be estimated, taking the data issued by the Chamber of Commerce of Ocaña in its report "Economic Study of the Chamber of Commerce of Ocaña 2020".

**Table 1** New legal entity registrations

Municipality/Year	Year 2017	Year 2018	Year 2019	Year 2020
54003-ABREGO				
54128-CACHIRA	0	1	0	0
54206-CONVENTION	1			
54245-EL CARMEN			0	
54250-EL TARRA	0			
54344-HACARI	1	0	1	
54385-LA ESPERANZA		0	1	
54398-LA PLAYA DE BELEN	0	0	0	0
54498-OCANA	58			
54670-ST. CALIXTO	0		0	
54800-TEORAMA	0	1	1	
54871-VILLACARO	0	1	1	1
99999-Unidentified		0	0	1
Total		101		

Source: Ocaña Chamber of Commerce

As can be evidenced in Table 1, in which the chamber of commerce of Ocaña keeps the record of new registrations of legal entities, which indicates that they are ventures, which begin by fulfilling an indispensable requirement to be a beneficiary of the discounts proposed in the decree 1650 of 2017, in tax matters, as can be seen in Table 1, for the municipality of Playa de Belén, no new ventures were registered, which indicates that despite the benefit proposed by the law, seeking to promote entrepreneurship in the municipality, the strategy did not meet its objective, with which it intended to improve the socioeconomic indices of the region and contribute to regional development.

#### 5. Conclusion

As a conclusion we see that no enterprise was legally registered in the municipality of Belen beach, not only the tax benefit is a motivator for the generation of these new ventures.

These types of tax policies are not viable in all regions; other types of motivating policies in the agricultural, social and law enforcement areas must be taken into account to allow for economic growth in the regions.

It is sad to see how a region with so many growth characteristics has zero growth in investment projects and new ventures, adopting this type of policies such as Pedet, created especially for their emergence and benefit, losing or ignoring the tax benefits they would have in their business projects.

#### Compliance with ethical standards

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*Disclosure of conflict of interest*

The authors declare that there is no conflict of interest.

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**Authors short biography**



**Mauricio Alvarez** born in the city of Bogota, Colombia, on 02-12-12, I am a business administrator from the Jorge Tadeo Lozano University of Bogota, Master in Quantitative Finance from the Externado University of Colombia, linked to teaching 4 years ago years old, married, with two children, one of them Samuel Felipe, 9 years old, and his brother martin Alejandro, 5 years old, we live in the rural area of the municipality of Ocaña Norte de Santander Colombia, we enjoy a healthy lifestyle , my wife Mariana Alvarez, co-author of the article who is a public accountant, and who is currently finishing her master's degree in business administration.