The SME or MPYME in Latin America, Japan, European Union, United States and the Cluster in Colombia.¹

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“In the Solomon Islands their native have a strange way to grow, they do not cut trees. When they need to cultivate a tree and stops them, they stand in front of him and start yelling and cursing dance, for the space of a few days, the tree becomes weak and dies alone”.

Feature film "All children are special"

“TaareZameen Par.” Aamir Khan

Abstract: One of the main challenges for Latin American industries is to adapt its production processes and delivery of services that demand the international economy in trade integration agreements, but, is Latin American SMEs competitive with Japanese, European or American? Or rather, has the industry in Latin America and Colombia the same technological capabilities of the industry competitiveness of the countries that have signed the FTA? That is to say, the countries of the world have the same classification of SMEs? If it is no, what implications and economic effects can be generated for the domestic industry? How competition between countries is affected when used different classification or characterization industry? Who wins or who loses the most?

To respond to these concerns research will begin by finding out what the SME and how it ranks in Latin America, Japan, United States and European Union, After, will be discussed the business policy of the cluster as a strategy for competitiveness of domestic SMEs. Finally, answer the question: How can agricultural microenterprises be competitive without losing land ownership nor the internal resources to do business based on its comparative advantages in international markets? Through the organization and management the community cluster.

Keywords: SME, Cluster Initiative, Networks, Metropolitan Area, Microenterprise.

1. INTRODUCTION

As reported by the Regional Centre for the Promotion of Small and Medium Enterprises (CENPROMYPE), institution with the assistance of the Economic Research Centre for Latin America and the Caribbean, ECLAC and the German Technical Cooperation (GTZ), there is no uniform definition of qualifying for the micro, small and medium enterprises in Latin America and Europe,(CEPAL, CENPROMYPE & GTZ, 2009, p. 7); it is urgent for the sake of a good trade integration that benefits and protects companies from the countries of the integration, unified classification criteria; so that the accounting and tax process is unified on issues of taxes, subsidies, international assistance, financial assistance and transfers.

International cooperation, technology transfer and business support could be more effective if the classification of the SMEs by the different countries of the union is homogeneous. Even for international control agencies, such as World Trade Organization, WTO, and the World Health Organization, WHO, they facilitate the control of unfair export practices with monopolistic purposes (Banco Mundial, 1994).

2. MEANING OF THE MICRO, SMALL AND MEDIUM ENTERPRISES.

In the different countries of Latin America, Europe and North America, it is understood by the acronym: SME, MSMEs, MPYME, MIPYME, MYPE, PYMI o PYME, as classification that each

¹ The idea of research due to the 14 FTA that Colombia has signed since 2000 to 2014. The research attempts to answer the questions: What are the Colombian and Latin American business organizations equally competitive against European and American? What should make local institutions in encouraging new business development alternative?
country has of its domestic enterprises in micro, small and medium enterprises, which can depend on: number of employees, total annual sales, patrimony of the company, annual profit, assets, subscribed capital, kilowatts of energy consumption or export vocation (Castañeda, 2008). That is, the different acronym suggest that they are a unit of economic exploitation for corporate or personal gain; performed by natural or legal persons, in trading activities, distribution, production and intermediary services, both rural and urban.²

A firm CEPAL (2008) and Banco Mundial (1994) in Latin America, microenterprises are a source of subsistence for families and are great generators of family employment. That is, they are great generators of social and economic welfare in the region's GDP. Hence, from a macroeconomic point of view, studies on small firms should not rely on the unique individual contribution made by each one of those companies to industrial GDP, but also in the joint contribution they all perform the labor welfare, economic and social development of families in the region (Holliday, & Letherby, 1993, p. 60).

If a small business in the informal sector represents, for example, an economical solution that benefits only the owner and his family, it should not be streamlined in the same way as a large company is rationalized, because it would lose its local and regional importance (Hernández Fernández, 2007). To understand the economic and social importance of micro enterprises in the generation of employment, services and income of the regions and localities must be seen in its entirety macroeconomic, not microeconomic individuality or particularity (Holliday, 1995). Many of the municipalities in Colombia, for example, depend politically, socially and economically microenterprise in more than 97%.

In Latin America, for example, a number of family businesses of mixed income as neighbourhood stores and street vendors, that do not carry a proper accounting. Even many informal microenterprises as street sales are a result of the economic crisis and underemployment existing at the time. Hence, ECLAC asserts:

It is necessary to make a separation between MSMEs and large companies, as many of the micro household economies do not separate company accounts with household bills, even the entrepreneurs, they run their business units with more emotional criteria of an economic-business rationality (CEPAL, 2008, p.11).

Another impossibilities that exist to measure with the same rationality medium and large companies with microenterprise in Latin America is that large companies do not possess the same free market mobility to enter and exit, as do the micro and small businesses, either by plant size, financial and commercial responsibility or lack of registration (Ayyagari, Beck, & Demirgüç-Kunt, 2007, p. 418). Similarly, many micro entrepreneurs lower costs of production and services; fully assuming no wage and social security costs of their employees, especially when they are your own family (Holliday, & Letherby, 1993, p. 59).

This is the importance of unifying international criteria for the classification of MSMEs control purposes and commonly accepted public policy for competitiveness. Such as CEPAL asserts "microenterprise development in all Latin American economies depends mainly of business networks and cluster" (1988. p.10). Of private and public business tissues that may form between themselves; of the commercial impulses and subsidies that governments offer them; of the public policies aimed at promoting entrepreneurship and solidarity; subsidies for the promotion of entrepreneurship and of impulses given to entrepreneurship from the national, regional and local government (Schmitz, 1993).

This means leveraging the capabilities of local and regional business integration possessed by neighboring countries in Latin America, as stated Carlos Dávila Ladrón de Guevara, (Calderón & Castaño, 2005, p. 58-59). "Think like block and act as economic integration bloc”. According to Colombian law stipulates Metropolitan Areas (Ley 1625 of 2013).³

³ The purpose of the Act is to promote economic and business development in the region through economic integration among neighboring municipalities. Article 319 of the Colombian Constitution establishes the functions of Metropolitan Areas: 1. Formulate Development Plan of the Metropolitan Area. 2. Develop a
3. COMPOSITION OF MSMEs IN LATIN AMERICA

The model of import substitution industrialization, ISI, followed in Latin America since the early 50s, for recommendations of the Center for Economic Studies for Latin America and the Caribbean, ECLAC marked an era of industrial growth in the region, based on the principles of a protectionist industrial policy through subsidies, import tariffs, devaluation of the exchange rate and production incentives (Vidal Villa, 2004, p 89).4

Since the 50s the ISI model was implemented in the region without the participation of research institutions aimed at technological improvement of product production; about that Yoguel asserts: Latin American industry had highly protected, with low competition and high economic uncertainty, that responding it to the scheme of import substitution industrialization (Yoguel, 1998), which delayed the industrial growth the countries and made highly vulnerable in the process of economic globalization the decade of the 90s.

Granda and Hamann says that in Latin America the companies are uncompetitive because there is no relationship between industry and research in technological development; between business and academia; so mutually reinforcing, will improve the production and creation of new value-added products. In Latin America business the research is scarce, it showing that competitive weakness of the Latin companies are due to the low quality of education (Granda, &Hamann, 2015).

In Latin America universities have a no manufacturing patent compared with European, Asian and North American universities, according to the Shanghai index Academic Ranking Universities. By 2014, the first Latin American universities to appear in the ranking of the top 500 worldwide are: University of Sao Paulo, Brazil (101-150). University of Buenos Aires in Argentina (151-200). Autonomous University of Mexico (201-300). They are followed by the University of Chile between the positions (401-500).5

According to Table 1 for more than 90% of the Latin American MSMEs it is not export-oriented microenterprise CEPAL (2008). Microenterprise does not achieve sufficient capital for investment in innovation, design and development of new products (CEPAL, 2008, p. 15). Even, there are Latin American countries suffering from international seaports. Colombia, for example, has no great development in coastal towns. They are the cities located in mountainous areas and plateaus that have the greatest entrepreneurship development (Granda, &Hamann, 2015).

According to Table 1 only the country of Costa Rica makes a classification of MSMEs for investment in machinery and equipment. Other countries support their classification in: total sales, number of employees and assets. Similarly, Guatemala is the only country that makes a classification of SMEs by number of employees from 1 to 60, the other countries do it from 1 to 200 employees; that explains its surprising industrial composition.6

In Chile, Costa Rica and Panama the large industry represents 1% or more in the other economies in Latin America less than 1%, as shown in Table 1 (Crespo Armengol, Costanzo, &Sarudianzky, 2007).

strategic plan for growth and development of the Area. 3. Public Transport Plan to improve communication systems and population mobility. 4. Improve and coordinate offers of housing, primarily social priority and interest. 5. Environmental Sanitation Program, Management Program of Land Use and Health Programs

4 Says Professor Jesus Maria Vidal that while countries achieved a relative industrialization with the use ISI model , they had a problem, that in order to produce national final goods they had to be imported machinery, technology, goods and equipment. Which resulted in higher deficit in the trade balance and increased reliance on technology imports from developed countries.


6 According to the National Institute of Statistics and Economic Studies in France, INSEE, and the Small Business Administration, SBA, US, among the criteria most common characterization of qualifying for MSMEs in Latin America are: Number of employees, annual sales the business and assets of the company. Other ways of complementary industrial classification are: Capital of the company, type of product (manufacturing or technological), export orientation of the organization and kilowatts of power consumption.
Surprise deindustrialization of Venezuela, by high political instability and high inflation above 43% eight times higher than the average for Latin America. According Conindustria president, Venezuela went from 11,000 industrial establishments registered in 1998 to be 7,000 in 2013; it that represents 40 years of setback.

The main feature of Latin American companies is that they are large employers of unskilled labor work, hence MSMEs represent between 80% and 90% of total employment (CEPAL, 2008, p. 14-30). The export-oriented medium-sized enterprises account for less than 3% of the total MSMEs (Milesi, & Aggio, 2008). Latin American economies are mostly agricultural and suffer of road and maritime infrastructure for the international trade (CEPAL, 2008) and (Castro, 2013, p.9).

In summary, the differences do not reside only in the absolute numbers of human capital, investment in innovation and formal labor in the economy. Beyond these factors, there are also structural differences that determine the low performance of the Colombian economy when compared with the region or with the international success stories (Castro, 2013, p.13).

4. CLASSIFICATION OF SMEs IN THE UNITED STATES

Broadly in the United States the Small and Medium Enterprises, SME, export-oriented strategically make a cluster. That is to say, are a group of companies supported by local governments are integrated in order to meet the demands of product volumes imposed by foreign trade.

3 Newspaper Portafolio, March 10 of 2015.
5 Similarly, ECLAC warns the impossibility of achieving better statistics in Latin America microenterprises for its high level of informality. Many are informal and do not have own premises, so the collection of information is more difficult (CEPAL, 2008, p.17). Small and medium-sized enterprises if they are easier to register and obtain information for classification purposes, says Lopez (2005) in his statistical study of the Latin American SMEs.
6 The Cluster Mapping Project. It is a study between Monitor Group and Harvard Business School in 2001, it states that the United States can identify more than 40 different regional cluster. Similarly the European Commission study in 2007 states that in Europe there are more than 2000 cluster 258 scattered regions(Ministerio de Industria, Turismo y Comercio, 2011, p.2).
7 The ranking of the best cities in the United States to open a new SME not based on economic growth of the firm, but the factors that predict community participation and access to resources. In Dallas, for example, you
The characteristic of American SME is that companies are medium. While there are family businesses with low growth forecast, it is also true that there are companies with high growth forecast, “gazelles” who are seeking government support for their development. Similarly, midsize companies are cleaved from big business to form a separate business unit; which facilitates the strategic management, cost control, profit margins, specialization and, above all, the financial information for further development (Small Business Act 85-536, 2013).

The Center for Business Research at the University of Cambridge says that all SME meets the needs of a country's growth. For the US case it is to be competitive in foreign markets through innovation; hence research is one of the necessary conditions, those are the “gazelles” industries seeking to be “elefanths” or large industries. The medium-sized US companies are therefore major generators of employment, total generation rate almost equal to those of large companies (Muller, Gagliardi, Caliandro, Unlu Bohn, & Kliou, 2014).

Another major funding strategies of American MSMEs for new investment and growth needs are conducted through the stock market. The Stock Exchange of New York offers, for example, specialized in the SME market indices such as the Nasdaq and Dow Jones for more than 7,000 small- and mid-caps; action complemented with the offer of investment funds and real estate as Money Market Mutual Fund. Forms of financial leverage with the university providing research, design and development for new products makes it easier for SME opportunity costs and achieve competitive marginal production.

Mechanisms virtually nonexistent leverage for MSMEs in Latin America, as there are no specialized stock indexes that integrate and marketed in equity. The MSMEs in Latin America finances its investments mainly in the intermediated financial market, with interest rates high intermediation (Muñoz Cardona, 2009, p.p. 199-200).

### 5. Classification of MSMEs in Japan

Japan ranks the SME sales and capital reported. This classification is governed by the Ley Basica de Pequeñas y Medianas Empresas (1999). Article 2 states the SME should be classified for capital and sales, separating the wholesale retail sales, according to economic sector.

Article 5 of the Basic Law refers to the term to denote small business companies whose employees do not exceed 20 people and midsize businesses up to 300 employees (Subrahmanya, 2009, p. 107). Small business consists mainly to supplement the medium and large industry not to compete with it, says Akihiro Tsukamoto of the International Cooperation Agency of Japan, JICA. Which are integrated through strategic cluster of horizontal and vertical integration (Subrahmanya, 2009).12

After World War II one of the Japanese public policies of reconstruction and economic development was the integration and promotion of MSMEs around larger companies. Economic strengthening business strategy that made Japan since the 60s the second largest economy in GDP (Subrahmanya, 2009).

According to the JICA Agency coefficient of specialization of enterprises, diversifies risk and strengthen internal economic growth of employment. By 2013 the Japanese MSMEs represent 97.6% and generates 70% of employment. They are enclave enterprises that strengthen the competitiveness of large companies such as Nissan, Toyota, Rico, Toshiba, Nitendo, Sony, Aiwa, JVC, Kawasaki, Honda and Canon.13

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12 According to the cluster Akihiro Tsukamoto Japan were public policy strategy which helped the country overcome the economic and social crisis since the Second World War and took him to the country's economic development. See http://www.chusho.meti.go.jp/sme_english/outline/04/20131007.pdf

Other key strategy of the Japanese government for the strengthening and promotion of SMEs is the Intellectual Infrastructure for Industrial Activities. Besides physical infrastructure an intellectual infrastructure is necessary to support businesses, which are achieved through the universities and technological education (Subrahmanya, 2009). Thus, the Japanese government boosts local and regional development of the SME, social stabilization and creation of new employment agencies through of the business Process Outsourcing.

The median Japanese company just like the Tiger of Taiwan and South Korea is mainly export. They contribute 60% of total industrial exports from Korea and 80% in Taiwan. That which shows an exporting business sector with innovative power and technological production (Subrahmanya, 2009).

6. CLASSIFICATION OF MSMEs IN EUROPE

The guide for the creation of an SME in the 28 member countries of the European Union, EU, established, globally, the micro enterprise is one organization that has a positive balance sheet not exceeding 2,500,000 euros a year and take up less 10 workers. Small business is one that reported a positive Balance Sheet between 2,501 million and 10.5 million euros a year and employ between 10 and 49 workers. The median company has positive balance between 10,501 million and 43.5 million euros a year and employ between 50 and 249 employees (Farvaque & Voss, 2009, p.p. 9-10).

Table 2 shows that the countries with the lowest participation in the design of value-added products such as Italy, Portugal and Spain have lower composition of big industry, and therefore less economic development and less job creation. By contrast, countries with higher composition in value added of large enterprises as Ireland, United Kingdom, Finland and France show greater social development, economic growth and employment (Comisión Europea, 2008).

In conformity with the data of Table 2 large companies are the largest generators of added value. While at the beginning of the first decade of the twentieth century the company size was crucial for industrial development in developed countries, in the twenty-first century it remains so; only this time it is through the mechanism of enterprise networks and the cluster. See reports from the Comisión Europea (2005) and (2008).

According to Table 2 the SME of Spain, Italy and Portugal are great generators of employment, microenterprise being the largest contributor. By contrast, in the countries of Germany, Finland and the United Kingdom, the big company is on par with the SME generating added value and employment. Figueroa Santamaria, says (2009): in Austria, France, and Ireland, the added value of the big company represents more than 60% and provides 33.3% of national employment as confirmed (Farvaque & Voss, 2009, p. 11).

In the financial crisis that lived some European countries in 2013 RanaForoohar asks: “Why Germany must save the euro?” She replies that it is the role of research in the structure of large German companies. Competitive advantage that allows the existence of high wages and therefore greater capacity savings for the welfare of their national future. Corporate culture that has become common denominator in all exporting companies “Mittelstand”, that is family owned (Foroohar, 2013).

Table 2. SME European Union. Employment and Valued add.

<table>
<thead>
<tr>
<th>EU 28 countries.</th>
<th>Micro</th>
<th>Small</th>
<th>Medium</th>
<th>SMEs</th>
<th>Large %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of Enterprises</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>19,969,338</td>
<td>1,378,374</td>
<td>223,648</td>
<td>21,571,360</td>
<td>43,517</td>
</tr>
<tr>
<td>%</td>
<td>92.4</td>
<td>6.4</td>
<td>1.0</td>
<td>99.8</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Employment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>38,629,012</td>
<td>27,353,660</td>
<td>22,860,792</td>
<td>88,843,464</td>
<td>44,053,576</td>
</tr>
</tbody>
</table>


15 The American Henry Ford promotes industrial development under the principles of mass production, the mechanization, high wages of skilled workers and low production costs. That is, the high development of the division of labor; what it became known as Fordism, (CEPAL, 1988). Fordism be understood as a system of mass production that facilitates the existence of economies of scale through specialization of labor, lower production costs, technological improvements, lower prices and higher consumption demands. Fordism big business sees the economic and social future of a nation and a society by generating high employment with high wages; which facilitates the consumption and production increasingly extended.
The SME or MPYME in Latin America, Japan, European Union, United States and the Cluster in Colombia

<table>
<thead>
<tr>
<th></th>
<th>%</th>
<th>29.1</th>
<th>20.6</th>
<th>17.2</th>
<th>66.9</th>
<th>33.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value added at factor costs</td>
<td>Million €</td>
<td>1,362,336</td>
<td>1,147,885</td>
<td>1,156,558</td>
<td>3,666,779</td>
<td>2,643,795</td>
</tr>
</tbody>
</table>

Percentage Valued add for some countries and size of enterprises.

<table>
<thead>
<tr>
<th>Country</th>
<th>Micro%</th>
<th>Small%</th>
<th>Medium%</th>
<th>SMEs%</th>
<th>Large%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>19.3</td>
<td>21.4</td>
<td>19.5</td>
<td>60.2</td>
<td>39.8</td>
</tr>
<tr>
<td>Austria</td>
<td>14.4</td>
<td>17.8</td>
<td>18.6</td>
<td>50.9</td>
<td>49.1</td>
</tr>
<tr>
<td>Spain</td>
<td>20.3</td>
<td>17.5</td>
<td>17.5</td>
<td>55.3</td>
<td>44.7</td>
</tr>
<tr>
<td>Finland</td>
<td>18.4</td>
<td>14.2</td>
<td>11.7</td>
<td>44.3</td>
<td>55.7</td>
</tr>
<tr>
<td>France</td>
<td>17.7</td>
<td>14.5</td>
<td>13.5</td>
<td>45.8</td>
<td>54.2</td>
</tr>
<tr>
<td>Italy</td>
<td>32.1</td>
<td>23.8</td>
<td>15.5</td>
<td>71.4</td>
<td>28.6</td>
</tr>
<tr>
<td>Ireland</td>
<td>6.5</td>
<td>10.9</td>
<td>15.6</td>
<td>33.0</td>
<td>67.0</td>
</tr>
<tr>
<td>Portugal</td>
<td>23.5</td>
<td>22.4</td>
<td>20.9</td>
<td>66.8</td>
<td>33.2</td>
</tr>
<tr>
<td>UK</td>
<td>8.5</td>
<td>12.7</td>
<td>17.3</td>
<td>38.4</td>
<td>61.6</td>
</tr>
<tr>
<td>EU-15</td>
<td>17.4</td>
<td>17.2</td>
<td>17.1</td>
<td>51.7</td>
<td>48.3</td>
</tr>
</tbody>
</table>


To achieve a competitive SME, the European Union also to use financial leverage in non-intermediated and intermediated markets empowers universities and other higher education centers to participate in its creation and consolidation through contributions from working capital, research, innovation and design of new products. As affirm Figueroa de Santamaría (2008) and (2009). Both universities and regional authorities can be partners in a company. The universities and regional authorities can be partners in a company with participation rates not exceeding 25% (Comisión Europea 2005, page 10, I & D),16 (Comisión Europea 2008). Creating strong institutional commitments in the excellent performance of the research, advice and accompaniment.17

7. SOME FUNDAMENTAL REASONS THAT EXPLAIN THE INDUSTRIAL DEVELOPMENT

A first reason is visible in countries like the United States, Japan and European Union where university education centers are engine of business technological development. Institutions that have as high quality indicator: creation, design, innovation and patent sale. This facilitates the domestic enterprises competitiveness in international markets, without forgetting economic security (Castañeda, 2008, 103), (Acemoglu y Robinson, 2012, pg. 107-108).

Another reason for industrial growth, especially for SME, is the ability to work together to finance, do research and grow in international markets (Moori-Koenig, Milesi, &Yoguel, 2001). SME in developed countries do not act separately. The entrepreneurs working together, they are integrated into business networks and clusters to be competitive. Strategy that validates the dominant paradigm of the early nineteenth century, in which the size of the company as a symbol of growth and economic prosperity between regions and countries (Muller, Gagliardi, Caliandro, Unlu Bohn, & Klitou, 2014).

The SMEs from countries like the EU and Japan cluster strategy becomes survival mechanism (Putman, Leonardi & Nanetti, 1993). The countries of advanced economies maintained the belief that development and economic sustainability are achievable only through large-scale industrialization, development of business networks and formation of large companies (Moori-Koenig & Yoguel, 1998).

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16According to Article 3, paragraph 1, p. 35; an enterprise is autonomous if none of the members has a share of over 25% of the capital. Being independent company means that company is not associated or linked to another company.

17In December 2014 the European Competitiveness Council upheld the continuation of financial aid for the promotion of SME and entrepreneurship between 2015 and 2020. The countries of the European Union seeking to improve their economies and social development through: 1. Facilitating SME access to finance. 2. Facilitating access to international markets. 3. Reduce the administrative burden. 4. To overcome the shortage of skilled workers with the support of the university. 5. To promote self-employment among young people, that is, through entrepreneurship. You can visit the webpage: (http://ec.europa.eu/enterprise/ policies/sme/small-business-act/index_en.htm).
By contrast, according to research Colombian Ricardo Davila Ladron de Guevara sees in the creation of local cooperatives drive motor to generate new business ideas and thus to regional economic development. They are not the formation of large companies, nor are the integration agreements which moving the economic development of the regions, but rather the cooperative association local and regional entrepreneurial (Dávila, 2004, p.126).

The cooperatives studied were shown to be an organizational and business case where mutual aid, concern for others and a desire to meet the fundamental needs that promote a better standard of living; are key elements that guide all to do business and characterized the model (Dávila, 2004, p. 129).

For the Colombian Ricardo Davila Ladron de Guevara the cooperatives have the ability to organize and bring together the different actors that are in the municipal locality, above all young people eager to develop wealth and potential of the municipality (Dávila, 2004, p. 127), because it is their habitat, the place they know and where they have always lived (Dávila, 2004, p. 128).

For the Argentine journalist Andres Oppenheimer, creative and innovative capacity; the degree of development of educational institutions. That is, the triad Enterprise-University-State (Oppenheimer, 2010, p. 55). For the Argentine is a mistake to believe that all the problems of society are solved with economic growth. "The economic growth does not solve poverty; the poverty will solve with the education" (Oppenheimer, 2010, p. 58).

In the same line of Oppenheimer, but not including the government with public policy. Yoguel & Boscherini (2001) say: the success of SMEs is not in its size, as affirm Fordism, but rather on the intensive use of information and knowledge by the SMEs. This is, of rationality of managerial skill. From this view it is deduced that the lack of development in information management and the lack of academic knowledge in research for business purposes creates a real way, the difference between less and more developed countries, according to (Putman, Leonardi, & Nanetti, 1993).

Hirsch & Adar (1974) argue the need to adopt policies that encourage the formation of large enterprises through mergers or partnerships; in such a way that are achieved economies of scale in foreign markets. One of the characteristics of the US and European SME is looking to grow by association; which facilitates innovation, research and design. That is, both the size of the company as managing information and knowledge is what defines the competitiveness of businesses (Ministerio de Industria, Turismo y Comercio, 2011). Hence, the SME developed nations can be measured by their export activities and / or total annual sales.

Large companies can take greater risks than small. Additional risks that large companies run by making foreign operations are lower than those of small businesses, because they are benefiting from economies of scale in the process of external marketing (Hirsch & Adar, 1974, p. 41).

Large companies dominate manufacturing flows for its pioneering research and product innovation. They change continuously the form traditional of production. Previously trading was up to countries, today the majority of international trade is done through contracts from large companies (Ospina, & Velázquez, 2007, p. 13). Small businesses are limited by: the variety of products; the capacity for innovation in new products; low infrastructure capacity; the volume of production, the transportation costs; and management to provide them with the know-how to compete in international markets. Hence, if are created SME associations or if are formulated public policies for the establishment of business groups, the SMEs will survive in global markets (Hirsch, & Adar, 1974). Otherwise they fail in his attempt to conquer other international markets (Castro, 2013).

We can conclude by saying that the less developed countries have more composition in micro enterprises and less composition in large and medium-sized enterprises. By contrast, countries with greater economic development have more composition in large and medium enterprises and less composition in micro enterprises.

8. THE CLUSTER INITIATIVE AND THE METROPOLITAN AREA IN COLOMBIA

Says PhD Antioquia businessman Nicanor Restrepo Santamaría, “if the Colombian company wishes to compete with European, Asian or American companies without being articulated or strengthened with
companies in the region you will soon be lost national ownership of the company” (Restrepo Santamaría, 2011, p. 266). The lack of competitiveness, low know-how of the Colombian company to compete on an equal footing with multinational companies supported by university research centers marks the failure of the national SMEs. So, the companies in the region should work with vocational training centers; win experience and capacity logistic for the market.

According to the PhD, Nicanor Restrepo Santamaria and the Centre of Studies for Latin America and the Caribbean, ECLAC, the future of Colombian MSMEs and Latin America is in the horizontal and vertical integration of enterprises, the ability to do cluster and integrated between them for be competitive, maintaining business ownership (Restrepo, 2011, p. 266). From there, the duty and obligation of the Colombian and Latin American universities to support with studies of innovation, the unit and the growth business in the region. That is, the regional development of the city and integration of companies, as suggested by Figueroa (2008) and Carlos Dávila Ladrón de Guevara (Calderón & Castaño, 2005, p. 58-59).

Enterprise networks and initiatives for the development of the competitiveness of the cluster or territory allow develop competitive factors different and complementary: the enterprise networks generate benefits appropriate for a limited number of companies; the associated activities driven by initiatives cluster or territorial projects aimed at generating collective goods or common goods (Dini, Ferrero, & Ghazaly, 2007, p. 19).

The business networks are born in response to the globalization of the economies of the Countries, in order to generate business ties, financial mutual aid and production (Devlin & Moguillansky, 2009).

The internationalization of companies requires countries and regions to achieve levels of development according to international standards. It means above all regional development. Which should translate to the regions more and better research on the use of productive resources. More and better quality of life. That is, in more and better jobs; more products and better quality of production (Plan Regional de Competitividad, 2009, p.5).

The integration of countries and the 14 trade agreements signed by Colombia between 2000 and 2014 not only expand the range of export and the technology transfer, but also open domestic markets to foreign competition and foreign direct investment (Ospina& Velázquez, 2007, p. 5). Facts that make us think how to work together to be competitive. How to build an economy based on solidarity business, labor and governmental, so as to preserve and expand the regional industrial economy? How to be competitive and cooperative at a time, so that cultural identities are preserved?

Countries and regions are moving in the definition and implementation of public policies that go beyond encouraging the growth of exports. The globalized world so requires it to become a single market. The companies participate actively of the benefits that offer the markets, regardless of the sizes of the countries and regions; since they are catered with the communication technology; production central plants that reduce geographic distances given advances in communications, modernization of transport infrastructure in the world generally (Ospina, & Velázquez, 2007, p. 6).

This is the importance of the design of local public policies aimed at building a joint development plan for the entire region. A shared vision of economic growth and help. In other words, a global and local competitive strategy aimed at: 1. Generate a stable framework of public-private cooperation. 2.

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18 The National Competition Policy (NCP) establishes five pillars that should ensure the Regional Competitiveness Committees, CRC, for regional development, they are:(1) development of sectors or cluster of world-class,(2) leap in productivity and employment, (3) business and labor formalization, (4) promote science, technology and innovation, and (5) cross-cutting strategies of promoting competition and investment(Plan Regional de Competitividad, 2009, p.5).Competitiveness Regional Commissions are composed of agents from the public and private sector. The CRC is responsible for the implementation and monitoring of agreed plans and projects as strategies of competitiveness in the region.

19 Colombia in the last 14 years has held 14 free trade agreements: Agreement EFTA or EFTA (Switzerland, Liechtenstein, Norway and Iceland); FTA with Mexico; FTA with El Salvador, Guatemala and Honduras; FTA with CAN; FTA with CARICOM FTA with MERCOSUR; FTA with Chile; FTA with Panama; FTA with Canada; FTA with the US; FTA with Cuba; FTA with China, partial FTA with Nicaragua and Venezuela. With this initiative the federal government aims to generate economies of scale, economic growth and social welfare (www.mincit.gov.co/mincomercioexterior).
Attract foreign investment with distributions fair and equitable between the investor and local agents.  

Finally, the Colombian Law 1625 of 2013 of metropolitan areas makes it easier for municipalities’ economic and political integration in order to potentiate economic growth and sustainable human development. Improve the land use planning and achieve efficient delivery of public services (Law 1625, 2013, Article 2). Some of the most important cluster initiatives in Colombia are: Bogota, Atlántico, Risaralda and Antioquia.

8.1. The Cluster of Bogota


Bogota is comprised of 20 localities and it is the capital of the Republic of Colombia. By 2014 the city has a population of 7,862,277 and contributes 24.5% to total GDP. Since 2010 the district government hire the services of Global Entrepreneurship Monitor, in order to analyze their business structure, its comparative advantages regional and its competitive industrial. (Varela, Moreno & Soler, 2013). For 2012 the Bogota Chamber of Commerce initiated the regional business development program, Cluster Initiative.

The Cluster Initiative of Bogota is based on the theoretical principles of economist Michael Porter for the creation and promotion of globally competitive companies, Ortiz. A. (Comunicación personal, Marzo 15, 2015). According to the vice president of the Cluster Initiative of Bogota, Alejandro Ortiz, in ten years the business groups will no longer receive financial support from the municipal government and it became a self-sustaining entity, of mixed character. Entrepreneurs after understanding the benefits of working together, continue to improve the growth projections of the enterprise network, autonomously. Ortiz. A. (Comunicación personal, Marzo 15, 2015).

The cluster initiative more dynamic of Bogotá is Clothing, they participates with 9% of regional GDP and integrates 495 companies for 2014. Followed by the clusters: ICT and Software, which participate each with 8% of the regional GDP and integrates 654 companies (see Table 3). The cluster initiatives of Graphic Communication and Music, contributes 6.4% of regional GDP and integrates 371 companies (see Table 3).

<table>
<thead>
<tr>
<th>Table 3. Cluster initiative in Colombia.</th>
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</thead>
<tbody>
<tr>
<td>Region.</td>
</tr>
<tr>
<td>Atlántico.</td>
</tr>
<tr>
<td>3.8% share in the total GDP</td>
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<td></td>
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<tr>
<td>Risaralda.</td>
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<tr>
<td>1.5% share in the total GDP</td>
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</table>

Metropolitan Areas are administrative public entities, formed by a group of two or more municipalities integrated around a core city; they are integrated by common interests territorial, environmental, economic, social, demographic, cultural and technological.

In the economics language the concepts of Cluster and networks business are not synonymous. The cluster concept denotes public initiatives in shaping business groups for purposes of regional benefit. The Cluster have state financial support; by contrast, the Business Networks concept denotes private initiatives in shaping business groups with purposes private of utility. Business Networks have private financial support.
8.2. The Cluster of Atlantico and Risaralda

According to, Clúster en Colombia (Comunicación personal April 9, 2015), the 70% of economic activity in the Atlantic is supported in the primary sector of the economy; which explains the dairy cluster with 4800 farm households. The dairy cluster have low technology and industrialization, so the Colombian Chambers of Commerce see them as family agricultural units. Clúster en Colombia (Comunicación personal April 9, 2015); this explains the lack of statistics in the cluster in the regional GDP (see Table 3).

The most significant cluster initiative in the department of the Atlantic are the agribusiness, which represents 9.2% of GDP in the region and integrates 72 companies. The health cluster initiative represents 8.1% of the regional GDP and integrates five companies specializing in the care of international patients; as does the cluster of Medicine in Antioquia.

Companies that belong to the cluster initiative more innovative are: Novita-KPO and Network ICT in the department of Risaralda, are engaged in the outsourcing of logistics services, innovation and telecommunication for companies in growth process. The cluster initiatives; Novita-KPO and Network ICT are integrated by 60 companies.

8.3. The Cluster of Antioquia

In the department of Antioquia in contrast to other municipalities of Colombia is valid public policy Metropolitan Area (Law 1625 of 2013), which complements and strengthens public policy for local development "cluster".

The great city of the Metropolitan Area of the Aburrá Valley is composed of 10 municipalities, Medellin is the core city and is the capital of the department of Antioquia. The metropolitan area has 3,731,447 inhabitants in a length of 1152 km².

Business networks in Antioquia as a strategy for economic growth of large business, was formed in 1979 with the Antioquia Business Group, ABG. But business networks for SMEs starting from 2004

<table>
<thead>
<tr>
<th>Energy</th>
<th>17</th>
<th>2013</th>
<th>NA</th>
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<tbody>
<tr>
<td>Bogotá</td>
<td></td>
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<tr>
<td>24.5% share</td>
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<td>in the total</td>
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<tr>
<td>GDP</td>
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<tr>
<td>TIC</td>
<td>327</td>
<td>2012</td>
<td>2.2</td>
</tr>
<tr>
<td>Tourism</td>
<td>234</td>
<td>2013</td>
<td>2.19</td>
</tr>
<tr>
<td>Graphics</td>
<td>371</td>
<td>2013</td>
<td>1.58</td>
</tr>
<tr>
<td>Jewellery</td>
<td>10</td>
<td>2012</td>
<td>0.01</td>
</tr>
<tr>
<td>Creative and Contents</td>
<td>145</td>
<td>2012</td>
<td>1.53</td>
</tr>
<tr>
<td>Leather and Shoes</td>
<td>178</td>
<td>2013</td>
<td>0.40</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>89</td>
<td>2013</td>
<td>1.13</td>
</tr>
<tr>
<td>Software</td>
<td>327</td>
<td>2012</td>
<td>2.2</td>
</tr>
<tr>
<td>Clothes</td>
<td>495</td>
<td>2012</td>
<td>2.32</td>
</tr>
<tr>
<td>Antioquia</td>
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<tr>
<td>15.5% share</td>
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<tr>
<td>in the total</td>
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</tr>
<tr>
<td>GDP</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Software</td>
<td>52</td>
<td>2004</td>
<td>0.87</td>
</tr>
<tr>
<td>Medicine</td>
<td>20</td>
<td>2008</td>
<td>0.20</td>
</tr>
<tr>
<td>TIC</td>
<td>52</td>
<td>2011</td>
<td>0.80</td>
</tr>
<tr>
<td>Tourism</td>
<td>56</td>
<td>1999</td>
<td>0.36</td>
</tr>
<tr>
<td>Energy</td>
<td>5</td>
<td>2006</td>
<td>0.11</td>
</tr>
<tr>
<td>Textiles</td>
<td>578</td>
<td>2007</td>
<td>5.08</td>
</tr>
<tr>
<td>Construction</td>
<td>728</td>
<td>2007</td>
<td>7.6</td>
</tr>
<tr>
<td>Coffee of Antioquia</td>
<td>8</td>
<td>2013</td>
<td>1.83</td>
</tr>
<tr>
<td>Aeronautics</td>
<td>40</td>
<td>2011</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Nationally venture the projects with greater technological composition are generated in Bogota in over 60%, thanks to the dynamics of the clusters; ICT and Software (www.bogota.gov.co). According to the Administrative Department of Science, Technology and Innovation, COLCIENCIAS, new knowledge that occurs in Colombia it is mainly produced in Bogotá with 38.7%; Antioquia with 21.1%; Valle with 8.9%; and Santander with 5.2%. Events marking uneven economic and social development between regions (Colciencias, 2014).
with the cluster software; process that was strengthened in 2007 with the Tripartite Commission Agreement between the Government of Antioquia, Metropolitan Area and the city of Medellín. Agreement which created the Regional Competitiveness Committees, RCC.

Internationalization policies Aburrá Valley are supported by policies to promote and support for SMEs, the development of information infrastructure, productive technological modernization, management policies and low interest rates for investment.

The Metropolitan Area is responsible for developing the infrastructure and land use demanded by the region for development cluster and social. The Metropolitan finances its projects according to property valuation reached. If the region grows in social welfare and economic then increase the collection of direct taxes: Contribution Rate by Valorization, Contribution Rate Environment, Property Tax and Gasoline Surcharge. In this way, municipalities can surcharge the Environmental Rate in a 0.15% (Article 43 Law 99 of 1993) and in a 2 x1000 the property valuation surcharge, metropolitan works and utilities, among others (Law 128 Article 22, 1994, section a).

Two crucial documents were reports Monitor and Monitor Medellín Colombia made in the early 1990s, in they were clarified the basis on which rests the country's development and the challenges facing the region to be positioned as an axis productive and competitive in the global scope. Similarly, studies were made such as: “The Competitive Advantages of the Antioquian Entrepreneurial Activity towards the XXI Century, "and "Antioquia Advances towards new Entrepreneurial Development Schemes", among others, looking for the productive development of the region in a sustainable and dynamic, facing Colombia and the world. It is in all these studies that begins to glimpse and consolidate the cluster initiative as a powerful development strategy for building business tissue through the creation of business networks and the identification of market opportunities (Cámara de Comercio de Medellín, 2006, p. 5).

Thanks to the combination of the two public policy: Cluster and Metropolitan Area, the 10 municipalities forward key projects benefiting 80% of the antioquian population in city development and mobility, such as: The Metro and all its integrated transport system since 2004, Parks of the River from 2014, Network of Public Bikes, Civic Culture or Culture Metro since 2004, My River: Recovery and conservation of Medellín River and its Christmas lighting since 2004, Basic Land Management Plan since 2006, Control gas emissions and noise levels among others.

According to Table 3, the Cluster Textile / Clothing, Design and Fashion represents 37.41% of the regional GDP and integrates 578 companies. The municipalities of Itagüí, Envigado and Medellin are leaders in the apparel sector into the metropolitan area (see Table 3), (Ospina & Velázquez, 2007, p. 1).

The Cluster Construction is the most dynamic cluster of Metropolitan Area participates with 49% of regional GDP and integrates 728 companies (see Table 3). And it is the sector with increased demand for unskilled employment.

9. CONCLUSIONS

If we ask: is the weakness of the Colombian SMEs a widespread problem in Latin America? We can to say, yes. It is a structural problem, the Latin American SMEs generating little added value compared to the SMEs European, Japanese and American. The European microenterprise contribute in average with the 25% and large companies for more than 70% (see Table 2). The microenterprise in Latin America does not provide added value for its high degree of informality and large company is very little innovative, for the low level of research (Granda & Hamann, 2015), (Matarrita, 2009).

If we accept that the vast majority of the regions of Latin America and the Caribbean is agriculture, then: How can be the competitive small family farm units? How can grow the Colombian agricultural regions without losing the land? How to achieve competitive agricultural cluster?

The answer could be through a regional political leadership able to unify and standardize the methods local production. Agricultural processes for exploitation that facilitates the existence of competitive microenterprises for foreign markets. But to achieve the existence of agricultural business communities is necessary the existence of transparent leaders and universities committed to growth in the region.
If each agricultural unit unifies their production criteria for foreign trade, is preserved the peasant land ownership, the economic returns and the communal welfare in the region. Each farmer that retains its means of production is a cooperative micro-entrepreneur in manufacturing products for export competitive.

If each agricultural unit develops the same production method with the same technical quality demanded by the foreign market then there are a local industrialization and hence, recovery of the agricultural production unit with large-scale profits. It is what John Stuart Mill defended the late nineteenth century as an alternative to local development through social enterprise based in the socialization of profits and not as a private concentration thereof (Mill, 1987, p. 789) (Mill, 1993, p. 177).

In this way, the region and the municipality preserving the ownership of the company as of farmland and natural resources. The land, production and enjoyment of the benefits generated by the agricultural industry will be of the citizens of the region and not of multinationals (FAO, 2002).

The new organizational model for a regional economy would function as a direct democracy. Community organization trace the growth of social policy to continue, they choose the administrative officers for a period of time, authorizing the expenditure budget and becomes watchers.22

The community together with the college will research how to improve the export product, how to innovate in value added, Which new companies can be created around the industrialization of the product that serve the generation of the local and regional employment. The community cluster administrator shall ensure preservation of the export price and avoiding the cobweb phenomenon. He must open new markets to the product and its derivatives. In other words, maintain security and regional or local economic gain.

In this way, young people learn the importance of solidarity for regional economic welfare. The citizens learn the value of the policy as the axis of social welfare. The values of regional culture are rescued and gives young people new opportunities, in other words, the young can achieve their own life projects.

REFERENCES


22 See the video from 7:20 minutes https://www.youtube.com/watch?v=8gXZN93OhYM&feature=em-share_video_user.
The SME or MPYME in Latin America, Japan, European Union, United States and the Cluster in Colombia


Bibliografía Web.

[10] https://www.youtube.com/watch?v=8gXZN93OhYM&feature=em-share_video_user
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