

## Public policy and economic outlook in the region of Ucayali

Política pública y panorama económica en la región de Ucayali

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### ABSTRACT

The objective of this quantitative article is to make a correlation between public policies and the outlook in the Ucayali region. Initially, some background information related to public policies and the economic outlook is presented; Then, a conceptualization of public policies is made to give a framework for analysis and action and to revert the undesirable, in an orderly manner where the actors are not reduced to the government, and above all the public part is rescued but not the politics incorporating different scientific knowledge and finally, the economic outlook is emphasized as a basis for economic development supposes legal and institutional adjustments that are made to give incentives and innovations with the purpose of creating an efficient production system and a distribution system for goods and services in the region of Ucayali. It was concluded that there is evidence to affirm that public policy is significantly related to the economic outlook in the Ucayali region of nursing respondents, with a Spearman's Rho correlation coefficient of 0.786, which presents a high correlation between the variables.

**Keywords:** Public Policies, Commendation, Overview, efficiency, effectiveness, work performance, budgets.

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## RESUMEN

El presente artículo cuantitativo tiene por objetivo hacer una correlación sobre las políticas públicas y el panorama en la región de Ucayali. Inicialmente se plantean algunos antecedentes relacionados con la políticas públicas y el panorama económico; posteriormente se realiza una conceptualización de las políticas públicas es dar un marco de análisis y acción y revertir lo indeseable, de manera ordenada donde los actores no se reducen al gobierno, y sobre todo se rescata la parte pública mas no la política incorporando diferentes conocimientos científicos y finalmente, se enfatiza el panorama económico como base para el desarrollo económico supone ajustes legales e institucionales que son hechos para dar incentivos e innovaciones con el propósito de crear un eficiente sistema de producción y un sistema de distribución para los bienes y servicios en la región de Ucayali. Se concluyó que existe evidencia para afirmar que la política pública se relaciona significativamente con el panorama económica en la región de Ucayali de enfermería encuestados, siendo que el coeficiente de correlación Rho de Spearman de 0.786, en el cual se presenta una correlación alta entre las variables.

**Palabras clave:** Políticas Públicas, Encomia, Panorama, eficiencia , eficacia, desempeño laboral, presupuestos.

## INTRODUCTION

In the first weeks of 2020, the economy in the region continued a slow deceleration process, which kept it creating jobs and performing better than the Eurozone countries. It was in a position of limited, but solid and reasonably balanced growth, with the exception of public accounts. Romero (2016) indicates that of course, as far as the private sector was concerned, the situation was better than on the eve of the 2008 crisis. Companies and families had reduced their indebtedness significantly, (Vargas, 2017, p. 60) banks had been cleaned up, large and medium-sized companies had invested and had diversified and internationalized, and growth was sectorally balanced, without financial or real estate bubbles. For Vidal 2016 indicates that these data gave confidence and made the outlook good if the environment was good, remaining relatively stable or improving. An improvement was precisely what the International Monetary Fund and the European Commission were predicting, which in January of this year had forecast a slight upturn in European growth towards the end of the year, which should once again give oxygen to the Spanish economy so that the slowdown would not end in recession. (Castelao, 2016, p 352) The economy in the Latin American region had, however, some underlying problems, because the imbalances accumulated before 2008 and in the worst years of the crisis had not yet been fully corrected: public debt almost equaled one year's GDP and external debt (public debt, to a large extent) was slightly more than one and a half times that same GDP, while unemployment was still above 13%. These were

problems that made it vulnerable - a risk patient, to use the terminology of the day in the event of another general crisis. It still needed the international financial markets to lend it money and for them to do so without high interest rates (risk premium) it had to present convincing results: solvency and payment capacity. In other words, economic growth and a tendency towards financial equilibrium.

Colombia's access to the OECD would mean having the best possible advice on development policies, i.e., according to Hernández (2014), having the possibility of disseminating its positions and proposing policies on issues of international relevance to the most influential audience on these issues. Its international presence will be strengthened by sitting at the same table with countries that have been successful in the design of economic and social policies.

The existence of gaps between the policies used and agri-food entrepreneurship, Girón (2016) leaves theoretical gaps that could be unveiled in the doctoral research to be carried out, since working with entrepreneurs, they could provide relevant information to categorize edges that could contribute to the development of theories that permeate towards the future construction of public policies with relevance to the empowerment of new entrepreneurs in the agri-food sector.

In complement to the above, Avila-Foucat, (2017) generated a research article, where he states that, Food policies in Venezuela have had a positive effect on the population; undertaking an interesting policy of inclusion, recognized by international organizations lowering poverty rates, social inclusion is a fact and has had an important impact on the new ordering of Venezuelan social strata. (p. 32).

The openness of public policies towards the financing of final products consumed by the population is highlighted, however, it is not reflected whether these have been produced by Venezuelan entrepreneurs or by large national or international companies, thus, it is pertinent to focus the current study, Thus, it is pertinent to focus the current study on discovering evidence that allows us to confront the magnitude of support given to new entrepreneurs in the agri-food sector in terms of public policies, which provides the opportunity to make future theoretical contributions in the framework of the theorization of the doctoral thesis on entrepreneurship in the Venezuelan agricultural sector.

Epistemically, according to Soto (2014), entrepreneurship can be conceived from different points of view; however, for this study, it is focused on the agri-food segment, specifically on novice entrepreneurs, who have contributed to economic growth, from their own inventiveness or tenacity to develop businesses without sometimes having the specialized training for this purpose, Therefore, we will start from the perspective of the National Commission of Micro and Small Enterprises (CONAMYPE), which states that

Entrepreneurship is a way of thinking and acting oriented towards the creation of wealth to take advantage of the opportunities present in the environment or to meet the needs of personal income generating value to the economy and society. While the Entrepreneur is a person with the capacity to innovate, understood as the ability to generate goods and services in a creative, methodical, ethical, responsible and effective way.

It is the business community, supported by a public text of laws and business practices formed by a base of interacting organizations and individuals that produce and associate business ideas, skills, financial and non-financial resources that result in dynamic businesses.

This type of entrepreneurship has support from institutions that function as incubators or creators of entrepreneurship, in this sense, Gamboa (2016) complements by saying that "by entrepreneurial ecosystem, we understand all that context and environment that facilitate the emergence of companies and business projects" (p. 14). This implies the existence of public policies aimed at the creation of new businesses through comprehensive support to entrepreneurs, which is favorable for the new agri-food sector, which should be supported not only with financing, but also with specialized training in order to generate sustainability and pertinent sustainability in order to ensure a productive and profitable business over time.

During the last decades the world has witnessed the exceptional evolution of China's economy. In these years, China has grown at a pace that has positioned the country among the world's leading economic powers in terms of size. China's growth has unique characteristics, both in terms of its size and the nature of the factors that have driven it. China has gone from being an emerging country to becoming a world leader based on solid foundations: it is the most populated country in the world, the main trading partner for many countries and the world's largest market for a wide range of products (Bernal, 2013, p. 490).

The objective of this paper is to provide an overview of the growth of the Chinese economy during recent decades and, in particular, to review the most important aspects related to the role that Chinese manufactures play in international markets. After this introduction, the rest of the paper is organized as follows. Section 2 reviews the trajectory of the Chinese economy and its determinants from 1978 to the present. Section 3 focuses on China's manufacturing sector and highlights its main distinguishing features. Section 4 reviews the key characteristics of China's manufacturing trade. Finally, Section 5 draws the main conclusions of the paper.

The roots of this remarkable growth of China's economy lie in two basic factors: a sequence of institutional reforms that brought the Chinese economy closer to a market

model and opened the country to foreign investment and international trade, coupled with the availability of abundant labor in a low-wage context. The economic reforms initiated in 1978 that facilitated the country's transition from a highly intervened Soviet-style system to a much more market-oriented economy, albeit still constrained by a political framework under the control of a single Party. Initially, the reforms opened the door to the privatization of farms, facilitated the creation of small and medium-sized enterprises, and promoted foreign investment. Price controls were also relaxed. The reforms affecting the rural sector freed millions of workers to supply labor for the manufacturing enterprises that were beginning to emerge in the cities. The relaxation of strict rules limiting internal migration also contributed significantly to this. As a result, the private sector has driven the growth recorded by the Chinese economy during this period: around 70% of the growth in value added is generated by private firms, and of that growth, approximately 70% is attributable to start-ups (Moreno-Brid et al., 2017, p. 65)

At the time of the pandemic caused by COVID-19, the relationship between health and economics has played a remarkable role. The World Health Organization (WHO) named the disease COVID-19, short for "coronavirus disease 2019". Coronaviruses (CoV) are a large family of viruses that cause illnesses ranging from the common cold to more serious illnesses. This is considered a new virus for humans, and the general population lacks immunity against the new strain. In addition, there is more than one route of transmission for this virus. In mid-March 2020 it became pandemic, which means that the epidemic has spread over several countries, continents or the entire world, affecting a large number of people.

## **MATERIALS AND METHODS**

The present research was of quantitative approach because it uses data collection in order to test the hypothesis and statistics. Viera et al. (2016) The type of research was basic because it contributes to the knowledge of the study problem The research design is non-experimental, because the study variables will not be altered, according to Viera et al. (2016) "Non-experimental research is that which is performed without deliberately manipulating variables and in which only the phenomena are observed in their natural environment and then analyzed", and cross-sectional; since it was conducted at a single time. It is also correlational, since it studies the relationship between variables in an investigation. The method was hypothetical-deductive, since the hypotheses were tested and conclusions were obtained.

A census population of public institutions in the Ucayali region was used to select the total population comprising public entities such as the Regional Government - Ucayali, the National University of Ucayali, provincial and district municipalities within the jurisdiction.

The instruments used to measure the variables were validated by expert judgment, the contents and structure of the items were verified, as well as the construct and criterion validity. To achieve the reliability of the instruments, the statistical method of cronbach's alpha was used, which gave as a result for the variable Public Policies (Alpha = 0.760) and for the variable Economic Outlook (Alpha = 0.768); these validations and reliability of the instruments were carried out based on the data obtained from the pilot test.

The technique used was the survey, as a statistical method descriptive statistic was applied for the levels of variables, dimensions and inferential statistics for hypothesis testing. If all the economic resources allocated in public policies are invested, then the economic outlook in the region of Ucayali and its public institutions would improve, to the extent that the population within the jurisdiction would feel the investment in health, education, agriculture, etc., therefore, it is reflected in the quality of life of the population.

## RESULTS

Descriptive statistics were applied for the levels of variables and dimensions and inferential statistics for hypothesis testing.

The method of ranking was carried out for the variables Public Policies and Economic Outlook, in order to determine the ranges and levels of the results, taking into account the number of questions and the likert scale applied in the instrument (Table 1).

**Table 1. Variables**

VI. Public Policy		V2. Economic outlook	
General	Qualitative	General	Qualitative
92 – 122	Good	92 – 122	Good
61 - 91	Regular	61 - 91	Regular
20 – 60	Malo	20 – 60	Malo

Source: Own

After performing the ranking, the data collected were analyzed using SPSS 24 software, and the following results were obtained for the training variable:

**Table 2. Public Policies**

Levels	Frequency	Percentage
Malo	3	27,3
Regular	7	72,7
Total	10	100,0

Source: Data obtained by survey

Table 2 shows that, according to the survey, the public policy variable in the Ucayali Region, the poor level reached 27.3% and the fair level reached 72.7% in the Ucayali Region, 2020.

The following results were also obtained for the Economic Outlook variable:

**Table 3.** *Economic Overview*

Levels	Frequency	Percentage
Regular	100,0	100,0
Total	10	100,0

Source: Data obtained by survey

It can be observed that, in Table 3, the Economic Outlook variable according to the survey, the regular level reached 100% in the Ucayali Region, 2020.

#### **General hypothesis of the research**

**Ho.** Public Policies are not related to the Economic Outlook in the Ucayali Region, 2020.

**Hi.** Public Policies related to the Economic Outlook in the Region of Ucayali, 2020

**Table 4.** *Correlation between Public Policies and the Economic Outlook in the Region of Ucayali, 2020*

			Public Policies	Economic Overview
Spearman's Rho	Public Policies	Correlation coefficient	1,000	,788**
		Sig. (bilateral)	.	,000
		N	10	10
	Economic Overview	Correlation coefficient	,788**	1,000
		Sig. (bilateral)	,000	.
		N	10	10

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Data obtained by survey

Table 4 shows the degree of correlation between the variables Public Policies and Economic Outlook in the Ucayali Region, 2020. Spearman's Rho was determined at 0.788, showing that there is a high relationship between these variables, with a

significance level of  $p < 0.01$ , which rejects the null hypothesis and accepts the alternative hypothesis. It is concluded that there is a high correlation between the variables.

**Table 5.** Correlation measures between scores obtained in dimensions of public policies with the level of the economic outlook Ucayali Region, 2020.

	measure	Significance
Correlation between public policy in the education sector and economic outlook	0,798	P<0.01
Correlation between health sector public policy and economic outlook	0,727	P<0.01
Correlation between public policy in the agricultural sector and economic outlook	0,772	P<0.01

Source: Application of the questionnaire Public Policies and Economic Panorama Ucayali Region, 2020.

Table 5 shows the level of correlation between the Public Policies in the Education, Health and Agriculture sectors, Ucayali Region, 2020. Determining the Spearman's Rho of 0.798, 0.727, 0.772 respectively, this indicates that a high relationship was found, being the level of significance,  $p < 0.01$ , with which the null hypothesis is rejected and the alternative is accepted. It is concluded that there is a high relationship.

## DISCUSSION

In the research presented "*Public Policies and Economic Outlook in the Ucayali Region, 2020*", it was obtained that the relationship according to Spearman's Rho is ( $r=0.788$  and  $p=0.000$ ), indicating that it is at the high correlation level between the study variables. It was corroborated with Ceballos (2015), where he talks about the Budget Planning process of the IESS Hospital of Ambato that intend to be reinforced. The research is descriptive and correlational, its objective was to carry out an appropriate budget planning and optimize with efficiency and administrative effectiveness the IESS Hospital of Ambato, which leads to a detailed control in the budget items of the establishment. According to the results obtained, compliance with the budget as of June 2013 is 37.72%, a low percentage compared to what was expected. In relation to the strategic objective, it shows stages of growth in services, resources for maintenance and personnel,



according to the existing demand and the growth of the IESS Hospital of Ambato. Villegas, (2015) specifies that the research is Descriptive and correlational, and its objective determines the influence of administrative management and the relationship with budget allocations and their execution in the period 2012, the Administration executes with efficiency and effectiveness the budget cycle, through the processes of planning and budget availability, framed in the National Development Plan and institutional Planning, they work with the ESIGEF and Spryn program which monitor the budget execution on a monthly basis. The 2012 Annual Operating Plan (POA) was highly evaluated, showing that 98.14% of the allocations have been accrued and that, compared to the previous period, there has been a considerable growth of 306.03%, which contributed to the fulfillment of the goals and objectives set.

Pliego (2014) determines that the analysis of the coverage and quality of both services and presents the estimated resources that should have been executed by each Ministry to cover one hundred percent of the population. He also reflects that the budget is not adequate in amount and distribution structure considering the existing needs in Guatemala, the insufficiency of resources together with inefficiency in the distribution for the execution of the budget resulted in low coverage and poor quality in both services. Thus, he argues that his theory has caused Guatemala to have unfavorable indices related to education and health, such as significant levels of maternal and infant mortality, illiteracy and poverty, mainly in rural areas and in departments with a mostly indigenous population. This is also a reflection of the fact that public resources for education and health are largely centralized and focused on urban areas and certain segments of the population, and that there is no community participation in the administration of both, thus failing to comply with constitutional obligations and other commitments of the Peace Agreements, the Millennium Development Goals and the Fiscal Pact, representing serious drawbacks for development.

Brid (2016) argues that the results-based budget, considering the expectations of success in its execution, concludes that Peru needs to strengthen certain areas of management, in this sense it is important to create a Results-Based Management System that gradually allows facing the limitations of the planning, budgeting and evaluation processes; avoiding duplication and optimizing information for a more efficient use of this decision making, in addition to the population to which the Results-Based Budget has been oriented, will be able to physically check the work and/or service concluded for their benefit. In addition, the author specifies that the institutions responsible for the management and execution of the budget will have greater facilities in the management of the resources destined to the programmed works and will also have the security of presenting them physically at their conclusion, which will be put to the service and benefit of the citizens. Castelao (2016) specifies that the type of research conducted in the thesis is descriptive, because it measures how the formulated problem is and how it manifests itself, and correlational because its purpose is to measure the degree of relationship between the variables described in the hypothesis. It also concludes that the application of the Budget by Results in the municipalities of Peru improves the quality of public spending since they

are intended to improve the living standards of the population. Likewise, how to improve the quality of life of the population is through the allocation of budgetary resources in strategic programs such as: Improving chronic child malnutrition, Improving the quality of basic education, Improving the provision of services to the population and improving the quality of life of the population. Improve the provision of services to the population. Since the strategic programs constitute the instrument of the budget for results. And as the current budget evaluation indicators do not consider the social benefits that should be provided to the population, and are even unknown by those who elaborate such evaluation.

## CONCLUSIONS

Public policies have a relationship ( $Rho= 0.788$ ) and significant ( $p=0.000$ ) with the economic outlook in the Ucayali region, 2020. The proposed hypothesis was affirmed and the relationship is high. If the budget execution were constant in the public policies in the sectors of education, health and agriculture contracted were constant, in the quarters then it would be efficient and effective where it would be reflected in the population of the region of Ucayali, then the economic outlook would reflect the expected results and fulfillment of goals and budgetary objectives.

The economic outlook and the perception that the budget execution reflects satisfactorily where the population feels satisfied with their authorities and public entities giving optimal results in public policies such as education, health and agriculture.

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