

# **A PUBLIC SECTOR EFFORT TO ADVANCE ENTREPRENEURSHIP**

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## **ABSTRACT**

This paper analysis and evaluates the performance of a number of small enterprises established through a program sponsored by the government of Puerto Rico. This program is identified under the acronym "AAFET" which stands for ("Administración para el Adiestramiento de Futuros Empresarios y Trabajadores") Administration to train future entrepreneurs and workers. The program started in 1985 to recruit and provide training to young people ranging in age from 18-28 years. Program participants who develop an acceptable business plan are provided with startup capital of \$1,100 by AAFET.

An investigation of the survival rate and performance of these small businesses created through AAFET program is made utilizing two methods. One approach involves telephone interviews of approximately 120 small businesses from a listing of the enterprises obtained from this agency (approximately 400 firms with telephone numbers). The telephone interview covers aspects of employment, performance and future prospects of the firm. The second approach involves selecting a random sample of 40 enterprises from the total list and conducting an in depth personal interview. The personal interview helps to critically evaluate the business operation and its potential for success. The owners' assessment of the government program and problems faced by the enterprise provides added information.

An analysis of the data and information collected helps to draw conclusions about the performance of the enterprise initiated through this program and their contribution to employment and economic output. Conclusions about the effectiveness of the AAFET program, and the general types of problems facing these small businesses are also made. Recommendations to improve the training program, and a system to assist these small businesses to become successful will be developed.