

EDITORIAL

**Inequality reduction, financial markets
instability and the Pacific Alliance opportunity**

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Entrepreneurship appears as a strong issue for economic growth (Baron & Shane, 2007), in particular for job and inequality reduction. According to Cespedes et al. (2016) 75% of total employment in Peru lays down on the underground economy. This result poses a serious issue for the discussion on the effectiveness of policy making in the country. Entrepreneurship and startups may contribute to reverse the trend. As long as, innovation technology are introduced to increase productivity.

In recent years, entrepreneurship is particularly relevant in educational and academic context. University education presents a positive impact about entrepreneurial determinants (Türker & Selçuk, 2009). Among millennial generation, the determinants of entrepreneurship have been analyzed in different contexts (Koe et al., 2012; Mat et al., 2015; Azwa Ambad & Ag Damit, 2016). However, the evidence is still scarce for the Peruvian context and research program must be developed.

As of March 2018, the government is exploring the possibility of increasing the minimum wage from its current level established at 850 soles (266 dollars). Would this policy be effective enough to keep up most population's purchasing power, may be not? What we know is how important the poverty reduction. Precisely an article from Maria Cruz-Saco, Bruno Seminario and Cynthia Campos following below is addressing this problem. Government policy merely based on domestic variables would not be necessarily sufficient to promote investment and employment creation, what we need is to explore foreign markets such as the Pacific Alliance. The

article from Jorge Torres-Zorrilla brings us update data and analysis about the opportunities for Peruvian economy.

Despite of the resources obtained domestically from both private and public investment, any government can have access to money and capital markets. To this extent, the stock exchange becomes an important instrument for additional financial resources to be use in investment projects. However, financial markets are unstable due to volatility of the exchange and interest rate. The article written from Paul Stuart remains us about the negative effects of the financial crisis in the United States.

The fourth and the fifth articles correspond to comments on a recent book titled *Forbidden readings: economic analysis and proposals for Peru*, written by German Alarco Tosoni. One comment is referred to environmental issues and has been written by Enrique Espinoza Joyo and the other comment is related to the behavior of financial markets investors and has been written by J. Fernando Larios-Meño, both authors from the Universidad San Ignacio de Loyola.

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