

# **Emerging Markets' Business Environment: Latin America's Quest for Competitiveness**

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## **Abstract**

Despite the economic growth shown in recent decades by the majority of Latin American countries, such as Chile, Colombia, and Peru, this growth has not been reflected in a substantial improvement in the business environment, nor in the international competitiveness of the countries of the region. This trend has been exacerbated as a result of the global pandemic brought about by COVID-19. This paper asserts that the causes of this failure lie mainly in the nature of the economic growth and the market structure of the economies of the region. Economic growth, in most cases, has not been based on productivity; instead, it has been based on the international prices of the primary export products. Likewise, the domestic market structure of the countries of the region has been characterized by a poor business environment, unable to attract and retain business in the region. These two characteristics have not allowed the emergence of a modern and competitive business sector that meets domestic or international market demand. The scarcity of a competitive business sector has hindered the markets' ability to create sources of work that improve the income and consumption capacity of households and promotes technological innovation. The paper concludes with strategic recommendations aimed at upgrading the business and innovation ecosystems of the countries of the region in order to enhance the business environment and competitiveness in Latin America.

**Keywords:** Business Environment, Competitiveness, Innovation, Latin American Emerging Markets.