

## Why efforts to develop entrepreneurship in extremely poor regions fail? Regional evidences from Northeastern Brazil

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**Abstract:** The purpose of this paper is to describe the experience of a professors team on implementing an entrepreneurship qualification project to create a base for local development in a region of extreme poverty. This study is an interpretive, descriptive, based on the phenomenology and interpretative case study. Data were collected through field notes, participant observation and documents and were analyzed in a comprehensive-interpretive hermeneutic. Main results indicate the need for greater awareness in communities in areas of extreme poverty about the opportunity to improve the quality of life and employment and income generation through education and entrepreneurship with practical results and the medium and long-term. In the culture of region noted low levels of innovation and entrepreneurship. The local culture is heavily dependent on assistance programs from the federal government. The study reports difficulties in implementing an entrepreneurship qualification project in areas of extreme poverty. Demonstrates the need for changing the status quo of a region in extreme poverty, describing the importance of breaking the vicious cycle of poverty through entrepreneurship qualification to generate income and employment.

**Keywords:** Action learning, development strategies, development, leadership development, training, Floriano/PI.

### INTRODUCTION

This paper describes the contextualization of a region located in northeastern Brazil, specifically the micro region of Floriano, Piauí, a region facing difficulties of various kinds and few studies were conducted to exodus issues because of lack of jobs.

Based on the interpretive epistemological paradigm as cited in [1], interpretive approach and descriptive type as described in [6], this study seeks to understand phenomena through the description and interpretation of these by phenomenological method in [8]. This paper aims to describe an experience by a professor's team in implementing an entrepreneurship qualification project to create a base for local development in a region of extreme poverty. Data collected from March 2011 to March 2013 and analyzed according interpretive-comprehensive from hermeneutics [3].

In Piauí, beyond the capital Teresina, Federal University of Piauí – UFPI has campuses in the cities of Parnaíba, Picos, Bom Jesus and Floriano. The team proponent and executor of this project is located in the city of Floriano, and considering the principles of teaching, research and extension, the coordination of this project (first author) sought funding for attending a qualification course offered to the community to provide opportunities for changing the population life of micro region focus of the project. This paper seeks to report the general aspects and implementation, describing the idealization of it and the problems encountered in implementation. We hoped that this paper will contribute to future projects, assisting in their management.

To construct a theoretical basis of the qualification project [3], it were used concepts of local development and the regional community perspective in the basis formation for development the socio economic

aspects of development and the quality of life aspects [3].

### THE LOCAL CONTEXT

The city of Floriano is located in the Middle Parnaiba physiographic zone, on the right bank of that river, opposite the city of Barao de Grajau - Maranhao.



**Fig-1 – Aspect of residences of low income families in Floriano and micro region.  
Source: Search Results**

The city is located 256 km from the state capital, Teresina. It currently has a land area of 3,403 km<sup>2</sup> and a population of 56,090 inhabitants [4].

Floriano is also an educational center of the micro region attracting students from surrounding municipalities [4].



**Fig-2: Aspect of a residence under construction of low income family in Floriano.  
Source: Search Results**

## THE QUALIFICATION PROJECT PROPOSAL

The project presented to the Ministry of Education of Brazil, which was approved to obtain resources for their implementation, has as objective to qualify fifty teenagers of micro region of Floriano with respect to content-oriented entrepreneurship, to promote income generation and social inclusion through the qualification for the world of work, aimed at solidarity enterprises during the year 2012.

The proposed project has its methodological basis, as cited in [7], regarding the participatory methodologies to extension projects. The schedule provided for in the project considered the period of January and February 2012 for the preparation of instructional materials, in March the selection of students by dissemination through the Internet and media, from March to June will take place the qualification, and from July to December staff reports and scientific productions will be done.

The resources requested to the Ministry of Education, funding for this project were US\$ 1,225.49 for printing of educational hand-outs, US\$ 1,911.76 to purchase a notebook and a Data show and US\$ 8,564.70 to award four scholarships for students, who will develop technical administrative activities related to the project at a total of 20 hours per week and selected from among the months from October to December 2011 (Note: US\$ 1.00 = BR\$ 2.04).

## DISCUSSIONS

### The project implementation and its difficulties

In the Public Sphere, the completion of a project schedule pre-defined usually involves a joint effort of both the working team defined the same as the agencies responsible for various areas of university administration that carries out the project, in this case, UFPI.

In 2012, the team component of the project has started the implementation on schedule; however, some barriers postponed the start of the course. In the first two months of the year, the team performing encountered issues administrative in order of acquisition of equipment and materials, development of educational hand-outs, selection of students that will work on the project, which required more time than projected due to the large degree of bureaucratization (in management of internal organs that make up the UFPI and the Ministry of Education, the project funding body).

Yet as mishaps, there was need for changes in the team, delay in development of educational hand-outs and also delay the selection of students that will

work on the project, which required more time than specified in the project schedule.

The selection of students from the micro region of Floriano proved difficult. Two strategies were adopted for the dissemination of the course, described in the project: the disclosure of information about the course to be offered to the community on the web page of UFPI and dissemination of the same course in four Floriano main radios and have wide-ranging site.

Even with all this effort, the total 50 vacancies available, only 14 young people enrolled in the course, which indicates the low level of community interest in this type of qualification. This result demonstrates that, even with all the financial and human resources offered by the Brazilian Federal Government (through agencies and the UFPI), it is difficult to put into practice actions that aim to create opportunities for the local community a free of charges alternative qualification focused on entrepreneurship and generate employment and income. This is an opportunity offered to the inhabitants of this region that is so needy young entrepreneurs and people who can develop the city and that was undervalued.

The researchers attribute the low demand to the following factors:

a) The need for greater awareness of communities in areas of extreme poverty and the opportunity to improve the quality of life and employment and income generation through education and entrepreneurship with practical results and the medium and long term. The researchers found no municipal policies or micro-regional actions aimed at raising awareness and encouraging the population to seek qualification and thus, increase the degree of entrepreneurship in the micro region. In these cases the regions of extreme poverty, if there Municipal Government incentives to invest resources primarily in education and health sectors (basic services to the population) and the involvement of organized civil society, the disaffection of the population to change the current situation will be evident.

b) The culture of Piauí where observed low levels of innovation and entrepreneurship. The state of Piauí has the worst record of innovation in Brazil, according to research carried out and published by [2]. It appears that the public and private investments in research and development of patents are negligible.

c) The local culture is heavily dependent on assistance from the federal government, mainly for family allowance program (direct transfer of income that benefits families in extreme poverty). It is noteworthy that the government assistance is not two-

way, i.e., the local people benefit from financial incentives does nothing in return in the form of results that generate accumulations of wealth. The result of government assistance would bring significant results if these investments were directed to improving the infrastructure of the state. The problem, as described by [2], is that the state of Piauí has the worst infrastructure in Brazil (in relation to the quality of the telecommunications network, access to high speed internet and quality of the highway). This local reality scares off investors, which seriously undermines the creation of new industries and branches of various companies, making the diversity of jobs and

opportunities for generating employment and income of the inhabitants of the region.

In the following Figure, retrieved from social network Facebook, it is possible to notice the satirical relationship of the family allowance program (Federal Government of Brazil) and the return in doing nothing to such program. Recently in Brazil, it was published a false buzz about the extinguishment of such benefit program to poor families, and this caused a frenetic run to the banks to get the money quickly before the program ends.



**Fig-3 :An example of satire about the family allowance program about a false buzz of extinguishment of the program.**

Source: [5].

The mother of a poor family says “Go to study, guys!” and one child says “Don’t worry Mom, the government said that there are no motif about the buzz about the Family Allowance Program”. The interpretation we can get from this Figure is if the false buzz of extinguishment of such benefit program should be true, it would force the families to find a way to survive through education and qualification, to get an insertion in the world of work. As the buzz is false, they can just wait for the arrival of government money doing... nothing.

#### Formal generalizations

From evidences found in the field and using the principle of formal generalization of design of specific implications type [3], we present the following propositions:

- $P_1$  – The greater the commitment among the local community in extreme poverty and the team executing projects of qualification, will

be most successful project implementation in the local community;

- $P_2$  – The more benefit from welfare policies for a local community in extreme poverty, the lower the propensity of this community to change their status quo;
- $P_3$  – As greater efforts are required to change the status quo of a local community in extreme poverty, the greater the propensity to give up this community to change this status quo;
- $P_4$  – The more government assistance a local community in extreme poverty receive, the less enterprising spirit of that community.

#### CONCLUSION REMARKS

We decided to re-open registration for undergraduate students in four schools present in the city of Floriano and that students have the breadth of the micro region focus of this project, in order to complete the 36 remaining vacancies. However, from May 2012 professors of public universities went on

strike for an indefinite period and the beginning of the course was suspended, because the team of professors has formed voluntarily. When returned to work in December 2012, the course lost professors that moved away during the strike and few remained.

All 14 students give up the course in December 2012. In January 2013 we choose fifty undergraduate students of UFPI to postulate the course, however, the project was not implemented because of administrative problems at UFPI due the undergraduate course, hostess of this course, lost too many professors and those that remained were overloaded of duties and also they became unmotivated because of all problems related and without schedules to implement the course.

We hope all reported difficulties may help researchers and those interested in these issues to plan and predict such problems in their projects.

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