QUALIFICATION IN ENTREPRENEURSHIP IN EXTREMELY POOR REGIONS:
AN EXPERIENCE ON BRAZIL’S NORTHEAST

Marcos Ferasso
Albano da Silva Melo Júnior
Reginaldo Magalhães
Christine da Silva Schröeder

RESUMO

O propósito deste artigo é descrever a experiência de uma equipe de professores implementando um projeto de qualificação em empreendedorismo visando criar a base de desenvolvimento local em uma região de extrema pobreza. Este é um estudo de caso interpretativo. Dados foram coletados por meio de anotações de campo, observação participante e documentos, que foram analisados de forma abrangente. Nós desenvolvemos generalizações formais na forma de proposições. Os resultados mais significativos indicam a necessidade de maior consciência nas comunidades locais nas áreas de pobreza extrema sobre a oportunidade de melhoria a qualidade de vida e emprego, e a geração de renda por meio da educação e empreendedorismo levando a resultados práticos e médio e longo prazos. No que diz respeito à cultura do estado do Piauí, baixos níveis de inovação e empreendedorismo foram observados; a cultura local é altamente dependente de programas de assistência oferecidos pelo governo federal.

Palavras-chave: Empreendedorismo; Desenvolvimento local; Emprego e geração de renda; Pobreza extrema; Qualificação de recursos humanos; Administração de projetos.

ABSTRACT

The purpose of this paper is to describe the experience of a team of professors implementing a project on entrepreneurship qualification in order to create the basis for local development in a region of extreme poverty. This study is an interpretive, descriptive study case. Data were collected by providing field notes, as well as participant observation and documents, which were analysed in a comprehensively-interpretive way. We developed formal generalizations in the form of propositions. The most significant results indicate the need for greater awareness in communities located in areas of extreme poverty towards the opportunity to improve the quality of life and employment, and the generation of income through education and entrepreneurship leading to practical short and medium-long term results. As far as the state of Piauí culture is concerned, low levels of innovation and entrepreneurship were observed; the local culture is highly dependent on assistance programs offered by the federal government.
life and employment, and generation of income through education and entrepreneurship leading to practical results within medium and long-terms; Regarding the culture of the State of Piauí, low levels of innovation and entrepreneurship were noted; local culture is heavily dependent on assistance programs offered by the federal government.

Keywords: Entrepreneurship, Local development, Employment and income generation, Extreme poverty, Human resource qualification, Project management.

INTRODUCTION

This paper describes the context of a region located in northeastern Brazil, with special emphasis on the micro region of Floriano, Piauí, which faces difficulties of various kinds. Based on the interpretive epistemological paradigm, this study did not use either a framework, testing theories, or hypotheses but sought to understand phenomena through the description and the interpretation of those. This paper aims to describe an experience by a professors’ team in implementing a project on entrepreneurship qualification in order to create the basis for local development in a region of extreme poverty.

The Federal Government of Brazil, by means of laws, created a support program for the restructuring and the accomplishment of expansion plans of federal universities - REUNI, which aims at establishing Federal Universities campus in the interior states of Brazil as a means to expand education access to top students whose origin is the interior towns, as well as avoiding the concentration of population in large cities and capitals.

In Piauí, a few miles from the capital Teresina, The Federal University of Piauí – UFPI has established campuses in the cities of Parnaíba, Picos, Bom Jesus and Floriano. The team that came up with the proposal and which is also in charge of the implementation is located in the city of Floriano.

Considering some teaching, researching and extension principles, the coordination of this project (first author) sought funding for attending a qualification course offered to the community, which will provide opportunities that may change the life of the population who lives in micro regions. This is the focus of this project. This paper reports the general aspects and implementation itself, describing the idea
was first brought up and the problems encountered in such implementation. We hope that this paper will contribute to the future project with respect to its management.

For years, the micro region of Floriano has suffered a population exodus, and few studies were conducted to identify the causes of this exodus. Empirically, local people attributed this mainly to the local lack of jobs.

The qualification project was originated by a monograph of the first author of this paper, that worked in the Undergraduate course in Business Administration offered by UFPI. Due to contacts established with professors related to that course, they have expressed interest in taking part in the project. Thus, we emphasize the relation between such project with the Business Administration Undergraduate course. Moreover, the basis of the Pedagogical Political Project and extension activities can be observed which involves students and professors originated from the same course (Fortes et al., 2010).

The infrastructure of the campus referred, in which the extension project was carried out, was concluded in April 2011. Facilities that comprises classrooms with seats for fifty students, as well as the supporting infrastructure, which complies with legal requirements - including access for people with special needs; wheelchair for instance.

This project aims to provide information for people in order stimulate them to remain in the micro region through the qualification of manpower and entrepreneurship.

**LOCAL DEVELOPMENT AND ENTREPRENEURSHIP**

With the purpose to establish a theoretical basis for the qualification project, concepts of local development were adopted (GOULART ET AL., 2005), considering the perspective of the regional community related to the basis for development (OLIVEIRA, 2001; PUTNAM, 2002; BENITEZ, 2000; ZAPATA ET AL., 2005; SEN, 2000; SACHS, 2002[B]), the socio economic aspects of development (ZAPATA ET AL., 2000; BARQUERO, 1999; VERSCHOORE FILHO, 2000; BITHAS AND CHRISTOFAKIS, 2006; BRUNET, 2005) and aspects related to the quality of life (CABREIRA, 2002; MARTINELLI AND JOYAL, 2004; TURNES, 2004; BERTRAND,
It was underlined the fundamental role for the local economic dynamics that favours entrepreneurship (DORNELAS, 2001; MACIEL, 1996; BORTOLOZZI ET AL., 2003; WREN, 1994).

The literature proposed in this section was referred as the basis for the development of the project. Thus, we decided to summarize this article, compiling the key concepts as to understand the project proposed. This literature is a theoretical knowledge body that is necessary in order to develop the qualification project. The methodological approach of this research, considering its subjectivism – which are traces of viewpoint related to the research sphere – is to identify the phenomena that served as the basis for collecting and analysing data.

The regional context: the State of Piauí

The State of Piauí is located in the western region of the Brazil’s northeast, which comprises the sedimentary basin dubbed central-north, ranking third position in length and an area of 251,529.186 km2; representing roughly 2,95% of the national territory. Population, according to the official counting, carried out by IBGE, is 3,032,421 inhabitants. This corresponds to approximately 6,00% of northeast population and 1,70% of the Brazilian population. The population density is of 10,6 inhabitants per square kilometre: the lowest in the northeast region, in which it varies from 20 to 90 inhab./km2 (IBGE, 2007 apud FORTES ET AL., 2010).

Currently, the state has 224 municipalities, the most populous, Teresina, the capital (figures 26,1% of the state population), Parnaiba, Picos, Piripiri and Floriano. These five municipalities together account for 36,9% of the total population of Piauí (FORTES ET AL., 2010).

The displacement of immigrants reaches considerable numbers, especially in the most developed municipal centers that offer more attractive employment. However, small cities in Piauí still stand out for having predominantly very poor rural and municipal vacancies, lacking better alternatives of occupational (FORTES ET AL., 2010).
The State reveals indicators figured among the poorest in the country. Only 4.4% of the economically-active population earns above two minimum wages, while 51.6% makes it above a quarter a month. Its main economic activity is agriculture, with emphases on beef cattle, on the system cattle/cotton and on dairy farming. Subsistence farming is more concentrated in the south and the commercial activities are distributed throughout the territory. The crops of cassava, rice, sugar cane and cashew are the ones that stand out. The extraction of vegetables occupies – if considered the entire economy – a source of income for a large proportion of rural families due to the production of oil extracted from kernels of babassu coconut (FORTES ET AL., 2010).

The industrial context of Piauí represents 93.3% of small and medium-size enterprises that are responsible for significant absorption of labor. Industries comprising large and medium-sized companies are based almost entirely in the Industrial District, Teresina, which may be strongly represented by civil construction as well as by non-metallic mineral products, beverages and textiles. Local market has taken a significant role in the development of internal income of Piauí, due to the exportation of shrimp, lobster, cashew nuts, as well as semi manufactured goods as cowhide, carnauba wax, and cotton fabric (FORTES ET AL., 2010).

The local context: the city of Floriano and its micro region

The city of Floriano is located in the Central-Parnaiba, a physiographic zone located on the right bank of respective river, opposite the city of Barao de Grajau - Maranhao. The city is located 256 km from the state capital, Teresina. It currently comprises 3,403 km² and a population of 56,090 inhabitants (FORTES ET AL., 2010).
The following figures help illustrating the situation of the city of Floriano, specifically regarding its infrastructural condition due to which the status of some housing provided to the population can be observed. They also assist on the creation of local jobs and income.

Figure 01 – Floriano (in red) and its micro region. Source: Wikipedia, 2012.

Figure 02 – Partial view of a property in the rural area of Floriano
Figure 03 – Aspect of the micro region of Floriano where the *caatinga* ecoregion is observed.

Figure 04 – Partial view of one of Floriano neighbourhoods
Figure 05 – Partial view of one of Floriano neighbourhoods

Figure 06 – Partial view of Floriano downtown. Source: OoCities, 2012.
Today, Floriano is regarded as an influential development agglomeration. This micro region is considered emergent, whose capital is the City of Floriano. The city of Floriano, is a focal point that comprises a vast area in southern Piauí and Maranhão, which is dubbed “the Princess of Southern Piauí.” The city of Floriano has as its big vocation the commerce which received influences of Arab immigrants, who arrived in 1889 and established local business. Floriano is also an educational center
for the micro region, attracting students from surrounding municipalities (FORTES ET AL., 2010).

The proposal of a qualification project

The project presented to the Brazilian Ministry of Education, which was approved to obtain resources for implementation, has the as main objective: to qualify fifty teenagers in micro region of Floriano, with respect to content-oriented entrepreneurship, to promote income generation and social inclusion focusing on qualification to better compete for jobs, based on solidarity enterprises during the year 2012. Its specific objectives are: 1) to create opportunities for scholarship students involved in this project, the integration to the world of extension, followed by qualification activities for young people, which provides an opportunity to initiate teaching and extension, pillars of the university (teaching, research and extension); 2) to enable teachers to work in the extension project, expanding access to knowledge through education of young people who have not had access to academic education provided by this federal institution; 3) to promote the access to entrepreneurship qualification for the youth of such micro region addressed on this project, which aims at practical applications of academic knowledge-building and the experiences of professors throughout the qualification process, facing the reality of the students involved with the project.

The proposal was implemented adopting a methodology based on qualification (knowledge transferring or teaching how to do), by a qualified and selected team from the institution which is proposing the project. These professionals were qualified with respect to the format and objectives of the project. As an evaluation means, professors assign some work and/or field researches, which will be assessed in case the contents provided in class were properly comprehended.

The project methodological proposal is based on Araújo Filho and Thiollent (2008) and Zapata (2000), regarding the participatory methodologies applied to extension projects, addressing different aspects required to implement the project referred. The methodological is based upon the following aspects: literature research, participatory project management implemented by the team performing the training,
and exhibition-dialogued qualification to students in order to fulfill the purposes of the aforementioned project.

The qualification was implemented in five modules of 15 hours each to the following areas: entrepreneurship, social economy, marketing, project management and financial management. The schedule provided for the project considered the period of January and February 2012 for the preparation of instructional materials, March for the selection of students via Internet and media. The qualification process took place from March to June, and staff reports and scientific productions were carried out from July to December.

The direct beneficiaries of the project were young people who participate in filed research and have not had access to training in the area of this project for at least three years. Special attention was given to teenagers who were out of work or activity that generates income for at least one year, regardless of gender. The project sought to balance the number of places between men and women, to ensure an equitable gender participation in the labor market.

The selection criteria adopted in order to classify people beneficiaries considered the need (income of unemployed people) and, in the case of entrepreneurs, those who were starting their activities or in need of qualification.

The indirect beneficiaries were, in the case of unemployed people, small and medium-sized enterprises, which could find skilled labor-force able to carry out activities accordingly. UFPI offered four teachers to work in this qualification, and there was a fifth professor who joined the team in January.

The resources requested to the Ministry of Education, funding for this project were BR$ 2,500.00 (US$ 1,225.49) for the printing of educational handouts, BR$ 3,900.00 (US$ 1,911.76) for the purchase a notebook(laptop) and a Data-projector, and BR$ 17,472.00 (US$ 8,564.70) to award four scholarships for students who would develop technical administrative activities related to the project at a total of 20 hours per week, who would be selected from the months of October to December, 2011 (Note: US$ 1.00 = BR$ 2.04).
RESEARCH METHODS ADOPTED IN THE PAPER

This research is classified as an interpretive epistemological paradigm, according to Burrell and Morgan (1979), for this is the most appropriate paradigm for understanding the world as it is from the viewpoint of individuals directly involved. As such, no framework or hypotheses had been prepared prior to the field research. The theoretical basis was constructed based on the project proposed, in order to find bases in the literature addressing entrepreneurship. The interpretive approach allows greater understanding of a phenomenon in cultural and contextual situations, examining the location and facts by those who experienced the implementation of this project qualification (SCHWANDT, 1994; ORLIKOWSKI AND BAROUĐI, 1991).

The research is a descriptive type, since it seeks to report the main events related to the experience in entrepreneurship qualification in a region of extreme poverty (GIL, 1999).

The study of interpretative case was used given the study depth, frequent field visits and the long length of time dedicated to researching (WALSHAM, 1995). The researchers are observers involved in the project (GILL, 2006; CORETH, 1973) and the theory is the final product of this research, expressed in the form of propositions, which resulted from a generalization of the results of the design of specific type of implications.

As data collection techniques, the following were considered: field notes (LUDKE, 1986), participant observation (QUEIROZ ET AL., 2007) and documents (PIMENTEL, 2001). The first was used to take notes due to observations, which describes special events and attitudes evidenced. The second allowed a thorough examination of the social reality in which the researchers were inserted. The third allowed detailed analyzes of documents; such as project qualification, undergraduate degree project in administration of UFPI, e-mails received for the field data, and bibliography for the literature review.

The period of evidences collecting considered for analysis in this study was longer than the time devoted to development of the project (which started in March 2011 and completion scheduled for December 2012): the authors resorted to facts and evidences lived about three years ago, prior to the implementation, in order to
broaden the understanding of social phenomena observed in the research field (WALSHAM, 1995).

Various data were analyzed according to the interpretive-comprehensive approach (GADAMER, 1997; CORETH, 1973; GARNICA, 1997), seeking the meaning of texts, facts, and images that stimulated researchers to understand the phenomena manifested. At the end of the analysis it was possible to draw formal generalizations of specific implications type (GARNICA, 1997), in the form of propositions.

DISCUSSION

In this section, we describe the implementation of the project and difficulties that were faced. In the end, a set of propositions are presented.

The implementation of the project and respective difficulties

In the Public Sphere, the completion of a pre-defined project schedule usually involves a mutual effort of the working team as well as the agencies responsible for various areas of university administration that carries out the project, such as UFPI.

In 2012, the team involved in the project had started the implementation on schedule; however, some barriers postponed the commencement of the course. In couple of months of the year referred, the team encountered administrative issues in order to purchase the equipment and materials, development of educational handouts, selection of students that would 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).

There was need for changes in the team, delay in development of educational handouts and also delay in the selection of students that would take part in the project, which requires more time than the one specified in the schedule.
The decision to select 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 concerning the course offered to the community on the UFPI web page and the dissemination of the same course in four of Floriano main local radio stations, which comprises wide-ranging locations.

Even with all this effort, the total 50 places 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, as a free of charge alternative qualification, focused on entrepreneurship and the generation of employment and income. This is an opportunity offered to the inhabitants of this region that are so in need of young entrepreneurs and people who can develop the city and that was undervalued. The researchers attributed the low demand due to the following factors:

a) the need for greater awareness in areas of extreme poverty and the opportunity to improve the quality of life and employment and the generation of income 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 were 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) Low levels of innovation and entrepreneurship were observed in the State of Piauí. Such state figured the worst record of innovation practices in Brazil, according to research carried out and published by The Economist (2011). It seems 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 originated from family allowance programs (direct transfer of income that benefits families in extreme poverty). It is noteworthy that the government assistance
is not reciprocated, i.e., local people who benefit from financial incentives do nothing in return in form of results that might generate the accumulation of wealth. The result of government assistance would bring significant results if such investments were used to improve the infrastructure of the state. The problem, as described by The Economist (2011), 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 highways). This local reality discourages investors, which seriously undermines the creation of new industries and branches of various companies, developing the diversity of jobs and opportunities for generating employment and income of the inhabitants of the region.

Formal generalizations

Due to evidences found in the field and with respect to the principle of formal generalization in design of specific sorts of implications (GARNICA, 1997), we present the following propositions:

P₁ – The more the commitment between the local community facing extreme poverty and the team in charge of carrying out the projects of qualification, more successful will be the implementation of the project in the local community.

P₂ – The more the benefits arising from welfare policies for a local community in extreme poverty lower the propensity of this community to change their status quo.

P₃ – The more efforts required to change the status quo of a local community in extreme poverty greater the propensity to dampen such initiative.

P₄ – The more government provides assistance to local community in extreme poverty lesser enterprising initiatives are started.

CONCLUSION REMARKS

Current status of the project: we decided to open registration for undergraduate students in four schools located in the city of Floriano and these students have the breadth of the micro region focus of this project, in order to complete the 36 remaining vacancies. However, from the first quarter of week of
May, the professors of public universities went on strike for an indefinite period and the beginning of the course was suspended, as the professors involved in this project have formed voluntarily.

The researchers hope the reports on practical experiences is applied as a basis for similar projects on the following difficulties:

a) Approval of non-returnable funds for outreach projects and qualification;
b) Awareness of the audience as to the actual results in the lives of the inhabitants of communities in extreme poverty;
c) Lagging procedure and excessive bureaucracy in the public sphere slowdown the accomplishment of the projects;
d) The difficulty of changing local culture rooted in the assistance facilities of the federal government; and
e) The difficulty in competing with federal government assistance programs that creates submissive and inert attitudes in the population by giving the necessary for survival.

ACKNOWLEDGEMENTS

The authors wish to thank the SESu, Ministry of Education of Brazil, for funding the project that led to this article.

REFERENCES


CHIGUNTA, F. Youth Entrepreneurship: Meeting the Key Policy Challenges, Wolfson College, Oxford University, Oxford, 2002.


FERASSO, M. A geração de empregos, a qualificação dos recursos humanos e o incentivo ao empreendedorismo como medidas de contenção do êxodo populacional: um projeto para o desenvolvimento local do território de São Miguel do Oeste/Santa Catarina/Brasil. 2006. 31 f. Monography (Local Development Specialization) – Curso de Pós-Graduação em Desenvolvimento Local, Programa...
Delnet, Centro Internacional do Trabalho, Turim, Itália; Organização das Nações Unidas, Genebra, Suíça, 2006.


MELÉNDEZ, G.Q. ‘Do not give me a fish, teach me how to fish’ Good municipal government and community participation (Master thesis) Massachusetts Institute of Technology, 1998.


SACHS, I. *Desenvolvimento humano, trabalho decente e o futuro dos empreendedores de pequeno porte no Brasil*, SEBRAE, Brasília, 2002b.


______________ Gestão participativa para o desenvolvimento local, PNUD/BNDES, Recife, 2000.