

RESEARCH YEARBOOK 2014-2015

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PRESENTATION

This yearbook provides summaries of the research that has been conducted by research professors at FGV-EAESP.

All of this work was funded by GVpesquisa, which provides support for research activities in four categories: two offering individual support related to projects undertaken with the aid of over-the-counter and collegiate grants and two offering collective support related to Research Line and Study Center projects.

This text offers an overview of the contributions made by FGV-EAESP researchers to the development of the field of administration in Brazil. It also provides ideas for establishing a research agenda for the present and future.

This yearbook also provides abstracts for the social impact projects that were conducted through FGV-EAESP Study Centers. Over the years, the Centers have been crucially important for bringing together theory and practice as well as academia, organizations and society.

The research summaries were prepared by the authors themselves and edited by Adriana Wilner. Cris Tassi provided the graphic design, while Daniela Mansour M da Silveira of the GVpesquisa team coordinated the project.

We hope this yearbook achieves its objectives of spreading the knowledge generated at FGV-EAESP and serving as a bridge between readers and authors.

Warmest academic greetings,

Thomaz Wood Jr.

Coordinator – GVpesquisa



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SUSTAINABILITY





EDUCATION AND HUMAN CAPITAL

The *CAPES* assessment of Brazilian postgraduate studies is incomplete

RESEARCH IN FOCUS:

The dimensions and components of education: a basis for assessment

Alberto Luiz Albertin and
Rosa Maria de Moura Albertin

An emphasis on the results of intellectual production may result in ignoring the means used to achieve the measured outcomes

OBJECTIVE TO STRUCTURE THE DIMENSIONS AND COMPONENTS OF EDUCATION TO BE CONSISTENT WITH THE AIM OF ESTABLISHING INSTITUTIONAL AND TEACHING-LEARNING ASSESSMENT CRITERIA THAT CAN BE APPLIED TO POSTGRADATE STUDIES IN BRAZIL.

SNAPSHOT

- In a survey of the structure of the dimensions and components of education, the dimensions identified were the creation and systematization of knowledge, programs, courses and results. The components identified were objectives (course objectives, teaching objectives and the audience for the courses), content (the knowledge to be transferred), teaching strategy (how teaching is conducted to transfer content) and infrastructure (infrastructure and IT).
- The dimension and component criteria that are identified in the study are compared with the CAPES assessment requirements for postgraduate studies in Brazil.

RESULTS

- The assessment requirements for postgraduate studies in Brazil only partially cover the proposed criteria structure for the dimensions and components.
- Many aspects of the suggested structure are dispersed throughout the CAPES assessment.
- The external assessment of postgraduate programs that CAPES undertakes does not include the various aspects that should be considered by internal, other external or even international assessments.
- An emphasis on the results of intellectual production leads to the risk that the means used to achieve such results and the components of the courses themselves are ignored. Thus, educational institutions may concentrate their efforts on intellectual production and reduce the emphasis on guaranteeing a good education for their students. Another risk is that the assessment applies only to members of the university and not to the institution itself or to its courses.

WHAT'S NEW

- The incorporation of criteria based on various dimensions and components of education may lead to a more extensive assessment of postgraduate courses. The aim would then shift to assessing interrelationships rather than the university and its results, with an emphasis placed on dissertations, theses and intellectual production.
- An assessment criteria framework allows institutional, educational and academic management to be conducted in a more conscientious and sustainable way.
- Teaching institutions must have a broad and coherent set of criteria for assessing both institutional education and the teaching-learning process; external assessments are important, but they do not satisfy all criteria.



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EDUCATION AND HUMAN CAPITAL

The MBA: a model in transformation

RESEARCH IN FOCUS:

MBA: five discourses in search of a new narrative

Thomaz Wood Jr.

Julia Fernandes Personini Cruz

MBA coursework tends to include experiments that combine theory and practice, an understanding of diverse cultural contexts and the development of a critical view of management activities

OBJECTIVE TO SHOW THAT THE MBA IS A CONTROVERSIAL MODEL WHOSE CHARACTERISTICS ARE CHANGING.

SNAPSHOT

- Bibliographic search of scientific periodicals relating to MBA programs
- Content analysis of advertisements and articles about MBAs published by business media sources
- Interviews with 21 current and former students from three programs
- Systematization of the following five discourses about MBAs produced by different agents: the instrumental criticism discourse, the instrumental defense discourse, the critical discourse of emancipation, the redemption discourse from the business media, and the discourse of the students

RESULTS

- The instrumental criticism discourse, which is produced by renowned researchers, stresses the distance between what is taught and the needs of organizations. This discourse casts doubt on the capacity of MBA programs to generate value for students and companies.
- The instrumental defense discourse is based on extensive quantitative research conducted by the media and used by associations; this research reveals the positive impacts of MBA programs on both the careers of students and company performance.
- The critical discourse of emancipation, which is produced by peripheral currents of researchers who have a critical perspective, laments the commodification of these programs, the conformist view they transmit to students, and the insufficient emphasis placed on social dimensions.
- The redemption discourse of the business media portrays these programs as magical solutions that are capable of profoundly affecting both the employability of students and their salaries.
- The discourse of the students values the interaction and exchange of experiences, the development of critical and analytical capabilities and the acquisition of a credential. This discourse emphasizes the impact of programs on a student's capacity to "play the business game".

WHAT'S NEW

- The MBA can be considered an open arena in which different agents use different discursive strategies based on their interests.
- There is little interaction or direct confrontation among the discourses; therefore, there is no dialogue.
- There are elements for renewing the traditional MBA narrative of the individual who acquires both hard and soft skills through the course, constructs a good network of relationships, examines case studies and, at the same time, receives a general education with the objective of achieving a senior leadership position in the future. The new narrative focuses on a socially conscientious and responsible individual who is endowed with ambitions for personal and professional change and who aspires to a senior leadership position or to become an entrepreneur. During the program, this individual undergoes experiences that bring together theory and practice, that comprise various cultural contexts and that include the development of a critical vision of both organizations and the activities of managers.



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EDUCATION AND HUMAN CAPITAL

When technology empowers women

RESEARCH IN FOCUS:

Bridging innovation and gender relations theories: a case of paradigmatic pluralism in IS research

Marlei Pozzebon,
Dale Mackrell and
Susan Nielsen

In the traditional cotton fields of Australia, new software has made it possible for women to occupy strategic positions in managing the business

OBJECTIVE TO INVESTIGATE THE ROLE OF WOMEN IN THE INTRODUCTION OF NEW TECHNOLOGY THROUGH THE INTEGRATION OF VARIOUS THEORIES.

SNAPSHOT

- A case study was made of the introduction of the CottonLOGIC software to cotton farms in Australia. CottonLOGIC was launched in 1998, allows operations records to be kept and helps with decision making and regulatory compliance with regard to the use of pesticides.
- Interviews were conducted with 32 people over a period of three years – 14 women and 3 men who are cotton producers and 9 women and 6 men who are sector specialists.
- The analysis was based on three theories. Structuring theory functions as a bridge between the other two approaches: the theory of gender relations and the theory of innovation spread.

RESULTS

- The CottonLOGIC software includes modules for keeping operations records adjusted to the needs of producers to document their use of chemical products and to comply with legal requirements. However, the program has served other purposes, such as allowing women to reflect on the dangers of chemical substances to their families and to their community.
- It became obvious that couples on family farms value teamwork. One of the women interviewed explained that her role in the “team” was to be in charge of accounting. Another said that women know exactly how to prepare the budgets, while men have no idea. Today, administrative work is considered conventional for most women, but the management of farm and family accounts is a more recent development.
- The users can modify CottonLOGIC to meet their objectives in a way that was not foreseen by the software developers, and its use has empowered women in the management of agricultural production. It was the women, in particular, who started recording their activities using the software, which helped in both strategic management and the innovation process.

WHAT'S NEW

- It is possible to understand how the women's use of this technology changed their day-to-day work, allowing new social structures to appear along with possibilities for long-term changes in the cotton sector.
- Despite gender inequality in this sector, these female farmers are not passive agents in their family businesses and are gaining confidence as a result of their involvement in networks and their acquisition of technological skills, a phenomenon that was only possible to examine from a pluralist viewpoint.
- These women not only learned to use the technology but were also able to modify its use to meet their personal objectives.



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EDUCATION AND HUMAN CAPITAL

The anatomy of the most popular online courses

RESEARCH IN FOCUS:

Videos in MOOCs – format and structure

Libânia Rangel de Alvarenga Paes

To capture the attention of students, the videos used by the major Internet-based educational platforms are very short, but there are still few interactive activities

OBJECTIVE TO SURVEY THE FORMATS AND STYLES OF LESSON VIDEOS ON EDUCATION PLATFORMS.

SNAPSHOT

- Selection of five Massive Online Open Courses (MOOCs, educational sites that allow courses to be broadcast worldwide): Coursera, EdX, Udacity, Khan Academy and Veduca
- Assessment of 13 courses covering the following subjects: core administration areas (finance, marketing, and people and operations management), soft skills (communication, negotiation and leadership) and hard skills (statistics, data analysis and logic)
- Classification of 820 videos based on their structure (length, for example), style, technical quality and level of interaction

RESULTS

- More than one-half of the videos are shorter than five minutes. This duration follows the recommendations of specialists, who suggest that educational videos should not be more than ten minutes long, with podcasts lasting only six minutes.
- Approximately 55% of the videos contain a recording of a PowerPoint presentation.
- Only 10% of the videos are of talks/lessons.
- The instructor appears at least once in 69% of the videos. In most cases, the instructor appeared merely to introduce the lesson and to say goodbye at the end.
- Videos in which the teacher is present (active) are longer, lasting twice as long as the others.
- Soft skills (negotiation, for example) are covered in longer videos and have a more concentrated lecture element. Hard skill disciplines prefer slideshows, with the instructor interacting.
- The level of interaction during the videos – such as quizzes or other activities– is low in MOOCs. Just Coursera and Udacity use this resource in 37% and 41% of the videos, respectively.

WHAT'S NEW

- The video formats depend largely on the platform and the subject area.
- There are few cases of innovation compared with the classroom setting. Most videos use a PowerPoint presentation and instructor narration. Few videos offer different types of interactions, such as quizzes or other activities.



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ENTREPRENEURSHIP

Companies that grow out of other companies: motivations, influences and barriers

RESEARCH IN FOCUS:

Technology spin-offs –
a multicase study

Jonas Mendes Constante,
Nathália Fiala and
Tales Andreassi

Small and medium-sized technology-based Brazilian companies use spin-off strategies to diversify and complete their value chains

OBJECTIVE TO UNDERSTAND HOW SMALL AND MEDIUM-SIZED COMPANIES INNOVATE THROUGH TECHNOLOGY SPIN-OFFS (THE CREATION OF NEW COMPANIES FROM EXISTING ORGANIZATIONS) BY IDENTIFYING THIS STRATEGY'S MOTIVATIONS, INFLUENCES AND BARRIERS.

SNAPSHOT

- A qualitative study of four technology spin-offs in the State of Santa Catarina with the following characteristics: a) the daughter company founded with the participation of the mother company; b) the daughter company aiming to sell the technology developed or owned by the mother company; and c) the daughter company is supported by the mother company
- Data collected from field observations, historical data and semi-structured interviews

RESULTS

- Public policies that encourage spin-offs favor the emergence of stronger companies with greater chances of survival than do those created by individual entrepreneurs without the support of established organizations.
- Investments in R&D and an organizational culture open to entrepreneurship contribute to the generation of spin-offs in small and medium-sized technology-based companies.
- The following were the main motives for generating corporate spin-offs among small and medium-sized technology-based companies: a) the mother company's diversification strategy; b) the guarantee of a greater focus on a specific technology than would be possible within the mother company; and c) the completion of the mother company's value chain.

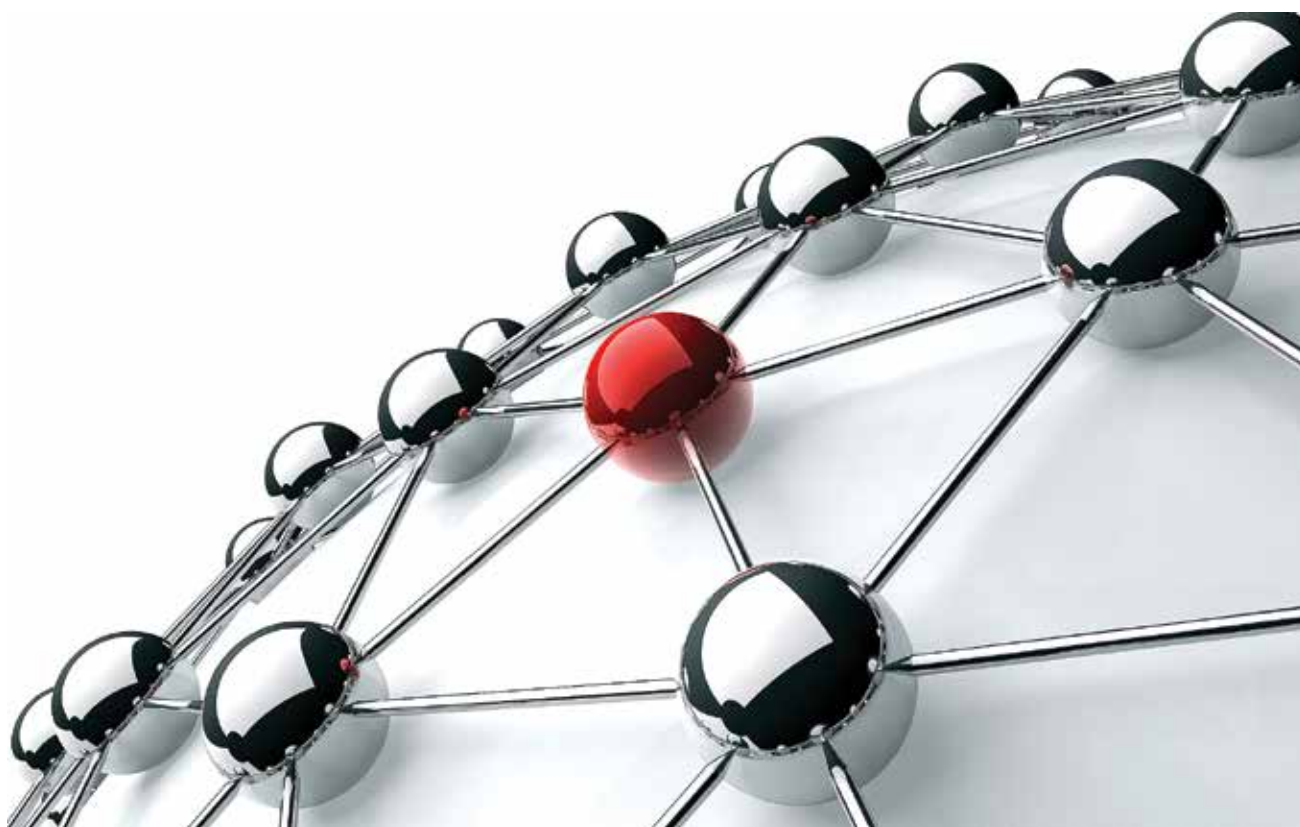
WHAT'S NEW

- Academics who study spin-offs note that one of the main motives for creating a company that is separate from the original organization is the development of disruptive technologies. This study identified other reasons that are more closely linked to diversification strategies or to specific technologies that complete the mother company's value chain and less linked to disruptive technologies.
- The study provides evidence of a role for government policies in ensuring the success of spin-offs.



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BUSINESS STRATEGY

The resilience of Brazilian business groups

RESEARCH IN FOCUS:

The ownership structures of business groups in Brazil

Wlamir Gonçalves Xavier,
Rodrigo Bandeira-de-Mello
and Rosilene Marcon

Brazil's large groups address institutional difficulties well, and when the government is a minority shareholder, they are able to achieve better results

OBJECTIVE TO EMPIRICALLY TEST THE EFFECT OF THE INSTITUTIONAL ENVIRONMENT ON BRAZILIAN BUSINESS GROUPS DURING THE 2001–2009 PERIOD AND TO ASSESS THE RESILIENCE OF SUCH GROUPS.

SNAPSHOT

- Data collected between 2001 and 2009 from 317 Brazilian business groups with average revenues over R\$ 1 billion.
- Measurement of the institutional environment for four groups of variables, with the objective of detecting reforms enacted during the study period: (1) capital markets (exchange rate stability, national credit ratings, interest rate spreads); (2) product and service markets (the IMF index capturing economic liberalization, governance and market protectionism); (3) labor market; (4) legal and regulatory issues, both based on the IMD World Competitiveness Index. Political connection variables were also used, such as campaign donations and government shareholder status.

RESULTS

- Brazilian groups navigate the Brazilian institutional environment well, except with regard to two aspects: the quality of government expenditures and taxes.
- When the government is either a direct or an indirect shareholder of the company, the harmful effects of the environment are mitigated, and even the tax burden is partially offset.
- Political campaign donations have no discernible effect on the revenues of the companies surveyed.

WHAT'S NEW

- Brazilian business groups have advantages with regard to overcoming market faults. For example, they usually have a controlling interest in financial institutions and can, therefore, easily protect themselves from fluctuations in both exchange rates and interest rates.
- Being able to rely on the government as a minority shareholder has a significant influence on results. State-owned banks, for example, offer cheaper financing and longer credit periods. The government can also offer subsidies and provide relief for certain sectors.



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BUSINESS STRATEGY

The meat industry: forms of internationalization

RESEARCH IN FOCUS:

The Brazilian beef industry's internationalization strategies

Luís Henrique Pereira

There is no single recipe for internationalization. While BR Foods adopts a strategy of centralizing its business and building new plants abroad, JBS-Friboi prefers to acquire other companies and work with brands that are already known by consumers

OBJECTIVE TO ANALYZE HOW THE MAIN PLAYERS IN THE BRAZILIAN MEAT INDUSTRY ENTER NEW MARKETS.

SNAPSHOT

- Case studies of the two major companies of the Brazilian meat industry in Brazil, BR Foods (Sadia) and JBS- Friboi, are conducted using interviews and document research.

RESULTS

- These companies have relied on isolated actions to strengthen their brands, and they still do not employ a “Made in Brazil” development strategy for their meat products.
- BR Foods and JBS-Friboi have adopted different internationalization strategies. BR Foods initially formed partnerships with local companies in the markets it wished to enter to outsource operations that could be conducted more competitively outside the company; it then invested in new plants abroad. JBS-Friboi preferred to acquire other companies and maintain those brands.

WHAT'S NEW

- There is no single internationalization model because companies are constantly adopting different strategies.
- There is a notable and growing verticalization within the sector.



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BUSINESS STRATEGY

The elements of truly strategic communication

RESEARCH IN FOCUS:

Organizational communication practices as strategic action

Marlene Marchiori
and Sergio Bulgacov

The case of the Itaipu Technological Park illustrates well-structured but flexible communication strategy that is aligned with organizational objectives and shared by all managers

OBJECTIVE TO ANALYZE THE IMPLEMENTATION OF A COMMUNICATION STRATEGY AT THE ITAIPU TECHNOLOGICAL PARK (ITP).

SNAPSHOT

- A case study of the ITP, which was established in 2003 by Itaipu Binacional [a hydroelectric power plant] to link economic, scientific and technological development actions
- A document search, in loco observation and 50 in-depth interviews conducted between 2008 and 2010, with a subsequent qualitative analysis of the data

RESULTS

- The goal of ITP's communication strategy was to strengthen its programs in science and technology, entrepreneurship, research and development, and education as well as in the Itaipu tourism complex.
- The organizational culture favored an exchange of ideas within the team addressing communications and knowledge of the technological park as a whole.
- Similar to the professionals from the communication department, all of the managers shared an understanding of communication as important beyond simply organizing events. They also understood that this expectation demanded that different projects and programs be developed.
- The structure of communications was not fixed or limited to traditional areas, such as journalism, PR and advertising. It changed according to priorities, which gave the communication team flexibility in terms of creativity and attitude.
- The communications area established its mission, vision and objectives and devised the following programs in accordance with the Park's strategic guidelines: to inform and communicate with the public; to develop and manage internal and external relationships; and to develop relationships with stakeholders and to listen to them.
- These communication processes led to the following strategic results: production of a stakeholder relationship guide; improvements in the Park's image and identity; institutionalization of the Park at the regional, state and municipal levels; and strategic measurement indicators.

WHAT'S NEW

- The ITP case illustrates how truly strategic communication functions.
- It is important to note that while communication is diversified and players have autonomy, they simultaneously all share an understanding of the processes.
- This common strategic meaning, which allows for individual actions, is not static. It results from a dynamic process of preserving some aspects and modifying others according to the different points of reference that arise from the context.



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BUSINESS STRATEGY

Why Brazilian companies acquire in developed markets

RESEARCH IN FOCUS:

International competitiveness generated by local business models: Brazilian multinationals acquisitions in North America

Maria Tereza Leme Fleury
and Afonso Fleury

Brazilian multinationals' investments in the United States are backed by business models developed in order to compete within Brazil. Though such business models are just right for certain product/markets in the USA, they are unappealing for American firms.

OBJECTIVE TO DEPICT THE RATIONALE BEHIND BRAZILIAN MULTINATIONALS TAKEOVERS IN NORTH AMERICA.

SNAPSHOT

- An assessment of the reasons why Brazilian multinationals were initially unsuccessful and then successful in acquiring manufacturing companies in North America yields the initial insights
- Three detailed case studies of plants acquisitions in North America: JBS Friboi (Swift), Ambev-Interbrew (Anheuser-Busch) and Braskem (Sunoco and Dow plants) lead to the establishment of the conceptual reasoning.

RESULTS

- Most of the acquisitions involved businesses in firms shifting their strategic positions. In three cases, Braskem (Sunoco), Braskem (Dow) and Weg (GE), the transactions were carried out when the incumbent was repositioning itself to move up in the production chain.
- The cases show that operating in certain markets is no longer an attractive proposition for the incumbents. Agribusiness (Swift) is a mature industry with a profile that differs from the knowledge-based sectors. In the chemicals sector (Sunoco and Dow), there is a tendency to invest in technology-intensive products. Finally, consolidated consumer markets (Anheuser Busch) require restructuring of the production chain.
- The rationale behind those acquisitions is related to the business models that were developed in Brazil. In the case of agribusiness, Brazil has a natural advantage, and JBS-Friboi developed cutting-edge organizational models for the industry. Ambev developed a high performing and flexible model which is worldly renowned. Braskem has vast knowledge of the bulk type of production such as polypropylene what led the company to become the biggest American producer of this product.

WHAT'S NEW

- The processes by which multinationals from emerging countries acquire companies in developed countries are, in most cases, related to environmental conditions in the country of origin and to repositioning within global production networks by both parties to the transaction.
- Acquirers from emerging countries do not necessarily look for intangible assets, such as technology or brands, when they purchase a business in a developed country. However, they look for ways to save time and resources when entering certain markets.
- The institutional environments in emerging markets influence management styles and the development of differentiated organizational competences, which may help with strategic positioning in acquisitions.



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MARKETING STRATEGIES

The peculiarities of the marketing mix in emerging markets

RESEARCH IN FOCUS:

(Un)conventional channels: consumer brand marketing in emerging markets

Leandro Angotti Guissoni,
Rajkumar Venkatesan,
Paul Farris and
Marcos Fava Neves

Tried and true activities, such as promotion and advertising, do not greatly influence typical sales channels in Brazil, such as bakeries and grocery stores, while other actions, such as offering relationship programs and varying package sizes, make a difference

OBJECTIVE TO ASSESS THE INFLUENCE OF MARKETING ON SALES IN DIFFERENT CHANNELS, SUCH AS SUPERMARKETS AND TRADITIONAL RETAIL OUTLETS (I.E., BAKERIES AND GROCERY STORES) IN AN EMERGING MARKET ENVIRONMENT.

SNAPSHOT

- Utilization of two databases. The first contains monthly audit data for 360 types of soda, covering a period of four years, from supermarkets and traditional retail stores in 120 Brazilian cities. Variables such as sales, prices, product variety (package sizes), market coverage, participation of product exposure relative to the category in the stores audited, and existing discounts and promotions are covered. The second database is made available by one of the brands analyzed and includes expenditures by marketing activity.
- Statistical analysis of the data using a multivariate analysis technique for time series (i.e., vector autoregression – VAR – with residual decomposition)

RESULTS

- Despite being important in mature markets, some marketing activities (such as promotions and advertising) do not have the same effect on sales intensity in traditional channels in emerging markets.
- Variety, such as in package size, price, shelf exposure and advertising, has a larger long-term effect on sales in supermarket chains than on sales in traditional retail outlets. Large networks have more automated information systems for making decisions than do traditional retail outlets, which are mainly based on stock availability.
- Of all the elements of the marketing mix, both in traditional channels (because it is easy to stock smaller sizes) and in supermarkets (new options are a way of expanding space and visibility), package size offers the greatest returns over the long term.
- Sales losses due to price adjustments are smaller in bakeries and grocery stores. Relationship programs help support price increases within these channels.

WHAT'S NEW

- The marketing activities traditionally used in mature markets do not generate the same results in other channels. Companies must therefore adapt the elements of the marketing mix to suit each retail format.
- Despite the importance attributed to traditional channels (bakeries and grocery stores) in emerging markets, it is not easy for consumer product manufacturers to drive sales in this format vs. supermarkets. Package size is the factor that has the strongest effect.



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MARKETING STRATEGIES

How to measure the immeasurable

RESEARCH IN FOCUS:

Measurement in marketing: current scenario, recommendations and challenges

Felipe Zambaldi,
Francisco José da Costa and
Mateus Canniatti Ponchio

An assessment of measurement best practices in marketing, an area in which the great challenge is to attribute values to concepts that are not directly observable (such as satisfaction, loyalty, happiness and attitude toward a brand)

OBJECTIVE TO PROVIDE A COMPREHENSIVE SUMMARY OF THE MEASUREMENT PROCESS IN MARKETING BY PRESENTING CLASSIC MODELS AND THEIR VARIATIONS AS WELL AS ALTERNATIVES AND TRENDS.

SNAPSHOT

- Presentation of the classic models for measuring underlying constructs as well as the limitations and critiques of these models
- Reflection on the measurement process in cross-cultural studies
- Discussion of the trends in the measurement process in marketing

RESULTS

- Classic measurement models in marketing have unquestionable merit because they are the most appropriate for constructs that have multiple and reflective indicators. They also emphasize predominantly quantitative aspects in the validation process.
- There are alternatives and complements to the classic measurement model; these are applied above all to single and formative indicators. (In these indicators, an underlying factor explaining the variation in a set of indicators is not assumed but is thought of inversely. In other words, the variation in items implies variation in the construct that is formed.) Further, these alternative models are supported by qualitative validation procedures, which are commonly ignored in research in the area.
- Of all the trends in quantitative measurement, the most prominently used techniques are Bayesian estimation, item response theory (IRT) and partial least squares (PLS) models.

WHAT'S NEW

- The study suggests alternatives to the classic model for those types of measurement for which it is less appropriate, in particular, known group validity procedures, numbers of points on scales and aggregation strategies.
- Qualitative validation procedures, such as content and face validity, deserve greater attention and should be prominently used in marketing measurement.
- Because of its properties, item response theory (IRT) tends to produce more stable results in the validation of measures developed in cross-cultural contexts than classic procedures, such as factor analysis and structural equation modeling.
- It is recommended that marketing researchers dedicate time to ensure that their measurement models are perceived as strong. Only subsequently does it make sense to develop advanced models for testing hypotheses between constructs.



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MARKETING STRATEGIES

Exciting and useful content generates more buzz on the Internet

RESEARCH IN FOCUS:

The influence of emotional excitement and content usefulness on information sharing among online consumers

Wilian Feitosa and
Delane Botelho

Positive images and text receive more 'likes' but are shared less often, while negative content generates more comments and may go viral

OBJECTIVE TO ANALYZE HOW USEFUL AND EMOTIONALLY EXCITING CONTENT INFLUENCES THE LEVEL OF SHARING AND COMMENTING AMONG ONLINE CONSUMERS.

SNAPSHOT

- Three studies were conducted to analyze the reactions of Facebook users to different stimuli. The first used two images from a personal profile: a photo of an intense and angry expression and another of a smiling and relaxed expression. The second compared two sports blogs, one maintained by Milton Neves (who forecasts the results of games and provides analyses that are, at times, funny) and one from Juca Kfourri (who mixes the same content with political analyses). The third used two sponsored links created for the study, one that was not very exciting (advertising for a lingerie store, without any promotion) and another that was very exciting (an announcement regarding a dog that had disappeared from its home).
- Content analysis was used to analyze the nature of the text and images. The incidence of sharing, comments and 'likes' were examined.

RESULTS

- In Study 1, the image that conveyed positive emotions had more 'likes' and the one that conveyed negative emotions received more comments (reactions of concern, irony or good humor).
- In Study 2, the posts by Milton Neves received more comments but were shared less often, while those by Juca Kfourri were shared more but received fewer comments. Posts classified as useful were twice as likely to be shared, while posts that were considered provocative were commented upon five times more often (in an emotional and aggressive way).
- In Study 3, the link about the lost dog generated nine times more response than that for the lingerie store, measured as comments and shares, and the page generated ten times more fans within a ten-day period.
- The content that had the greatest effect was considered more useful (as in Study 2) or could improve the image of the person who wrote it (showing concern for a friend, as in Study 1, or showing compassion, as in Study 3).

WHAT'S NEW

- Content that has a great emotional impact, is more exciting, or is considered more useful results in more sharing.
- Content with negative emotions generates more comments, indicating that bad news about a company or brand may be more likely to go viral than good news. This means that companies should pay more attention to monitoring complaints.
- Content that generates positive emotions tends to lead to extroversion (people want to share in the good moments of others) but leads to less sharing.



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MARKETING STRATEGIES

Do young people know how to use credit cards responsibly?

RESEARCH IN FOCUS:

Credit card usage and the compulsive buying habits of young Brazilians

Tânia Modesto Veludo de Oliveira,
Marcelo Augusto Falciano and
Renato Villas Boas Perito

It is not only the most anxious people who use credit cards irresponsibly; the need for prestige and a lack of concern for the long term drive all young people to buy compulsively

OBJECTIVE TO ASSESS THE ROLE OF CREDIT CARDS AS A MEDIATING AND MODERATING VARIABLE OF THE RELATIONSHIP BETWEEN ATTITUDES TOWARD MONEY AND COMPULSIVE BUYING BEHAVIORS.

SNAPSHOT

- Preparation of a structured questionnaire that was then completed by 365 young people between 17 and 24 years old
- Discussions in two focus groups with participants aged 17 to 24 from social classes A and B
- Statistical analysis considering two models: a mediation model and a moderation model. If credit card use moderates purchasing behavior, then the probability of compulsive buying will only increase among those who use credit cards irresponsibly. However, if the credit card is a mediator, then the probability of compulsive buying increases among all young people.

RESULTS

- The mediation model showed that anxiety, the need to demonstrate power and seek prestige and the lack of long-term concern with regard to financial security are responsible for irresponsible credit card use among young people and, consequently, for compulsive buying behavior.
- The moderation model showed that irresponsible credit card use increases the compulsive buying behavior of young people who have high levels of anxiety.
- The focus groups supplied a series of dialogues that illustrated the use of credit cards in disproportionate buying (for example, "it's very easy to lose control when using a credit card", "there have been times when I went shopping to feel better", and "she needed a more expensive purse to be popular at school").

WHAT'S NEW

- This research was the first to compare the mediating and moderating effects of attitudes toward money and compulsive buying behavior. The data show that both young people in general and those with greater levels of anxiety tend to use credit cards irresponsibly.
- This research addresses the question of financial education and has implications for public policies, educational practices in financial planning and awareness campaigns for young people relating to excessive spending.



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MARKETING STRATEGIES

Do all types of cooperation between companies lead to results?

RESEARCH IN FOCUS:

Which types of cooperation with suppliers and customers lead to superior performance?

Luiz Brito,
Eliane Pereira Zamith Brito and
Luciana Harumi Hashiba

Not all forms of cooperative behavior lead to superior performance, and while partnerships with suppliers quickly increase profitability, joint actions with customers lead to greater growth but not to immediate profits

OBJECTIVE TO ASSESS WHICH FORMS OF COOPERATION WITH SUPPLIERS AND KEY CUSTOMERS ARE RELATED TO SUPERIOR FINANCIAL PERFORMANCE IN ORGANIZATIONS.

SNAPSHOT

- A survey was conducted with 124 packaging manufacturers that have operations in Brazil.
- Profit and growth performance measures were prepared, as were four examples of cooperative behavior: (1) information exchange, which can be both formal and informal as well as strategic and public; (2) restrictions on the use of power, in other words, the degree to which those involved avoid taking advantage of opportunities that might negatively affect the partner; (3) joint problem solving, which means accepting a shared responsibility for finding solutions to problems in order to preserve the partnership; and (4) flexibility, referring to the degree to which partners adjust their behaviors to the needs of others.
- A statistical analysis using techniques such as confirmatory factor analysis and multiple regression was conducted.

RESULTS

- Two cooperative behaviors, exchanging information and restricting the use of power, proved to have a positive effect on performance.
- Joint problem solving, which is another example of cooperative behavior, proved to have a negative effect on performance.
- Flexibility in the relationship, the fourth example of cooperative behavior evaluated, has no significant effect on performance.
- Cooperation with customers more strongly affects the growth of the organization, while cooperation with suppliers more strongly affects profitability.

WHAT'S NEW

- Multidimensional measures show that not all types of cooperative behavior have equal and positive effects on the performance of organizations. In some industries, for example, instead of looking for joint solutions to problems, it may be better to have clearly predefined arrangements and responsibilities.
- The analysis evaluates various links in the supply chain, not just the perspective of the manufacturer. The two measures of financial performance used, profitability and growth, have different effects on partnerships with customers and those with suppliers. While joint innovation with suppliers improves margins immediately, short-term gains should not to be expected with regard to consumers; however, growth leads to results over the long term.
- An example economic activity eliminates the variability attributed to the specificities of the economic sector.



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ORGANIZATIONAL STUDIES

The banality of deaths that occur at work

RESEARCH IN FOCUS:

Living and dying because of work: an analysis of corporate crimes

Rafael Alcadipani da Silveira and
Cintia Rodrigues de Oliveira Medeiros

Accidents, suicides and other fatal events in organizations result from routine actions taken by supervisors and colleagues in the “noblest sense” of fulfilling their duties

OBJECTIVE TO ANALYZE ORGANIZATIONAL CRIMES USING THE CONCEPT OF THE BANALITY OF EVIL BY JEWISH SOCIOLOGIST, HANNAH ARENDT, WHO WITNESSED THE TRIAL OF A NAZI, ADOLF EICHMANN, AND NOTED THAT HE WAS NOT A PSYCHOPATH BUT AN ORDINARY PERSON – A BUREAUCRAT COMPLYING WITH ORDERS WHO WANTED TO ADVANCE HIS CAREER.

SNAPSHOT

- Corporate crimes, such as work-related deaths (of which there are over two million cases per year worldwide, according to the WTO), are controversial: who is responsible for deaths that occur when complying with orders coming from a system?
- Newspaper reports of two cases are analyzed: the first considers a cleaner employed by a multinational, Dalkia, who was found dead in a cardboard compacting machine in the loading bay of the West Plaza Shopping Mall in São Paulo; the second, the suicides of professionals working for Renault in France.

RESULTS

- In the first case, news reports indicate that the cleaner was a victim of the irregular alteration of the compactor by employees because it worked faster when it was used without a safety door. In the second case, the reports show that employees at Renault were under extreme pressure to meet targets – one of the victims left a letter confessing that he felt incapable of doing his work: “it’s very hard to support the pace of the company”, he wrote.
- In both cases, it is possible to draw a parallel with Arendt’s concept of the banality of evil because the deaths were considered ordinary, the results of decisions made to achieve normative objectives, of operational procedures and of organizational cultural standards and norms. Professionals, without apparent perversity but with a high drive to perform their duties, caused these crimes. Such conduct was encouraged by the structure of rules and plans, which made them incapable of criticizing or foreseeing the consequences of their actions; this translates into the banality of evil.

WHAT’S NEW

- Do actions that achieve corporate objectives but lead to worker deaths make corporate crime banal? This article shows that they do because living and dying because of work sounds ordinary.
- This study underlines the existence of the dark side of organizations – one that goes hand-in-hand with the bright side – which can lead to recognition by managers of the need to transform practices to prevent the banality of evil from challenging the thoughts and words of the workers.



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ORGANIZATIONAL STUDIES

Changes in the culture of consumption

RESEARCH IN FOCUS:

The status of consumption in understanding the logic and mutations of capitalism

Isleide Arruda Fontenelle

Consumers are increasingly dominating the capitalist value realization process as sites such as Google allow them, to a certain extent, to produce information that is capable of generating profits

OBJECTIVE TO UNDERSTAND THE CENTRAL ROLE OF CONSUMPTION IN CAPITALISM.

SNAPSHOT

- A review of the academic literature on the culture of consumption
- An analysis of the main forms assumed by contemporary capitalism and the place of consumption in these new formats based on Marxist dialectic thinking

RESULTS

- Consumption culture is associated with the Industrial Revolution, which generated a surplus of products to be sold, leading to transformations in the constitution of a way of life that is guided by consumption.
- The result of this over-production was accompanied by changes in consumption: with the end of rigid social structures, there was a psychological willingness to believe that it was possible “to be someone else” by buying certain products. The bourgeois culture was the first to appropriate objects as a way of externalizing feelings and locating oneself in the world.
- Over the last three decades of the 20th century, with financial logic becoming dominant in capitalism, consumption remained the central element because indebtedness is nothing more than anticipation of the desire to purchase and a reduction in the temporal gap between the turnover of goods and value realization. The financialization methods of the economy also try to cope with the contradictions of capitalism by counterbalancing increasing inequality with new opportunities for indebtedness, which end up functioning as a pledge.
- With the information revolution, another recent change was the incorporation of immaterial work, of knowledge as the main production force. Relationships between work and consumption have become intertwined. For example, when users of the Google search engine consume information, they produce value because they create a hierarchy of links that is used for commercial purposes.

WHAT'S NEW

- The article shows that the importance of consumption culture precedes the academic literature about its rise; the literature emphasizes the merely symbolic aspects of consumption without giving due importance to its place in the value production process.
- This article elucidates the main mutations that have occurred in consumption culture since the end of the 1970s and proposes that the two main forms assumed by capitalism— financial and immaterial – operate fundamentally on the basis of consumption.
- This article shows that consumption has gained another dimension that is still unexplored, in which the new form of worker-consumer production obeys the subjective logic of the consumer much more than that of the producer.



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ORGANIZATIONAL STUDIES

The moral harassment of teachers: an organizational problem

RESEARCH IN FOCUS:
Moral harassment in universities

Miriam Rodrigues and
Maria Ester de Freitas

It is common for teaching institutions to have cultures that accept or even encourage practices that neglect instructors, that do not develop their leaders well and that have few communication channels for preventing and addressing this phenomenon

OBJECTIVE TO IDENTIFY AND ANALYZE MORAL HARASSMENT PRACTICES IN THE ACADEMIC ENVIRONMENT AND THE ORGANIZATIONAL CONDITIONS THAT FAVOR ITS OCCURRENCE.

SNAPSHOT

- An investigation of the complaints lodged by teachers in six labor lawsuits whose details were made available by SINPRO-SP
- Seventeen in-depth interviews with instructors of an administration course in São Paulo
- Content analysis, supported by NVivo software

RESULTS

- Of the 22 different situations reported by the 17 people interviewed, 5 are not moral harassment, primarily because they were unique episodes. It is difficult to identify what moral harassment is and what it is not.
- Moral harassment involved those holding superior hierarchical positions, such as directors, deans, supervisors and course coordinators; those in hierarchically similar positions, such as colleagues; and those in lower positions, such as students and former students.
- The most-cited manifestations of harassment are noteworthy because of their subtleness, such as isolation, irony, refusal to communicate, boycotting ideas, blackmail and veiled threats.
- The organizational conditions perceived by the teachers appear to be related to the frequency and variety of professional interactions, to a culture that accepts, supports or even encourages practices of neglect and harassment with regard to teachers and to the weakness or non-existence of rules and processes for preventing and addressing this phenomenon.
- Students are increasingly considered customers by teaching institutions, and this is having perverse effects on the relationships among all those involved.
- Prolonged exposure to moral harassment affects the physical and psychological health of the teacher and may lead them to leave the profession.

WHAT'S NEW

- This study shows that harassment is not merely a personal relationship between the harasser and the person being harassed but is an organizational problem that can be prevented and overcome with the use of communication channels, transparent rules, leadership development, and people management and by valuing the role of the teacher.
- This study draws attention to the loss of talent and the reduced desire to continue teaching in institutions that do not combat recurrent harassment.



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ORGANIZATIONAL STUDIES

The challenges faced by Brazilian companies in finding and retaining talent

RESEARCH IN FOCUS:

The future of work – impacts and challenges for organizations in Brazil

Maria José Tonelli,
João Lins,
Jorge Cavalcanti Boucinhas Filho,
Andrea Oltramari and
Ana Carolina Aguiar

In addition to labor difficulties, organizations still need to address the need to adjust their people management, which is today very much directed at compensation policies

OBJECTIVE TO UNDERSTAND HOW CURRENT CHANGES IN THE CHARACTERISTICS OF WORK AFFECT ORGANIZATIONS IN BRAZIL AND WHICH STRATEGIES ARE USED BY COMPANIES TO REMAIN COMPETITIVE.

SNAPSHOT

- A study conducted in partnership with PwC
- A database prepared covering 113 companies – 54% of the sample comprised large companies with revenues in excess of US\$ 500 million; 18%, medium-sized companies with revenues between US\$ 90 and 500 million; and 28%, small companies with revenues up to US\$ 90 million

RESULTS

- Four megatrends are having a significant impact on the companies consulted: difficulty finding qualified professionals; new career expectations (coming from people who are better informed, who are more closely connected and who have better incomes); technological advances; and demographic changes (an increase in the presence of women and greater socialization between different generations).
- While companies recognize the need to change their people management strategies, in practice, they are still emphasizing traditional issues, such as compensation and development policies.
- Although compensation remains a relevant factor, professionals are also looking for meritocracy, flexible working hours and personal realization.
- Companies point to two barriers to adopting more flexible models: legal deterrents and difficulties with regard to changing the management and culture of organizations.

WHAT'S NEW

- This study indicates that even though changes in labor legislation are an important factor in increasing companies' competitiveness, the challenges include difficulty modifying the management and culture of organizations.



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FINANCE & ACCOUNTING

How Chinese businesses arrange financing in Brazil

RESEARCH IN FOCUS:

The big family: informal financing among small and medium-sized businesses through guanxi

Hsia Hua Sheng and
Wesley Mendes-Da-Silva

Most of the entrepreneurs who move from China to São Paulo avoid banks, preferring to borrow from family members or to form agreements with suppliers to extend payment periods

OBJECTIVE TO EXPLORE THE EXISTENCE OF ASSOCIATIONS AMONG VARIOUS LEVELS OF GUANXI (RELATIONSHIP NETWORKS) AND THE CAPACITY OF SMALL AND MEDIUM-SIZED COMPANIES TO ACCESS INFORMAL FINANCING.

SNAPSHOT

- In 2011, a questionnaire was distributed to 110 Chinese entrepreneurs who were immigrants to the city of São Paulo; 26 replied.
- The questionnaires were consulted during personal interviews. Most of the respondents were males who speak both Chinese and basic Portuguese, have secondary school educations and own commercial operations (trade stalls).
- Results were statistically analyzed (descriptive statistics, frequencies and means, and nonparametric testing, such as the Mann-Whitney U test).

RESULTS

- Chinese entrepreneurs living in São Paulo use bank loans less frequently than informal financing mechanisms. Only young interviewees with higher education qualifications say they use bank credit as their working capital. The others were not familiar with banking procedures.
- Loans from family members and commercial credit (informal agreements between entrepreneurs and suppliers to extend payment periods) were the most relevant forms of financing for Chinese entrepreneurs based in São Paulo. While those with strong family ties use loans from family members, commercial credit is preferred by entrepreneurs with a low level of guanxi (no family ties and little participation in religious or non-religious associations).
- The relevance of informal financing extends beyond the initial phases of the business; only loans from friends decrease as a company grows.
- Despite not borrowing from banks, several entrepreneurs invest any excess cash in fixed income funds.

WHAT'S NEW

- This study shows how it is possible to adapt Eastern/Chinese cultural and social characteristics to suit an emerging Western/Brazilian market, thus enabling the business survival of Chinese people who have no knowledge of or access to the formal financing mechanisms of another country.
- This study reveals that forms of financing vary by the different levels of guanxi and that informal mechanisms continue even after the company is consolidated.
- Contrary to some assumptions, Chinese entrepreneurs do work to a certain degree with banks in Brazil.



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FINANCE & ACCOUNTING

Credit technology and housing public policy: the case of “Minha Casa Minha Vida” in Brazil

RESEARCH IN FOCUS:

Microcredit for housing and the ‘My House My Life’ program

Lauro Emílio Gonzalez

Microcredit practices, such as the use of credit agents, the adoption of group loan mechanisms and a focus on women, could lead to savings of Br\$ 15 billion

OBJECTIVE TO IDENTIFY POTENTIAL FOR INNOVATION IN THE 'MY HOUSE MY LIFE' PROGRAM BASED ON THE INCLUSION OF PRACTICES THAT ARE TYPICAL OF MICROCREDIT EXPERIENCES.

SNAPSHOT

- A survey of the default data and monitoring of the 'My House My Life' program; this program creates mechanisms for boosting the production of new housing units and encourages families with incomes up to ten times the minimum salary to acquire them
- Interviews conducted with directors of the Caixa Econômica Federal [a state-owned savings and loan organization], the program's largest operational agent and financier
- Case study of the 'Entities' modality of the program (the modality closest to microcredit experiences), in which the entities chosen by the Ministry of Cities act as intermediaries for the beneficiary families
- Current challenges facing the program categorized by axis

RESULTS

- There are many challenges in monitoring the beneficiaries; these challenges are similar to experiences with microcredit. There are few mechanisms capable of adequately selecting beneficiaries and placing them into an appropriate payment band. The program is primarily treated as a subsidy and donation rather than as a type of credit or financing, which is why the recent default data are highly unfavorable, with rates in excess of 20% of the portfolio. After handing over the property, there are few instruments for monitoring the payment conditions of the beneficiaries. In other words, there is no convenient credit technology that can reasonably collect data relating to the dynamics of the financial life of the beneficiaries.
- It would be interesting if this program incorporated aspects of microcredit. For example, the use of credit agents would be a credit risk-mitigating factor, which would reduce information asymmetry because of greater contact with the beneficiaries both before and during the period of the credit contract. Group loan mechanisms could be adopted to help solve the problems of uncertainty, with potential beneficial effects for combatting default. Finally, a focus on women, in terms of credit administration, tends to have positive effects on the family.

WHAT'S NEW

- This study shows that the principles formally provided for in the 'My House My Life' program (such as joint surety, focusing on women and empowering civil society) have not been put into practice. It also shows how it is possible to improve the program based on microcredit practices.
- Incorporating the innovations of microcredit could save an estimated R \$ 15 billion.



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FINANCE & ACCOUNTING

Foreign companies improve transparency to operate on the New York Stock Exchange

RESEARCH IN FOCUS:

Disclosure under IFRS and accounting traditions in a high-enforcement market: a study of ADR issuers on the NYSE

Edilene Santana Santos

The double trading of shares in a demanding market, such as the US market, helps companies from countries with different legal-institutional systems, such as Brazil, England and continental Europe, harmonize their degree of transparency

OBJECTIVE TO ASSESS WHETHER THE INSTITUTIONAL ENFORCEMENT OF THE AMERICAN CAPITAL MARKET ON COMPANIES LISTED ON THE NYSE IS STRONG ENOUGH TO ELIMINATE DIFFERENCES IN THE LEVEL OF TRANSPARENCY ASSOCIATED WITH THE LEGAL AND INSTITUTIONAL TRADITIONS OF THEIR COUNTRIES OF ORIGIN.

SNAPSHOT

- A survey of the database involving the financial statements of 75 foreign companies (Brazilian, English and continental European) with double negotiation on the NYSE (New York Stock Exchange)
- A comparison of the degree of transparency between companies from two different legal and institutional systems: common law, which is used in England, and codified (Roman) law, which is used in Brazil and continental Europe

RESULTS

- No significant differences were observed in the degree of transparency of Brazilian, English and European companies with double trading on the NYSE.

WHAT'S NEW

- Based on several international studies, these results contradict what was expected: companies located in legal systems that follow Roman law, as in Brazil and continental Europe, tend to be less transparent than those based in common law systems, such as England.
- The double trading of shares in an environment with a high degree of institutional enforcement, such as the NYSE, appears to be an efficient strategy for eliminating deficiencies in the degree of transparency exhibited by companies, which are associated with the legal and institutional deficiencies of their countries of origin.



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FINANCE & ACCOUNTING

There is no ignoring the signs of stock buyback announcements

RESEARCH IN FOCUS:

Stock buybacks in the Brazilian open market and long-term abnormal returns

Francisco Henrique Figueiredo de Castro Junior and
Claudia Emiko Yoshinaga

Those who invest in companies that announce stock buybacks tend to realize above-average returns

OBJECTIVE TO EXAMINE THE LONG-TERM PERFORMANCE OF COMPANIES LISTED ON THE BM&F-BOVESPA THAT ANNOUNCE STOCK BUYBACKS TO DETERMINE WHETHER ABNORMAL RETURNS OCCUR.

SNAPSHOT

- Investment portfolios of the shares of companies that announced buybacks of their own shares in the 2002 to 2013 period were compiled.
- A buy-and-hold investment strategy for shares for a period of up to three years was prepared.
- The companies were split into two samples: growth (with a market value higher than the book value, generally in expanding sectors) and value (with a market value lower than the book value, generally in mature sectors). Value-type companies, in particular, can conduct buyback programs to take advantage of any under-valuation of their assets.

RESULTS

- For a three-year investment time horizon, the average abnormal return was in excess of 9% a year, which indicates that the Brazilian market is not very efficient. If it were efficient, even firms with privileged information about companies (such as its administrators) would not be able to obtain abnormal returns.
- For value-type companies, the average abnormal return was in excess of 17% a year. Companies of the value-type tend to have buyback programs to take advantage of any undervaluation of their assets.

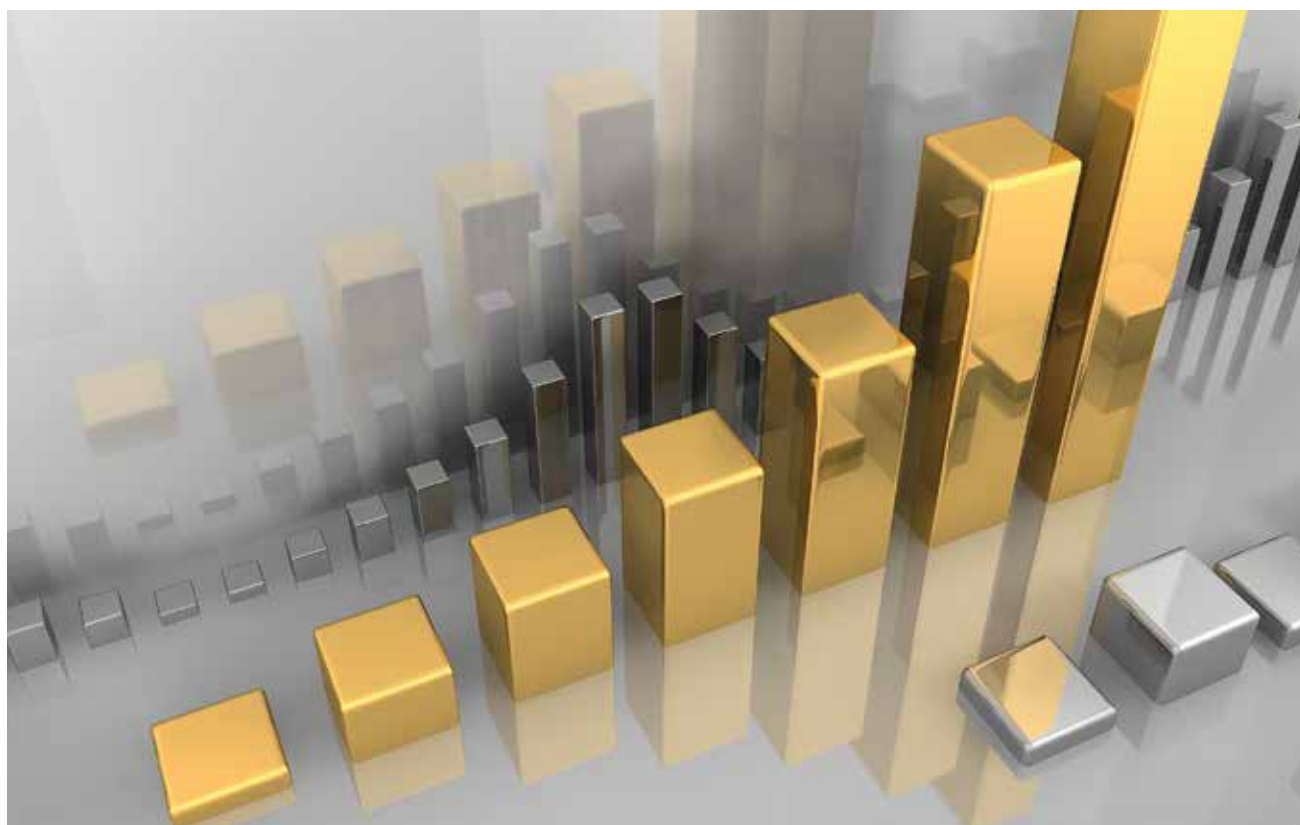
WHAT'S NEW

- This is the first study to examine long-term abnormal returns associated with an investment strategy based on share buybacks using Brazilian market data.
- The results provide evidence that announcements of share buybacks in the open market offer a reliable sign that the price on the stock exchange is undervalued.



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FINANCE & ACCOUNTING

What happens before companies go private?

RESEARCH IN FOCUS:
Taking Brazilian companies private

Richard Saito and
Marco Tulio Padilha

Before leaving the stock exchange, companies have less leverage, a greater concentration of shares in the hands of the controlling shareholders, a decrease in profitability and a lower level of dividend payments

OBJECTIVE TO IDENTIFY THE FINANCIAL INDICATORS OF COMPANIES THAT GO PRIVATE.

SNAPSHOT

- A survey of the financial indicators of 119 companies that went private voluntarily between 1999 and 2013
- A survey of another 119 companies, which remained listed on the stock exchange until the end of this period, as a control sample

RESULTS

- In the year before going private, a significant proportion of company shares were already concentrated in the hands of controlling shareholders. Such companies were already showing signs of having less leverage. In other words, their access to third-party capital is more limited, either because they do not need it or because of restrictions with regard to obtaining financing.
- In the year they go private, in addition to the aspects observed in the previous year, companies have low levels of profitability and pay less in dividends.
- As for the costs for remaining listed, we observed that the companies that go private have, on average, costs that are similar to the average of the group of companies in the control sample. Costs may be relevant for companies at the time they make the decision to leave the stock exchange when analyzed from a cash management viewpoint, for example, or when combined with the need of the companies to remain public and maintain the ability to raise funds on the capital market, but they are not relevant as isolated decision factors.

WHAT'S NEW

- The article identifies the changes in the indicators of companies before they go private.
- The decline in profitability before going private occurs because of the reduction in investment, cash retention and results manipulation. In the Brazilian capital market, companies go private largely when local companies are purchased by multinationals or when a controlling shareholder acquires total control to reorganize the company. This context and the fact that delisted companies have controller shareholdings that are greater than those of listed companies allows the results to be manipulated, cash from investments to be retained, and a dividend to be distributed that is for the convenience of the controlling shareholder who will acquire the remaining shares and subsequently take the company private, preserving more resources over which they have sole control.
- The analysis found that the average cash position relative to the assets of delisted companies is inferior to that of listed companies, which indicates that financially reorganized companies of great value are unlikely to prevail but that the free cash flow problem in the last year of listing is directed more toward financial restructuring after going private.



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FINANCE & ACCOUNTING

Why alternative banks perform better than commercial banks

RESEARCH IN FOCUS:

Alternative banking and financial crises

Kurt Mettenheim and
Olivier Butzbach

Cooperative, savings and development financial institutions are more stable, long lasting and trustworthy; are closer to their customers; and are better able to mitigate economic crises

OBJECTIVE TO STUDY THE COMPETITIVE ADVANTAGES OF ALTERNATIVE BANKS (COOPERATIVES, SAVINGS AND DEVELOPMENT) RELATIVE TO TRADITIONAL BANKS, WHICH OUTLASTED THE LIBERALIZATION OF THE BANKING SECTOR IN THE 1980S AND THE GLOBAL FINANCIAL CRISIS OF 2007–2008.

SNAPSHOT

- An analysis of alternative banks in advanced and developing countries
- A historical perspective for reconstructing the social missions of alternative banks
- The use of quantitative and qualitative methods for comparing the performance of private and alternative banks

RESULTS

- Banks have various objectives and serve a much larger group of stakeholders than just their shareholders.
- The central characteristics of modern banks, such as loans that are calculated by the type of relationship that exists with customers, presupposes the existence of economic, social and political networks that alternative banks are able to better develop. Because they are smaller, have local roots or a network of branches, these banks are closer to their customers and acquire better information over time. Their customers also trust them more because the returns are distributed not only to shareholders but also to social and cultural projects and to their customers through less expensive loans or higher interest rates on deposits.
- The stability and length of operations are central to the increased trustworthiness of alternative banks and can therefore mitigate the effects of crises.

WHAT'S NEW

- This study offers a new perspective on banks as institutions that have extensive governance and social missions – not just as companies that try to maximize profits.
- This study explains what is considered to be an anomaly in analyses of traditional banks: why alternative banks have a competitive advantage compared to commercial banks.



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FINANCE & ACCOUNTING

When is it an advantage to be transparent?

RESEARCH IN FOCUS:

The influence of e-disclosure on the ex ante cost of capital of listed companies in Brazil

Wesley Mendes-Da-Silva,
Daniel Reed Bergmann and
Luciana Massaro Onusic

By improving their information disclosure, companies with aggressive accounting policies are able to instill more trust in investors and to reduce their costs of capital

OBJECTIVE TO DETERMINE THE EXISTENCE OF ASSOCIATIONS BETWEEN VOLUNTARY DISCLOSURE VIA CORPORATE WEBSITES AND EX ANTE COSTS OF CAPITAL AMONG COMPANIES LISTED ON THE BM&F-BOVESPA.

SNAPSHOT

- A survey of 40 different items of information that are relevant to the market of each of the 314 non-financial companies listed on the BM&F-bovespa via corporate websites
- Classification of the companies in accordance with their accounting policy (aggressive or conservative) and their level of corporate governance
- Preparation of four measures of the cost of capital (a variable that cannot be directly observed and that reflects the company's expectations of returns)
- Construction of three disclosure indices based on the 40 items relevant to the market based on a survey of market analysts and risk rating agencies. The first index reflects the disclosure of financial information, the second expresses the level of evidence relating to company governance, and the third is an aggregate of the other two.
- Statistical analysis of the data

RESULTS

- No association was found between disclosure via websites and cost of capital. One interpretation for this result is that investors use sources in addition to the company site to obtain information.
- Companies that adopt superior corporate governance practices have lower costs of capital (≈ 3.3 percentage points lower) on average, and companies judged to be more aggressive have higher costs of capital (≈ 3 percentage points higher) on average.
- The results indicate that accounting policy (aggressiveness) may play a significant role in the relationship between cost of capital and disclosure.

WHAT'S NEW

- This research assesses how companies can reduce their cost of capital in emerging markets that tend to have lower disclosure levels and are less efficient than those in developed countries.
- In considering accounting policy, it was found that when the most aggressive companies are considered, greater corporate transparency tends to reduce the cost of capital more strongly.



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FINANCE & ACCOUNTING

Investing when there are no funds available

RESEARCH IN FOCUS:

Financial restrictions and the investment decisions of Brazilian firms

Guilherme Kirch,
Jairo Laser Procianoy and
Paulo Renato Soares Terra

The ability to easily liquidate assets may serve as a guarantee so that companies with credit restrictions can obtain loans for investment purposes

OBJECTIVE TO DETERMINE WHETHER THE LIQUIDATION VALUE OF ASSETS (THAT IS, THE VALUE OF THE ASSETS IN THE HANDS OF CREDITORS/INVESTORS) EXPANDS THE CREDIT CAPACITY OF A COMPANY, THUS STIMULATING CORPORATE INVESTMENT.

SNAPSHOT

- Data collected from all publicly quoted Brazilian companies with information available on the Economática database for the years between 1996 and 2009
- Elimination of very small firms, mergers and statistically problematic data to produce a sample of 342 companies
- Separation of the companies into two groups: large companies (probably without credit restrictions) and small companies (probably restricted)
- Statistical analysis

RESULTS

- On average, large firms invest more, generate larger cash flows, have more tangible assets, achieve greater long-term indebtedness in foreign currency and pay dividends more frequently.
- The largest, publicly owned Brazilian companies behave exactly as neo-classical models predict; in other words, their investments depend only on available investment opportunities and are not affected by the availability of credit.
- Small companies, however, suffer from credit restrictions, and their investments are dependent on internal cash generation. This effect is also amplified by the tangibility of the assets, in other words, by the larger guarantees offered to creditors by the possibility of liquidating these assets – which is known as the “credit multiplier effect”.
- The “credit multiplier effect” is smaller in Brazil than in studies of the United States because it is more difficult for creditors to take possession of guarantees previously agreed upon in the debt contract.

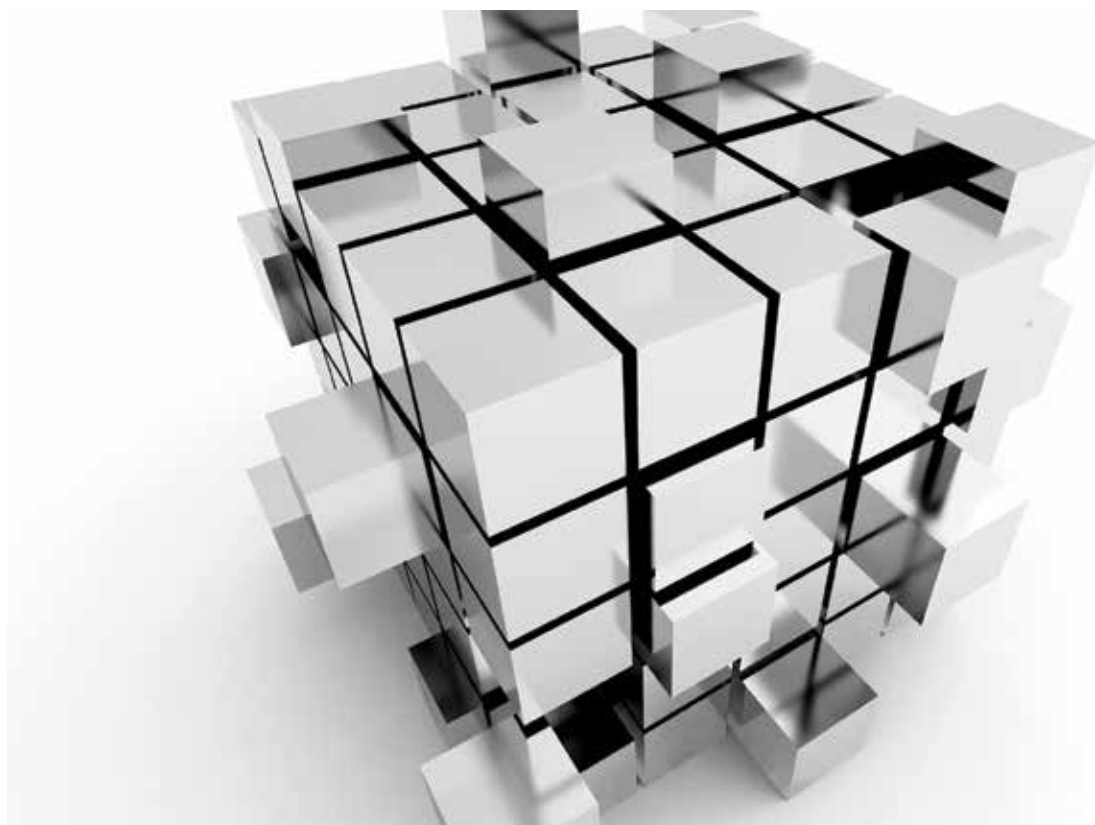
WHAT'S NEW

- This is the first study in Brazil showing that the ability of creditors to liquidate assets increases their provision of loans to companies that face greater credit restrictions, therefore allowing for new investments.
- The results suggest that even publicly quoted companies find it difficult to raise capital, indicating that policies that facilitate access to corporate credit may have a substantial effect on national income. The results also suggest that policies that increase the efficiency of bankruptcy processes (increasing the value of liquidated assets) may have positive effects on national income.



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INFORMATION MANAGEMENT

Does IT governance fulfill its purpose?

RESEARCH IN FOCUS:

IT governance: an investigation into the representation of the concept

Allexandre Nishioka Teodoro,
Erico Przebylovicz and
Maria Alexandra Cunha

It would seem that the answer is “No” because professionals see IT governance only as a way of controlling and improving processes, without considering the importance of aligning it with the organization’s strategies and objectives

OBJECTIVE TO DETERMINE THE DIFFERENCES THAT EXIST BETWEEN IT GOVERNANCE OBJECTIVES AND THE POLICIES THAT ARE ACTUALLY IMPLEMENTED IN ORGANIZATIONS.

SNAPSHOT

- Definition of IT governance as a system for distributing responsibility for IT decisions and managing technological resources by seeking to guarantee alignment of IT with organizational strategies and objectives. IT governance involves the following objectives: strategic alignment (ensuring that IT work priorities serve strategic needs); value (ensuring that IT delivers the intended benefits to the business while meeting established deadlines and cost targets); risk management (protecting physical, information and service assets); resources (using the best IT infrastructure and knowledge); performance measurement (monitoring implementation, processes and projects); accountability (defining responsibility for each decision).
- Selection of two case studies – major multinationals in the industrial sector (a manufacturer of consumer goods and another in the food sector) based in southern Brazil with IT governance that was formalized more than 5 years ago
- Data collection from more than 150 documents, 87 questionnaires and interviews with managers

RESULTS

- The professionals from the two companies consulted recognize IT governance, but discussions of the subject indicate that their understanding is that governance is only directed at helping the organization's internal processes and controls.
- Their understanding of IT governance is linked to company histories of facing challenges in adjusting to standards that focus on control and accountability.
- The professionals do not identify relationship mechanisms with the business areas.

WHAT'S NEW

- IT governance promises benefits that are difficult to achieve because of technology professionals' perceptions.
- IT employees see IT governance as controlling and improving processes, so they miss the possibility of aligning IT actions with the organization's strategy.
- There are indications that the image IT professionals have of IT governance is linked to the process by which it is implemented in organizations. Care is suggested in implementation, for example, clear communication of the objectives, of how IT governance will be included in the daily routines of individuals, of what steps and tools will be used for its implementation and of where each step will lead the organization.



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INFORMATION MANAGEMENT

Guaranteeing success when taking technology to the socially excluded

RESEARCH IN FOCUS:

Achieving ICT4D project success by altering the context, not the technology

Eduardo H, Diniz,
Diane E. Bailey and
Daniel Sholler

To reduce the gap between the perceptions of those who create the system and those who use it, users make possible adaptations not only to the technology itself but also to the social, financial, organizational and cultural rules of interaction with the new infrastructure

OBJECTIVE TO INVESTIGATE THE FACTORS OF SUCCESS IN LARGE IT PROJECTS (OF LARGE GEOGRAPHIC SCALE FOR MANY USERS) IN DEVELOPING COUNTRIES, PARTICULARLY IN ENVIRONMENTS WITHOUT AN ADEQUATE TECHNOLOGICAL INFRASTRUCTURE.

SNAPSHOT

- Research with banking correspondents in the urban areas of Greater São Paulo and rural areas in the Pajeú Valley, an inland area of the State of Pernambuco
- More than 50 interviews conducted between October 2011 and March 2012 with users, bank employees and system developers and managers in the banks

RESULTS

- Because system planners are used to addressing an enlightened population and are familiar with this financial services use profile, they developed a system for banking correspondents (retailers that handle small banking operations, such as account payments and receipt of government benefits) with parameters that are not aligned with the reality of areas that previously had no access to banking operations.
- As it is impossible to alter rigid technologies, banking correspondents help people use the system by breaking the rules of use. For example, the owners of retail establishments that serve as bank correspondents receive pieces of paper from the users that contain passwords, which should be kept secret, to help them complete the operations. They also “borrow” money from the business itself when there is not enough cash to process the transactions.
- These “adaptations” are unnoticed by the system controllers in the banks, who assess their performance positively and do not perceive the gap between the technology that has been developed and the profiles of the users.

WHAT'S NEW

- This research shows that in complex situations (large-scale developing countries, financial inclusion), users do not necessarily modify a technology as had been imagined but instead modify the context in which it is used. In the case studied, financial and social rules were modified so the system could function.
- Contrary to what had been thought, customers are not always the users of the systems. In this case, when the customers were unable to input their own passwords, intermediaries (banking correspondents) acted as “human ATMs” and completed the operations, which were adapted to fit the context rather than the end user.
- The findings of this research can contribute towards defining new parameters for large-scale financial inclusion projects by expanding the scope of the aspects that must be considered.



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INFORMATION MANAGEMENT

It is not enough to use technology: it must be the right technology

RESEARCH IN FOCUS:

The importance of the mutual adaptation of the system and the tasks in distance learning: an analysis of Brazilian students

Patrícia Brecht Innarelli
and Otavio Sanchez

In distance learning, it is crucial to adapt the technology to the task so that students actually adopt the virtual platforms available for interacting with the school

OBJECTIVE TO ANALYZE THE EFFECT OF ADAPTING TECHNOLOGIES TO FIT THE TASKS FOR WHICH THEY ARE DESIGNED USING THE CASE OF DISTANCE LEARNING (EAD) – EAD REQUIRES STUDENTS TO BROADLY ADOPT THE TECHNOLOGY TO ENSURE THE SUCCESS OF INITIATIVES, BUT THIS DOES NOT ALWAYS FULLY HAPPEN.

SNAPSHOT

- A survey of the main tasks conducted by students using a focus group approach
- Preparation of a questionnaire with the help of specialists in distance learning and IT
- A survey involving a sample of 104 students enrolled in an administration course who use the Moodle platform, the most important virtual learning system used by teaching institutions
- A statistical analysis based on a model that considers the following variables: use intention, characteristics of the task, perceived ease of use, perceived usefulness, adequacy of the technology for the task and characteristics of the technology

RESULTS

- 75% of the use intention of the Moodle platform can be explained by its usefulness and ease of use, as perceived by the respondents.
- The adequacy of the technology for the tasks to be performed in distance learning proved to be an important factor for predicting usefulness and ease of use as perceived by the users; therefore, this is crucial to the success of the system.

WHAT'S NEW

- It is usually thought that distance learning courses can be implemented easily by merely introducing material in an electronic learning environment. This is not true. The technology is not always suitable for the task for which it is proposed and may not lead to wide adoption by users.
- This study shows that students expect the technology to be functional in a specific way with regard to the task to be performed.
- The data suggest that to increase acceptance, the managers of distance learning courses should instruct students in the usefulness of the system and the ease with which it can be used.



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HEALTH MANAGEMENT

Why employees take so much time off work

RESEARCH IN FOCUS:

Worker lifestyles, absenteeism and spending on health services

Fabiana Maluf Rabacow,
Ana Maria Malik and
Olinda do Carmo Luiz

An analysis of absenteeism in an airline indicates that position, stress level and smoking are important targets to be considered in company health programs

OBJECTIVE TO ASSESS THE IMPACT OF LIFESTYLE RISK FACTORS IN ABSENTEEISM.

SNAPSHOT

- Data were collected for more than 2200 Brazilian airline workers (operational, call center, crew and administrative) from the company, the workers themselves and the corporate health plan. The sample was 58% women, 74% had completed elementary education, and 40% were suffering from high levels of stress.

RESULTS

- In the year monitored by this research, 53.5% of employees took at least one day off work because of sickness (a much higher percentage than the 39% based on research conducted in Brazil with workers in the automotive industry).
- Young employees, those with a lower level of education, crewmembers and professionals with higher levels of stress were absent from work the most.
- The type of work has a stronger influence than does the educational level because it also affects lifestyle factors (physical activity, weight and smoking habits).
- In addition to social and demographic factors, the most important lifestyle factor that led to absenteeism was smoking – both current smokers and former smokers are more likely to be absent from work because of health problems.

WHAT'S NEW

- Companies can better control absenteeism by promoting health programs directed at controlling smoking and targeting actions by the type of work.
- As for smoking, it is important to consider not only actions for reducing the number of smokers but also providing support for former smokers.



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OPERATIONS & LOGISTICS MANAGEMENT

The impact of natural disasters on supply chains

RESEARCH IN FOCUS:

Risk management of natural disasters in Brazil

Priscila Laczynski de Souza Miguel
and Renata Peregrino Brito

Agriculture and livestock farming are the sectors most affected by droughts, while floods produce the largest losses in the areas of tourism, agriculture and logistics

OBJECTIVE TO ANALYZE HOW NATURAL DISASTERS IMPACT SUPPLY CHAINS AS WELL AS THE RESPONSES AND ADAPTATIONS DEVELOPED IN BRAZIL.

SNAPSHOT

- An analysis of accounts of natural disasters in Brazil and the world between 2003 and 2013
- Comparison with reports from the IBGE evaluating municipalities where the natural disasters occurred with regard to the impact and the risk management plans introduced
- Assessment of 534 news reports

RESULTS

- The number of such events in Brazil has been growing since 2007. The country is suffering from events of short duration, such as floods, particularly in the south and southeast of the country; further, droughts are being experienced in the northeast and south that are lasting for prolonged periods. In terms of short duration events, the main ones were the floods that occurred in Santa Catarina in 2008 and in the mountainous region of Rio de Janeiro in 2011. As for droughts, the northeast faced these on two occasions (2007/2008 and 2012/2013), and the south of Brazil suffered from a drought in 2008 and 2009.
- Humanitarian operations in Brazil are essentially conducted by the government (federal and state), as represented by the Civil Defense. They work very hard during the disaster, but few mitigation or recovery actions are taken.
- In the case of drought, the main supply chains affected are agriculture (soy, corn, beans and rice) and livestock production (beef and milk). Crop shortages and reductions in production are amplified throughout the chain, with supply problems, increased costs, increased inflation and effects on the financial performance of companies.
- In the case of floods, there appears to be little direct impact on supply chain activities, the main impacts being tourism (five reports) and agriculture (14 cases). However, indirect effects can be inferred from the damage caused to the logistics infrastructure (damage to highways and bridges, suspended operations at ports and airports), which appeared in 9% of the news reports. The events that stand out occurred in the summer of 2004 across Brazil, when floods damaged 40% of the federal highway network and 12,000 km of state roads, and in 2008 in Santa Catarina, when storms halted operations at the port of Itajaí.

WHAT'S NEW

- The international literature on this subject has studied humanitarian operations, but little is known about the impact on organizations and supply chains. This study identified the chains that suffered most and the direct and indirect impacts.
- The state is emphasized as essentially the only agent playing an active role in humanitarian operations in the country even though Brazil ranks eighth in terms of the number of events reported.



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OPERATIONS & LOGISTICS MANAGEMENT

What is expected of logistics and supply chain professionals in Brazil?

RESEARCH IN FOCUS:

Logistics and supply chain professionals in Brazil

Manoel de Andrade e Silva Reis,
Juliana Bonomi Santos,
Cristiane Brandão,
Renata Barboza and
Deborah Wainszok

The ability to form relationships counts the most when hiring employees in logistics and supply chain positions. In the case of management positions, the capacity to communicate with the external public is valued, while for operational positions, relationships with the internal public comes first

OBJECTIVE TO OBTAIN INFORMATION ABOUT THE COMPETENCES NEEDED BY LOGISTICS AND SUPPLY CHAIN PROFESSIONALS AND TO IDENTIFY DEFICIENCIES IN THIS AREA FROM THE VIEWPOINT OF THE COMPANIES.

SNAPSHOT

- A compilation of 18 competences, divided into four groups
- Questionnaires sent to 83 companies, with 57 replies received
- A comparison of the results with equivalent research conducted in 2012

RESULTS

- While 93% of the companies have a logistics department, only 64% have a supply chain department.
- Companies invest little in training for logistics and supply chain professionals: 63% of them rarely or never offer their employees training courses.
- When selecting logistics and supply chain professionals, skill in forming relationships is the factor that counts the most. Then, the area in which they graduated and their length of experience in the sector are considered. The university from which the professional graduated and additional courses taken are less important.
- Companies expect different competences from professionals occupying managerial and operational positions. At the operational level, the most valued competences are relationships with the internal public and knowledge of distribution, warehousing and transportation, while for those at the management level, a capacity to form relationships with the external public and to make strategic decisions are most demanded. In terms of advanced competences, aggregate planning was indicated in this research as the most important for those in management positions; for operational positions, the most important competence was stock management across multiple installations.
- Company size has no influence on the type of competences considered to be important.
- There were no significant changes between 2012 and 2014, except with regard to the management competences associated with the knowledge of costs and social responsibility and the operational competences related to managing the supplier base, which have become more stringent.

WHAT'S NEW

- This research leads to extensive knowledge of the competences that companies consider to be desirable in logistics and supply chain professionals and of the deficiencies in these areas. This provides a basis for improving the selection of and training processes for professionals.



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OPERATIONS & LOGISTICS MANAGEMENT

Mechanisms for creating value in the customer-supplier relationship

RESEARCH IN FOCUS:

Socialization and value creation mechanisms in the customer-supplier relationship

Cristiane Biazzin and
Susana Carla Farias Pereira

Simple informal actions, such as maintaining frequent contact and holding events and conferences, help with regard to understanding how suppliers work and thus how to establish partnerships that lead to good results

OBJECTIVE TO INVESTIGATE THE IMPACT OF FORMAL AND INFORMAL MECHANISMS BETWEEN CUSTOMERS AND SUPPLIERS ON VALUE-CREATION FOR THE COMPANY.

SNAPSHOT

- A survey conducted with 91 respondents, who were logistics, purchasing and supply chain executives in Brazilian multinational companies from various sectors of the economy
- Identification of the variables relating to formal socialization mechanisms (joint work, multifunctional teams of customers and suppliers, the appointment of one person at the supplier to look after the company) and informal socialization mechanisms (form of communication, access to knowledge, contact frequency, and social events and conferences for suppliers).
- Specification of a model that considers whether these two mechanisms generate so-called 'relational capital' (they increase interaction, trust and mutual respect between parties) and impact results (improvements to the design of products and processes; reduction in delivery lead-times, costs and risks; improvements in quality)
- Statistical analysis of the data

RESULTS

- Informal mechanisms have a significant impact on the generation of relational capital, while formal mechanisms have a relatively smaller impact.
- Informal mechanisms have a direct, positive and strong influence on the customer-supplier relationship.
- Formal mechanisms have a positive influence on the customer-supplier relationship.

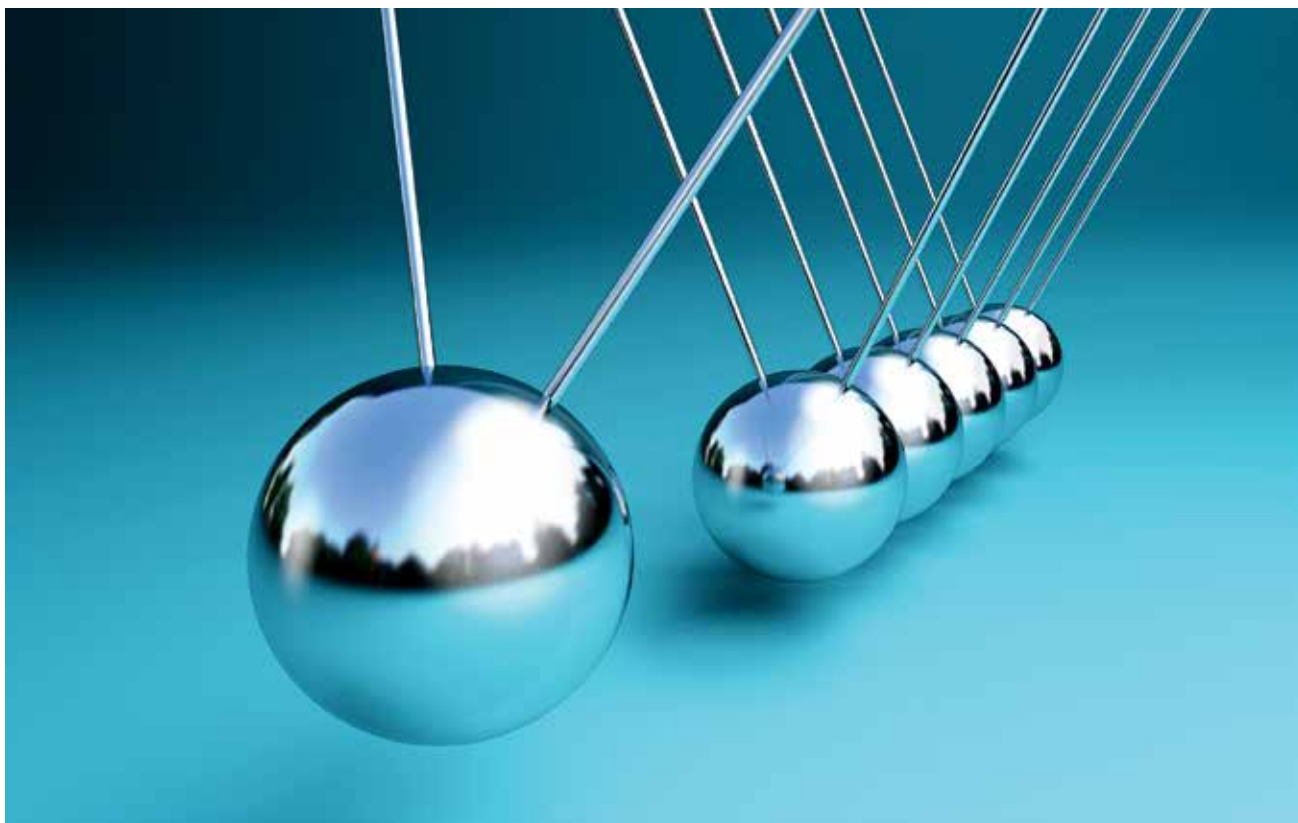
WHAT'S NEW

- Organizations that invest in formal and informal relationship mechanisms with suppliers can generate better than normal gains. Furthermore, the socialization process enables the recognition of gaps that may exist along the way and the redefinition of strategies.
- With greater clarification concerning the relationship mechanisms between suppliers and customers, it is possible to see that informal mechanisms have a stronger impact than formal ones. There are several explanations for this phenomenon. One is that both should act simultaneously because informal mechanisms can favor the development of formal mechanisms, while formal mechanisms, if adopted in isolation, may create conflicts between players that are irreversible.



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OPERATIONS & LOGISTICS MANAGEMENT

Who keeps the value that is created in buyer-supplier relationships?

RESEARCH IN FOCUS:

Relational value creation and appropriation in buyer-supplier relationships

Priscila Laczynski de Souza Miguel,
Luiz Brito,
Aline Rodrigues Fernandes,
Fábio Tescari and
Guilherme Martins

Buyers appear to keep a larger share of the results than do suppliers, and only relationships between companies with complementary resources in which there is trust between the parties generate value

OBJECTIVE TO IDENTIFY WHICH RELATIONSHIPS BETWEEN SUPPLIERS AND BUYERS HAVE THE POTENTIAL TO CREATE THE MOST VALUE AND TO ASSESS WHO KEEPS THE LARGEST SHARE OF THIS JOINTLY CREATED VALUE.

SNAPSHOT

- Qualitative interviews with 31 specialists and quantitative questionnaire responses provided by 166 companies in the personal hygiene, cosmetics and food sectors
- Assessment of four types of buyer-supplier relationships: (1) complementary resources in which different resources generate better results jointly than separately; (2) relationships in which there is trust between the parties; (3) asset specificity, which occurs when one of the parties invests in assets that meet only the needs of that particular partnership; and (4) a relationship in which there is knowledge exchange
- Definition of the value of the relationship by listing costs and benefits for both buyers and suppliers
- Statistical analysis of the data

RESULTS

- Only relationships between companies with complementary resources tend to create more value, although as part of a relationship based on trust.
- Both the supplier and the buyer collect part of the value created, but the buyer appears to keep a larger share of the value than does the supplier.

WHAT'S NEW

- An exchange of information and knowledge is normally associated with greater value creation in developed countries. This was not the case in this research; perhaps Brazil is different.
- Few studies have compared the value share collected by each party. This study is pioneering in this aspect and shows that while buyers force suppliers to develop continuously by capturing value through price reductions, suppliers need to continuously exceed themselves and capture value only temporarily during the initial stages of the partnership.
- Value was defined in an innovative way and included all of the possible benefits and costs of the relationship.



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OPERATIONS & LOGISTICS MANAGEMENT

Improving the integration of the production chain

RESEARCH IN FOCUS:

Business processes within supply chain integration in the sugar and ethanol industries

Alexandre Tadeu Simon,
Eduardo Guilherme Satolo,
Herbert Abude Scheidl and
Luiz Carlos di Sérió

A total of 112 requirements for different processes, both internal and related to customers and suppliers, can help companies analyze and improve their supply chain integration

OBJECTIVE TO ASSESS THE SUPPLY CHAIN MANAGEMENT OF THE LARGEST BRAZILIAN COMPANY IN THE SUGAR AND ETHANOL SECTOR BASED ON THE INTEGRATION OF ITS BUSINESS PROCESSES.

SNAPSHOT

- Preparation of a method for assessing the level of integration of the production chain involving 112 requirements (actions that must be formalized) in 8 business processes (management of the relationship with the customer; management of customer service; demand management; filling purchase orders; manufacturing flow management; supplier relationship management; product development and marketing; and returns management)
- Complementing the requirements of the method with interviews with academics and professionals and a pre-test conducted with three relevant companies
- Application of the case study method to a Brazilian company in the sugar and ethanol sector

RESULTS

- The company studied has a low level of production chain integration, as only 50% of the requirements evaluated are fully functioning.
- The management of returns to suppliers is the process with the worst results because no requirement (such as the establishment of a plan for identifying the causes of returns or formal return process procedures) from the ideal implementation exists. The next worse results are the management of relationships with suppliers, as only two requirements are functioning fully; the management of manufacturing flows, with three fully functioning requirements; and product development and marketing, with six fully functioning requirements.

WHAT'S NEW

- This method developed may help companies analyze and develop structured models for their production chain.
- In the case of the sugar and ethanol sector, the results indicate that the most critical process to be improved is integration with suppliers.
- This study shows that in the sugar and ethanol sector, efforts need to be dedicated to other processes that currently exist in very basic forms, such as demand management, customer service management, management of the manufacturing flow and product development and marketing, which are becoming more complex because of international agreements for exporting ethanol and which require a greater level of cooperation.



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SUSTAINABILITY

Negotiations with regard to the environmental impact of cattle ranching

RESEARCH IN FOCUS:

Cattle ranching GHG emissions: political vs. technical arguments

Marcus Vinícius Peinado Gomes,
Fabio Grigoletto and
Natália Esper

Technical and political arguments conflict in the global regulation arena, which has an influence on changes in the cattle farming sector, for example, via new business practices and the introduction of national public policies

OBJECTIVE TO UNDERSTAND HOW THE DISCOURSE OF ENVIRONMENTAL IMPACT IN CATTLE FARMING GAINED STRENGTH IN A TRANSACTIONAL ARENA, LEADING TO CHANGES IN BUSINESS PRACTICES AND PUBLIC POLICIES.

SNAPSHOT

- An analysis of 179 documents: 44 from players linked to the state; 50 from civil society organizations; 6 from media coverage; 23 studies and academic reports; 14 reports from the Conference of Parties (COP) of the United Nations Framework Convention on Climate Change; and 2 reports from the Intergovernmental Panel on Climate Change (IPCC)
- Thirty-one interviews with organizations and players with different perspectives and from different sectors, including social movements, rural producers, major multinationals and government players
- Visits to two model farms

RESULTS

- Various environmental impacts are associated with cattle ranching, such as deforestation in the Amazon region, greenhouse gas emissions and water table contamination.
- The transformation of the sector into a villain of global warming will depend on the negotiations of different players in the global regulation arena, which has influenced changes in business practices and national public policies.
- There are three types of logic behind this dynamic: (i) the scientific logic or technical arguments; (ii) the capitalist logic or arguments associated with innovation and increased productivity as a solution to environmental impact; and (iii) the logic of international trade or negotiation among the different development strategies of countries.

WHAT'S NEW

- Any discussion of the environmental impact of cattle farming on climate change cannot dissociate technical arguments from political arguments.
- Global governance depends on confronting different logics. On the one hand, the scientific discourse emphasizes that the sector is significant in terms of environmental impact, mainly due to methane emissions. On the other hand, the capitalist logic argues for the creation of new opportunities through certification, value chain tracking and technologies that increase productivity. Moreover, the interests of different nations rather than those companies are also considered.
- Despite the increasing number of questions being asked about the environmental impact of cattle farming, the issue of reduced meat consumption has not yet gained salience.



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SUSTAINABILITY

Tourism in Indigenous communities

RESEARCH IN FOCUS:

Tourism and its influence on local sustainable development: a study of the São Marcos Indian reservation in Roraima

Cristiane Brandão,
José Carlos Barbieri and
Cristina Moura João

Tourism in the São Marcos reservation in Roraima is organized by the local residents themselves, taking advantage of the natural and cultural potential to attract visitors and promote local sustainable development

OBJECTIVE TO ANALYZE THE INFLUENCE OF TOURISM ON THE LOCAL SUSTAINABLE DEVELOPMENT OF INDIGENOUS COMMUNITIES ON THE SÃO MARCOS INDIGENOUS RESERVATION IN RORAIMA.

SNAPSHOT

- Qualitative research with 40 interviewees who live on the São Marcos reservation and who work with tourism as well as with government agents who work on issues of Indigenous policy and tourism in the State of Roraima

RESULTS

- Tourism is organized and coordinated by the Indigenous themselves without any support from FUNAI or other government bodies.
- A team coordinates the activities. People take turns addressing tourist demands in such a way that all those involved take part in the activities.
- The belief that tourism can help generate employment and income and improve the quality of life of the indigenous population was obvious.
- The incipient infrastructure and lack of regulations governing tourism in Indigenous areas are considered the main barriers to the growth of the activity.
- Indigenous people understand that tourism has improved the local sustainable development of their communities.

WHAT'S NEW

- The tourism that is being practiced in these communities is the result of the organization of residents, who take advantage of the cultural and natural potential to attract visitors and generate employment and income.
- The indigenous people from the communities surveyed demand autonomy and control over their activities and their lands, and tourism has helped with this.
- Economically, the incomes of those living in the community have increased, and tourism has proved to be an alternative means of work that does not compete with traditional activities, such as farming, and that manages to retain young people, which reduces migration to cities.
- Socially and culturally, increases in the self-esteem of the local residents and in their valuing of their ancestral customs and habits were evident; the younger people had already abandoned some of these.
- Environmentally, there are concerns about conservation, with a reduction in traditional slash and burn techniques to prepare land for cultivation, with the creation and maintenance of trails, with the waste generated by the tourists and with the cleanliness of the areas surrounding the community.



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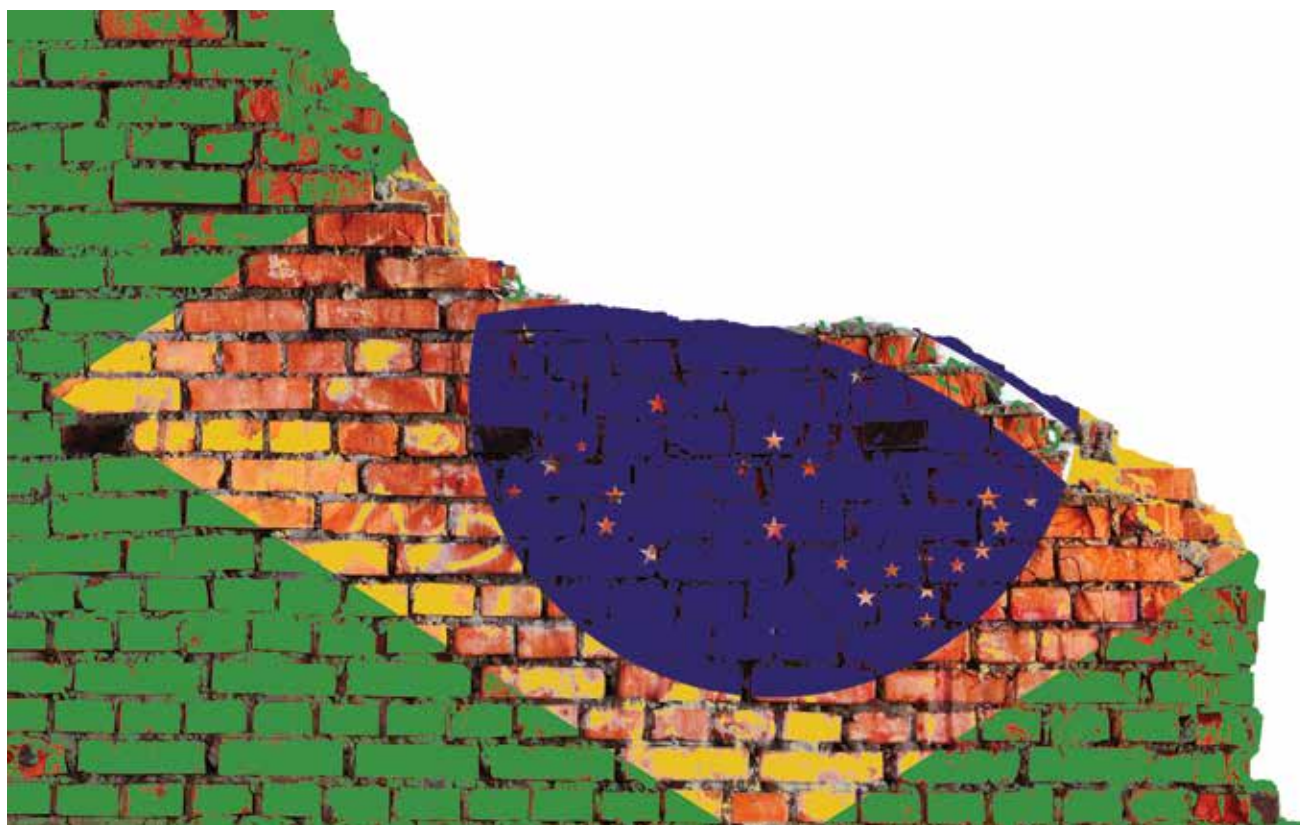
Public Administration and Government

POLITICAL SCIENCE

POLITICAL MANAGEMENT

PUBLIC POLICY





POLITICAL SCIENCE

The construction of Brazil from a new viewpoint

RESEARCH IN FOCUS:

The political, economic and social construction of Brazil since independence

Luiz Carlos Bresser-Pereira

Brazil is a contradictory society, acting at times like a nation and at others as a subordinate to developed countries. It will only return to a national strategy when it applies a developmentalist strategy that competitively administers its foreign exchange policy

OBJECTIVE TO ANALYZE THE POLITICAL CONSTRUCTION OF THE ECONOMIC SYSTEM, THE NATION AND THE BRAZILIAN STATE SINCE INDEPENDENCE.

SNAPSHOT

- An historical analysis addressing the imperial period, the capitalist revolution (national and industrial), and the low-growth period since 1980
- Use of the theoretical perspective of New Developmentalism, a strategy for middle-income countries, the theoretical basis of which is developmentalist macroeconomics. One of the central points of this view is that developing countries become indebted in terms of foreign currencies and are subject to balance of payments crises, while developed countries become indebted in terms of their own currencies and are only subject to banking crises. Thus, the exchange rate plays a decisive role in the development of countries such as Brazil.

RESULTS

- The history of Brazil can be divided into three cycles of state-society relationships: the State and Territorial Integration Cycle (1822-1889); the Nation and Development Cycle, or the Capitalist Revolution (1930-1977); and the Democracy and Social Justice Cycle (1977-2010).
- Brazil is a contradictory society because it is nationally dependent. At certain times, it acts like a nation, while at others, its elite becomes subordinate to the West or to the Empire.
- In the age of globalization, exports grew more than production and economic competition between countries. Rich countries pressured developing countries to adopt policies that did not serve their national interests.
- If the government does not have the courage maintain a competitive exchange rate; if it uses the exchange rate and state-owned company prices to help control inflation; if it allows itself to be led by the belief that economic problems always result from insufficient demand and that they can be resolved by increasing salaries; and if they do not guarantee that salaries grow at the same pace as productivity to keep profits at a satisfactory level, companies will not invest and the government will fail.

WHAT'S NEW

- The systematic application of New Developmentalism allows us to understand the development and economic crises of Brazil.
- For Brazil to return to a national development strategy, the main economic requirement is an exchange rate policy that neutralizes the cyclical over-appreciation tendency of the exchange rate.



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POLITICAL SCIENCE

What do the results of the 2014 elections indicate for the 2018 elections?

RESEARCH IN FOCUS:
2014 – critical elections?

Cláudio Gonçalves Couto

The scenario for PT [the Workers Party] is challenging because the party needs to realign itself with the middle strata of society to stay competitive in the polls and thereby to confront the rise of a new, partly authoritarian right under the wings of today's PSDB [Brazilian Social Democracy Party]

OBJECTIVE TO ASSESS WHETHER THE 2014 PRESIDENTIAL ELECTIONS MIGHT INDICATE THE START OF A NEW PATTERN OF COMPETITION AMONG PARTIES IN PRESIDENTIAL DISPUTES.

SNAPSHOT

- An analysis of the aggregate results of the 2014 presidential election
- An analysis of the distribution of electoral preferences by social groups based on a survey of voting intentions
- An analysis of the behavior of different ideological groups during the presidential contest and after disclosure of the results
- An analysis of the results relating from recent social change and their relationship with electoral behavior

RESULTS

- In the 2014 presidential elections, PT suffered significant damage, with defeats in São Paulo and the south, a reduction in the number of backbenchers in the Chamber of Deputies and a decrease in the number of state deputies.
- The elections of 2014 suggest that the next election will be critical, with opportunities for both party and electoral realignment.
- The emerging members of economic class C, the supposedly great beneficiaries of the policies of the Lula years, are less inclined to support the PT than classes D/E because they consider their rise as the result of their own merits.
- With the rise of a new right wing, which demanded the impeachment of the recently elected president and even military intervention, the anti-PT movement can be partly explained by the resentment of certain strata of society for their loss of social distinction, which was caused by equalization policies, and partly by the dissatisfaction of the middle class with corruption and recent mediocre performance.

WHAT'S NEW

- A paradox arises in which the social changes caused by the distribution of income prove to be electorally counterproductive over the long term because progress raises social expectations to a level that the pace of progress is incapable of satisfying.
- The assessment is that the PT will need to look for reconciliation with the middle class because the very success of their policies, by expanding these segments, tends to reduce their captive political support base, which is today concentrated among the poorest classes of society.
- A new phenomenon appears in the (re)emergence of a right wing, which is partly authoritarian, under the wings of today's PSDB in national elections.



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PUBLIC ADMINISTRATION

Administrators and politicians: from dichotomy to complementarity

RESEARCH IN FOCUS:

Seeing the forest for the trees: a map of the politics-administration dichotomy

Ion Georgiou

Recent studies in public administration adopt a more complementary perspective toward elected politicians and those responsible for introducing policies while still assessing conflicting aspects

OBJECTIVE TO MAP OUT A CENTURY OF RESEARCH ON THE KEY SUBJECT IN THE AREA OF PUBLIC ADMINISTRATION: THE DICHOTOMY BETWEEN ADMINISTRATORS AND POLITICIANS. IN OTHER WORDS, TO DETERMINE HOW TO BALANCE RELATIONS BETWEEN ELECTED POLITICIANS AND THE ADMINISTRATORS RESPONSIBLE FOR POLICIES.

SNAPSHOT

- Construction of a network of 165 articles covering the 1887–2010 period
- Identification of the most important articles and the development of maps that trace the development of this area by decade
- Extraction of the key reading list for the politics-administration dichotomy

RESULTS

- Four of the five most-cited articles are characteristic of a time in the mid-1980s when a perspective that considers the relationship between politicians and administrators in a complementary and not antagonistic way gained in importance. Even so, six studies, including pioneering work by Woodrow Wilson (1887), all published before the mid-1980s, are still receiving considerable attention, which shows the perennial conflict between efficiency and democracy.
- The integrating and complementary perspective, which was explored by James Svara, continued to gain strength in the 2010s. However, complementarity cannot ignore the discoveries of other authors in the area, particularly the need for some institutionalized dichotomy that serves to control and minimize corruption and for discussion of political interference in government contracts.
- A relatively new body of literature is appearing that tries to examine the nature and relevance of the politics-administration dichotomy in developing regions.

WHAT'S NEW

- Since the 1980s, research has tried to understand the accumulated knowledge about the politics-administration dichotomy from different perspectives: historical, schools of thought, empirical observation and development of a new model of interaction between politicians and administrators. The contribution of this article is to analyze all of the literature using a structural approach and a new and complete methodology addressing the development of knowledge networks.
- This study shows that a new perspective that sees politicians and administrators in a complementary way is gaining ground, but it is not possible to ignore some of the dilemmas of the dichotomist view.



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PUBLIC ADMINISTRATION

Social control in public policies: practice that is very far from theory

RESEARCH IN FOCUS:

Information, accountability and social control – an analysis of the contradictions between democracy and public policies for the Billings and Guarapiranga reservoirs

Francisco Fonseca,
Alvaro Escrivão,
Ana Sílvia Puppim and
Carolina Lopes Zanatta

Acquiring information about investment projects for improving the environmental and social quality of water source areas proved to be nearly impossible, which prevents the population from demanding that resources be better employed

OBJECTIVE TO COMPARE THE APPLICABILITY OF DEMOCRATIC ASSUMPTIONS TO ACTUAL PUBLIC POLICIES IN THE BILLINGS AND GUARAPIRANGA RESERVOIRS REGIONS OF SÃO PAULO.

SNAPSHOT

- Research based on the PAC [Growth Acceleration Program] Public Resources Monitoring Center, a project coordinated by the Studies Center in Public Administration and Government (CEAPG) of the FGV/Eaesp. The Monitoring Center was established to monitor applications of an investment of approximately R\$ 1 billion (in an agreement among the federal government and the state and municipal governments of São Paulo), destined for sanitation and housing projects in the water source areas that feed the Guarapiranga and Billings reservoirs.
- Examination of the PAC investments in the region
- Analysis of the region's social and health indicators

RESULTS

- The Monitoring Center was unable to obtain the desired information from any sphere of government (at the municipal level, which is closest to people from the city of Sao Paulo, attempts continued until the Gilberto Kassab administration).
- The work performed by the company that won the public bid to develop social work with the population (such as meetings with local residents, mapping out the families that would be removed, the land regularization process) was ineffective and reached just 5% of the population affected.
- As the water source area implies the need for both social and environmental protection, the Monitoring Center became a tripartite action area, with the participation of the university (FGV/EAESP), of politically organized society and of the local population. It also led to partnerships with the Sao Paulo Public Prosecution Office and the local Public Defense Attorney's Office. No legal action, however, was taken as a result of this dialogue.
- Instead of societal participation, arbitrary acts occurred. In 2008, the environmental police monocratically collected signatures from the region's residents, which served as the basis for making it a criminal offense to live in areas with water sources.

WHAT'S NEW

- This study, which links theoretical and empirical aspects, showed that despite the progress that resulted from the post-1988 democratic state, there is still considerable opacity with regard to information that should be in the public domain, which makes it difficult to exercise social control over socio-environmental policies.
- Information, accountability and social control are still vague concepts.
- Politically organized society needs to pressure the state permanently so that democratic concepts become a reality.



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PUBLIC ADMINISTRATION

Technically improving public management is not enough

RESEARCH IN FOCUS:

Developing state capabilities: conflicts and the articulation of interests

Maria Rita Loureiro,
Marco Antonio Carvalho Teixeira
and Alberto Ferreira

The introduction of a project to transpose the São Francisco River shows that the efficiency of complex programs also depends on the political capacity for negotiating consensus

OBJECTIVE TO STUDY THE DEVELOPMENT OF STATE CAPABILITIES AS TECHNICAL, ADMINISTRATIVE AND POLITICAL COMPETENCE FOR ARTICULATING INTERESTS AND BUILDING CONSENSUS AMONG MULTIPLE PLAYERS.

SNAPSHOT

- Monitoring the trajectory and transformation of the integration project of the São Francisco River from the literature, official information and the press
- Interviews with some of those involved with the project in the state (bureaucrats and politicians in the three spheres of government) and in organized civil society

RESULTS

- Despite the technical and political difficulties involved in completing the project to transpose the São Francisco River, which are still not fully overcome, important institutional innovations were achieved.
- Monitoring and management instruments were established to reduce administrative bottlenecks and obstacles. For example, the PAC Managing Committee (CGPAC), comprising departments of the Office of the President of the Republic, the Finance and Planning Ministries (MPOG), and the Executive Group (Gepac), was established with the objective of consolidating actions, establishing goals and monitoring results. So-called “situation rooms”, which are responsible for managing and addressing the information that supports the decisions made within the scope of Gepac and CGPAC, were also instituted. These groups monitor physical and financial timetables to ensure that deadlines are met and that results are achieved, to manage restrictions that may affect the performance of the program and to encourage improvements in public policies.
- The president and vice president, ministers, governors and parliamentarians in favor of and opposed to the project, members of the managing bureaucracy and even more or less organized groups of civil society have participated in this undertaking. Although involving a large number of players, for the project to get off the ground, a central coordinating body was needed. This is based in the Office of the President of the Republic, and its role is to manage the project, above all from the point of view of negotiation and the construction of consensus among divergent groups and interests.
- A new pattern is emerging in the relationship between state and society players that is based on greater decision sharing. The conversations, debates and eventual consensus produced by the various state and society players enabled improvements in the quality of this public policy: the project was transformed from the mere transposition of the river into an integrated social and economic revitalization project focused on the water basin.

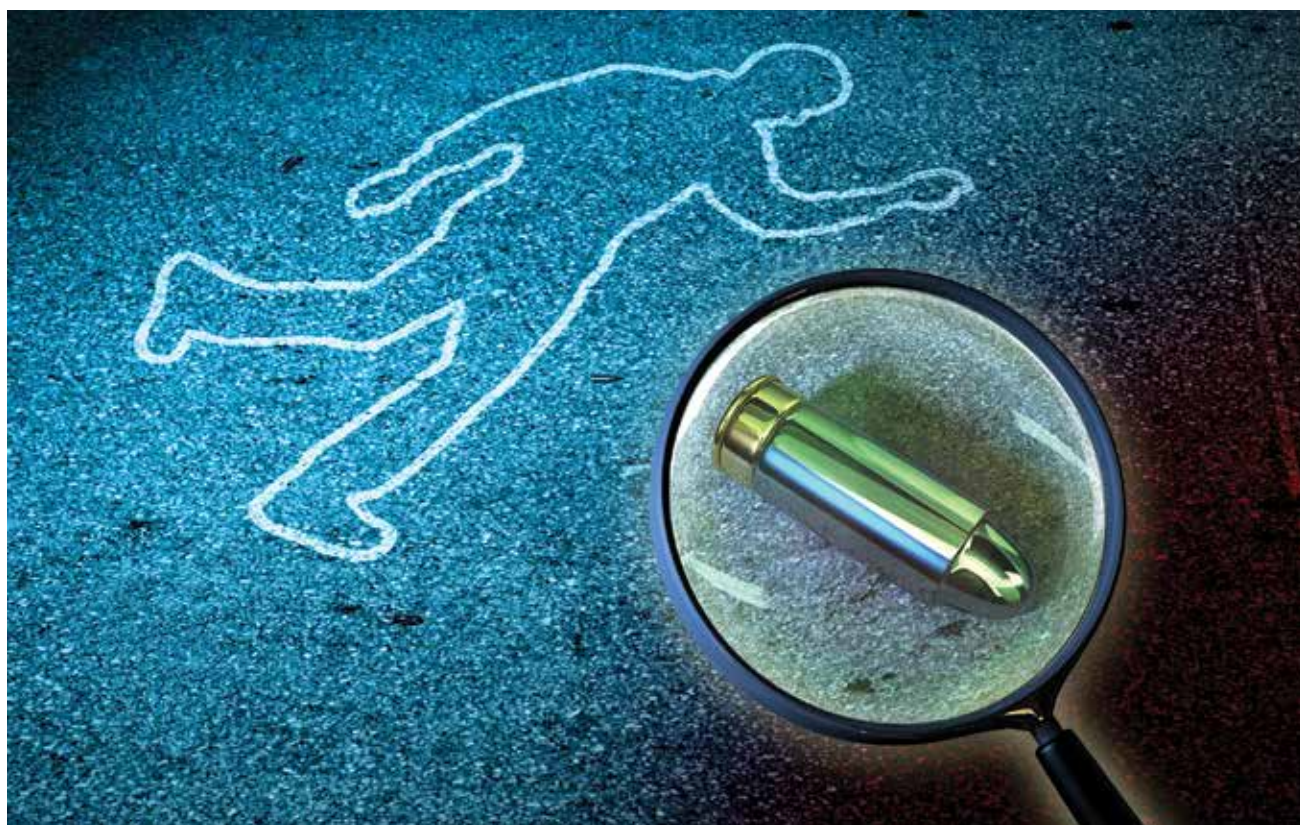
WHAT'S NEW

- State capabilities need to be more widely defined, with an emphasis not only on the technical dimension but also on the political dimension of the bureaucracies. The efficiency of programs also depends on the political capacity to negotiate and articulate the interests and demands of the many players involved.



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PUBLIC ADMINISTRATION

Organized crime reduces criminality

RESEARCH IN FOCUS:

Pax monopolista and crime: the case of the emergence of the Primeiro Comando da Capital in São Paulo

Ciro Biderman,
Renato Sérgio de Lima,
João Manoel Pinho de Mello and
Alexandre Schneider

The entry of the PCC into the slums of the municipality of São Paulo established a crime monopoly and led to a reduction in murders in these communities and the surrounding areas

OBJECTIVE TO DETERMINE THE IMPACT ON CRIMINALITY ARISING FROM THE PCC'S ENTRY INTO SLUMS OF SÃO PAULO.

SNAPSHOT

- Tabulation of data from the crime hotline for mapping out the PCC's [First Command of the Capital] entry into the slums in São Paulo
- Crosschecking of data from Infocrim (the crime database of the Department of Public Security of the State of São Paulo) with a map of the slums from the São Paulo city administration office to locate indicators of criminality by slum in the municipality of São Paulo
- An estimate of the alteration in the pattern of criminality following the PCC's entry into the slums based on previous tabulations and using a statistical model

RESULTS

- The PCC's entry into a slum leads to a reduction in murders in that slum and its immediate surroundings.
- The PCC's entry into a slum does not affect other types of crime in that slum or in the immediately surrounding areas.

WHAT'S NEW

- For the first time, it was possible to map the effects of the entry of organized crime into an informal area. The results indicate that the PCC created crime monopolies in the slums. As other similar studies show, the PCC put an end to gangland competition by creating rules for selling drugs. It also only allowed crimes that it authorized.
- Part of the reduction in murders in the State of São Paulo is due to organized crime itself and not to police action.
- It is difficult and dangerous to promote monopolies in illegal markets. The dominance of the PCC in slums helped reduce violent crime, but the criminal group became sufficiently powerful to hold the city of São Paulo at ransom at least twice since 2006. A strong criminal group that has a major participation in illegal markets uses mechanisms, such as threats and blackmail, that are outside the control of the legal system, thus undermining the capacity of the state. Thus, the government needs to maintain a monopoly controlling violence.



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PUBLIC ADMINISTRATION

The Brazilian state is not ready for a new development cycle

RESEARCH IN FOCUS:

Implementation of the 1995 managerial reform

Regina Silvia Pacheco

Brazil is moving in the opposite direction from other countries and has not expanded state capabilities, such as management competences, intra-government and inter-government articulation or control over public spending

OBJECTIVE TO ANALYZE THE DEVELOPMENT OF STATE CAPABILITIES IN BRAZIL TO IMPLEMENT A PROPOSAL FORMULATED IN 1995 BY THE MINISTRY OF STATE ADMINISTRATION AND REFORM (MARE).

SNAPSHOT

- Consultation of the Personnel and Organizational Information Statistical Bulletin on a month-by-month basis since 1996; 223 editions, published by the Planning Ministry
- Survey of 150 articles per year in the seven editions of the Brazilian Congress of Public Management, on the topics “New Organizational Formats” and “New Ways of Providing Public Service”
- Monitoring of articles published about public management in the press
- Monitoring of government sites of the Planning Ministry and State Administration Departments

RESULTS

- The expansion in the size of the state in Brazil, which occurred after 2003, was not accompanied by the development of state capabilities, which include management capabilities, intragovernment coordination, intergovernment articulation, partnerships, controlled public spending, the quality of the managers and engagement of the workforce.
- Brazil has moved in the opposite direction from other countries, which have sought to expand the capabilities of their states through new governance and public management proposals.
- The multiplication of structures and the hiring of new employees are not enough to prepare the state to support a new development cycle.

WHAT'S NEW

- In linking two fields of study that are generally completely separate, public management and political science, this research analyzes the problems of management linked with politics.
- The concept of state capacity includes dimensions of the structure and functioning of the state that are generally absent in analyses in the field of political science.
- Accepted by various authors as the “rules of the game of coalition governments”, the proliferation of ministries and other state structures is here seen from a critical perspective.



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PUBLIC MANAGEMENT

What leads to fiscal transparency in Brazilian states?

RESEARCH IN FOCUS:

The causes of fiscal transparency: evidence from Brazilian states

Robson Zuccolotto and
Marco Antonio Carvalho Teixeira

There is still a great distance between government and civil society in subnational governments, and variables such as public debt and the socioeconomic conditions of the population have the most influence on the level of transparency

OBJECTIVE TO IDENTIFY THE INFLUENCE OF FISCAL, SOCIOECONOMIC AND POLITICAL VARIABLES ON THE TRANSPARENCY OF BRAZILIAN STATES.

SNAPSHOT

- Theoretical identification of the socioeconomic, political and fiscal factors that determine transparency
- Quantitative analysis of the effects of these factors on the transparency of all Brazilian states

RESULTS

- Levels of fiscal transparency in Brazilian subnational states are still low.
- Socioeconomic variables, such as the level of education, health, employment and income have an influence on the level of state transparency.
- Past fiscal variables, such as debt, have an influence on the level of transparency of the states.
- Current fiscal variables (revenue, budgetary deficit and debt) have no influence on the level of transparency of the states either because the deficit has not yet been converted into debt (and, therefore, there is still no pressure for greater transparency) or because, in the case of a surplus, governments feel comfortable with the level of information that is open to the public.
- Political variables have no influence on the level of transparency of the states. States with more political competition are not more transparent, nor do political parties affect the level of state transparency.

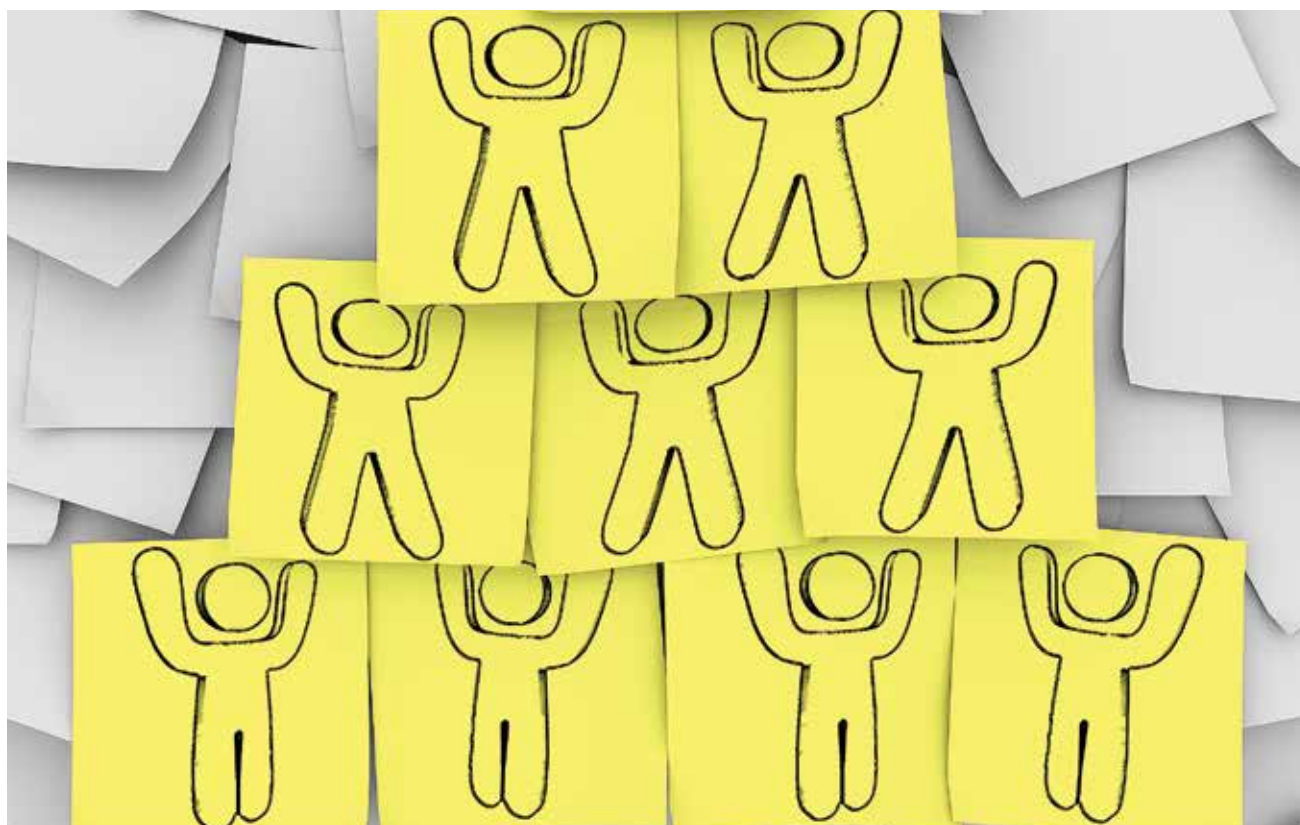
WHAT'S NEW

- Unlike in international research, political parties have no influence on the level of transparency in Brazilian subnational states. This is no surprise: the logic of political competition was lost with coalitions followed by the distribution of jobs, and it is not possible to discuss party ideologies in Brazil. Therefore, the parties need to be strengthened, and accountability instruments need to be improved through political reform.
- States in a better fiscal situation appear more capable of investing in human resources aimed at greater transparency.
- With better education, health, employment and income, citizens become more conscientious and pressure government to maintain well-functioning public services.
- The level of transparency of Brazilian states is still low, which shows the distance that exists in the country between government and civil society.



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PUBLIC MANAGEMENT

The means used by young people from the city's poor outskirts to face local shortages

RESEARCH IN FOCUS:

Social vulnerability and solidarity ties among young people who live in Jardim Ângela and Jardim São Luis

Tiago Corbisier Matheus

In the Sao Paulo districts of Jardim Angela and Jardim São Luis, establishing informal solidarity ties and crossing the boundaries between the legal and illegal are means used to realize the aspirations that the state does not supply

OBJECTIVE TO IDENTIFY THE ASPIRATIONS, CONFLICTS AND IMPASSES OF YOUNG RESIDENTS OF JARDIM ANGELA AND JARDIM SÃO LUIS, POOR DISTRICTS ON THE OUTSKIRTS OF SÃO PAULO; TO IDENTIFY THE DIFFICULTIES THEY FACE AND THE SOCIAL RESOURCES THEY HAVE ACCESS TO IN DAILY LIFE IN THE REGION.

SNAPSHOT

- Visits to five social organizations that train young people
- Qualitative interviews with 16 young people and 13 social managers or teachers
- Investigation of the reality experienced by the 600,000 residents of the sub-district of M'Boi Mirim

RESULTS

- Work opportunities are mixed and often inadequate for satisfying the aspirations of young people who want to “exist” and not just “survive”. Complementary training possibilities are insufficient; public equipment is often precarious; there are few leisure opportunities; moving around is difficult; the police are perceived as violent and arbitrary; and there is a feeling that these neighborhoods are “invisible” in society.
- Formal and informal educational institutions lack integration.
- Given such social precariousness, residents constantly establish solidarity ties among themselves, constructing informal means of mutual support.
- Young people formulate life projects based on participation in opportunities offered by government, by social organizations or even by parallel powers that promote illegal practices.

WHAT'S NEW

- The local knowledge constructed by some organizations directed at complementary education shows a particular capacity for confronting juvenile social vulnerability: respect, autonomy and critical formation are the parameters that stand out in the established strategies.
- The dichotomy that is commonly established between the legal and the illegal in the daily reality of those who live in these poor outlying districts is more complex than might be supposed and full of nuances. Ties (of friendship, solidarity or exchange) are recurrently formed and are common among young people from different backgrounds, between the legal and the illegal, and among families comprising young people with both profiles. If the dichotomy between workers and criminals serves as a symbolic reference for guiding life projects, it does not shape the different worlds, whose values and rules are incompatible.



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PUBLIC POLICIES

Como reduzir a corrupção na área da saúde

RESEARCH IN FOCUS:

How to reduce corruption in the health area

George Avelino,
Lorena Barberia and
Ciro Biderman

Local control mechanisms via experienced municipal health councils reduce illegal practices, such as overcharging, illegal public bidding processes and false tax invoicing

OBJECTIVE TO EXPLORE THE RELATIONSHIPS BETWEEN LOCAL MECHANISMS FOR MONITORING HEALTH RESOURCES AND THE INCIDENCE OF CORRUPTION IN BRAZILIAN MUNICIPALITIES.

SNAPSHOT

- An analysis of local control mechanisms, particularly of municipal health councils
- A focus on the capacity of municipal health councils to monitor the funds transferred to their respective municipalities
- The use of objective corruption measures, provided by a database containing information about irregularities in implementing the health funds transferred by the federal government between 2004 and 2010
- The random selection of 980 municipalities from the database (by drawing names)

RESULTS

- Municipal health councils are relevant with regard to reducing corruption related to managing health resources in municipalities.
- The main factor for the success of councils is their experience, measured as the number of years since they were founded.
- For each additional year that the council has been in existence, the percentage of funds linked to corruption reduces by 2.1%, which strengthens local control mechanisms.

WHAT'S NEW

- The study provides the first large-scale empirical evidence that local control mechanisms can be an important influence for reducing corruption.
- Local control mechanisms take time to function fully, which may be related to the accumulating experience of the members of the municipal councils.
- The federal government should allocate resources to speed up the learning process of municipal health councils to reinforce local mechanisms for monitoring and reducing the embezzlement of funds.



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PUBLIC POLICIES

Seeking out the poorest people

RESEARCH IN FOCUS:

Where are the poor? An analysis of active municipal search strategies

Fernando Burgos

Task forces and 'flying' teams in municipalities have been ensuring that the people who were once invisible to public managers improve their living conditions

OBJECTIVE TO IDENTIFY THE STRATEGIES THAT LOCAL GOVERNMENTS HAVE USED FOR LOCATING EXTREMELY POOR CITIZENS AND SUBSEQUENTLY PLACING THEM ON THE FEDERAL GOVERNMENT'S SINGLE REGISTER.

SNAPSHOT

- Field research in the municipalities of Conde (PB), Parintins (AM) and Santarém (PA)
- Interviews with Municipal Social Assistance Secretaries
- Interviews with managers who take part in the process of registering families living in poverty and extreme poverty
- Interviews with beneficiaries of the Family Allowance Program

RESULTS

- The Family Allowance Program is essential for guaranteeing the basic rights of families living in conditions of poverty and extreme poverty in these three municipalities.
- The strategy of “seeking out” the poorest people instead of waiting for them to come to the social assistance department offices – the basic principle of active searching – has led to good results in reducing extreme poverty in the municipalities visited.
- Populations that were normally “invisible” to public managers, such as the descendants of former slaves and riverbank dwellers, became beneficiaries of social programs and so improved their living conditions.
- The vast majority of the beneficiaries interviewed recognize the Family Allowance as a “right” and not a “favor” from the government.

WHAT'S NEW

- One of the biggest challenges is to locate the poorest elements of the population and provide them with public services. Mobile teams and task forces have been used to confront this challenge. Partnerships with other government bodies, civil servants and private companies also help.
- This research identified five very important challenges in the management of social assistance programs and policies in the Brazilian local context: the size of the country (the use of alternative means of transportation, such as boats, has proved essential); the composition of the teams (there is a shortage of social assistants and psychologists and an “I’m the first lady” culture among female municipal social assistance secretaries); integration with other social policies (the communication flow between bodies is generally poor and affects not only supervision but also the formulation and implementation of other policies for overcoming extreme poverty); relationship with the state government (while the federal government has helped with transportation and support for task forces, there are many complaints about state governments); and a correct understanding of the conditional income transfer policy (even some of the technicians who are responsible for introducing the program make criticisms that are loaded with hatred and ignorance).



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PUBLIC POLICIES

How to decentralize economic and social development projects

RESEARCH IN FOCUS:

Territorial development and collective action: a comparative perspective on social learning and territorial development standards between Brazil and France

Zilma Borges de Souza

New institutional arrangements are necessary for local actions to function, taking into account the various interests involved and promoting collective social and democratic learning

OBJECTIVE TO ANALYZE THE CAPACITY OF TERRITORIAL PUBLIC POLICIES TO PROVIDE PUBLIC ACTION THAT FAVORS SOCIAL AND ECONOMIC DEVELOPMENT AND STRENGTHENS DEMOCRATIC PLANNING AND DECISION MAKING.

SNAPSHOT

- An analysis of various pieces of research conducted in Brazil and France
- Data obtained from Brazilian legislation about public policies and projects with a territorial emphasis, specifically linked to the rural environment and family farming
- Document research in institutions and ministries involved in the Territories of Citizenship program and in French public bodies
- Participation in seminars and interviews

RESULTS

- In a search to facilitate management of the growing complexity of social and economic problems, governance models in Europe have been appearing that value territorial attributes. In France, we find the existence of a new context of local action that leads to the creation of new institutions and social devices in the search for collective social learning.
- Coordination of this type of public action in Brazil needs projects that link various scales and make the logic of different public, private and civil society players coherent, such as governments, public services, private companies, credit institutions, associations, cooperatives, and social movements. The Territories of Citizenship program, which was created in 2008 and is oriented toward rural areas, provides a good idea of the challenges faced. Territories are basically seen as units for applying policies, and innovation is partial because they are unable to create occasions for the adequate incorporation of the demands of the local people. Moreover, the articulation of sector policies and communication between the various levels of government form some of the challenges that require continued study.

WHAT'S NEW

- The decentralization process in economic and social development projects always needs to be accompanied by a process of institutional creation and efforts directed at democratic participation.
- An important challenge is the discussion of how to develop alliances and joint strategies that reflect a double logic of innovation and compliance with the local culture and allow for territorial cohesion.
- One of the biggest challenges in Brazil continues to be expanding the impact of local actions and, especially, disrupting a logic of inequality in the implementation of policies.



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PUBLIC POLICIES

Redesigning a public policy “from the bottom up”

RESEARCH IN FOCUS:

Analysis of public policies at the subnational level of government: implementation and reformulation of the ‘Cultura Viva’ program

Anny Karine de Medeiros and
Marta Ferreira Santos Farah

The case of the ‘Cultura Viva’ (Living Culture) program shows how certain inclusive initiatives ignore local realities and only manage to be implemented through changes suggested by local actors

OBJECTIVE TO ANALYZE HOW THE IMPLEMENTATION PROCESS MODIFIES THE ORIGINAL DESIGN OF A PUBLIC POLICY THROUGH A CASE STUDY OF THE 'CULTURA VIVA' PROGRAM

SNAPSHOT

- Research on the 'Cultura Viva' program, which tries to guarantee access to funding and to government support for cultural initiatives that were often excluded by previous models. The program starts with a simple idea: to encourage actions that already exist in the daily lives of communities and cultural groups but to provide for their continuity and institutionalization as "pontos de cultura"(culture points).
- Application of a questionnaire to 31 managers of "pontos de cultura" in the State of São Paulo
- Semi-structured interviews with seven managers of the 'Cultura Viva' program and of pontos de cultura

RESULTS

- The implementation of the 'Cultura Viva' program led to its reformulation.
- The first modification consisted on the decentralization of the program through partnerships with subnational governments (states and municipalities) to increase the number of initiatives benefiting from the program, to enable the expansion of resources and to stimulate a a greater level of local rootedness.
- Other modifications included a revision of the financing rules and management instruments for the pontos de cultura and of the rules for establishing agreements, the objective being to make access to the program feasible for organizations with less structure in the culture areas and that were less familiar with such rules and instruments.
- In addition to government players, non-governmental players contributed to reformulating the policy, given their centrality in the implementation of 'Cultura Viva'.

WHAT'S NEW

- This research identified difficulties in implementing the 'Cultura Viva' program that derived from the fact that centrally conceived rules were inappropriate for the profile of the organizations that the program is intended to benefit. For example, because they do not know the details of the legislation, the accounts of many organizations were rejected because they accepted receipts instead of tax invoices.
- This research shows that the program was capable of being modified as soon as it identified – and faced – the difficulties encountered during the implementation stage at the local level based on intense dialogue between bureaucracy and organized civil society actors.
- This research draws attention to the importance of integrating a "bottom up" approach when implementing government programs because local actors can contribute to a more appropriate policy based on the profile of the beneficiaries.



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FINANCE

Publicizing the investment fund industry

William Eid Junior and Ricardo Ratner Rochman

GVcef – Finance Studies Center

Events, studies and publications help Brazil's investing public to better understand the different types of investment funds available and to invest their savings properly

THE CHALLENGE

- To publicize the investment fund industry and to educate the public on the subject

WHAT WAS DONE

- Eight events held in 2014 with speakers from various financial institutions on topics such as tax isonomy, access to funds, fund rankings, family savings, real estate funds, products abroad, high-income customers and educating the investor
- Preparation of eight studies using didactic language, based on the topics debated at the events
- Seminars for the press, such as the 'Updating – Economics and Investments' workshop, which was aimed at journalists
- Publishing the Investment Funds Industry Yearbook, a joint initiative with the Brazilian Association of Finance and Capital Market Entities (Anbima). The Yearbook provides a complete overview of the sector in Brazil, with data relating to the previous year

RESULTS OR IMPACTS GENERATED

- Drawing the public and speakers closer together
- Lively debate on various topics related to investment funds
- More financial education for the general public

MAIN PROJECT INDICATORS

- Presence at events – each talk was attended by 100 participants, on average
- Citations in the media

IMPACT LEVELS

- Individual
- Sector or community



Contact the coordinator:

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RETAIL

GVcev discussion forum: street retail centers

Coordinator: Juracy Parente

There are more than 100 retail centers in various neighborhoods in São Paulo that help in the urban revitalization process: the idea is to link together retailers, public managers and academics to strengthen and expand these centers

THE CHALLENGE

- To strengthen street retail centers by taking advantage of FGV-EAESP’s existing knowledge about expanding the links on three fronts:
 - **Public management:** to encourage public managers to recognize and develop urban policies that preserve and revitalize street retail centers

- **Retailers:** to improve retailer awareness of the potential of the market; to find solutions that facilitate the localization of stores; and to publicize the efforts already conducted toward revitalizing these centers in São Paulo (like those in Rua Oscar Freire, Rua João Cachoeira, and the Brás region)
- **Academic community:** to encourage the development of research to improve understanding of phenomena related to street retail centers

WHAT WAS DONE

- Seven meetings were held with a group of 30 participants – public managers from the city of São Paulo, expansion directors of the major retail chains, directors of retail associations, and teachers and postgraduate students from FGV-EAESP and other universities.
- Street Retail Center Seminar: opportunities for the retail trade and for revitalizing cities, a full-day event, was held in November 2014.

RESULTS OR IMPACTS GENERATED

- Book: preparation of a book about street retail centers to be released in 2015, coordinated by four professors (Juracy Parente, from FGV-EAESP; Marcelo Mol Brandão and Luís Varotto, from Uninove; and Ana Paula Miotto, from Insper)
- Research: GVcev is also planning to conduct extensive, census-type research in 2015 with approximately 50 street retail centers in the city of São Paulo
- Two-way communication channel: The GVcev forum has contributed toward creating a new two-way communication channel between retail companies and the government.

MAIN PROJECT INDICATORS

- Formation of a study group of professors and students from five institutions: FGV-EAESP, USP-ESALC, ESPM, Uninove and Insper
- Preparation of the initial drafts of the chapters of the book about street retail centers
- Making the team from the Urban Development Planning Department (SMDU – SP) aware of the importance of ensuring that the city's new master plan does not compromise the vitality of street centers
- More than 30 retail companies present at the meetings
- Participation of more than 100 people in the November seminar
- Press coverage of the seminar

IMPACT LEVELS

- Individual
- Company or organization
- Sector or community



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HEALTH

Interfarma cycle of debates: health-related policies

Ana Maria Malik and Antonio Britto

Leaders of the pharmaceutical industry are rethinking their role to make the health system more integrated and to develop shared and decentralized management

THE CHALLENGE

- To take more global policies to directors and managers in the Brazilian pharmaceutical industry and to debate their role and rethink their commitments

WHAT WAS DONE

- A set of nine talks was organized in 2013 jointly with the Pharmaceutical Industry Research Association (Interfarma) on the following topics: the challenges of health management in Brazil; the limits and perspectives of the SUS; the judicialization of health; the incorporation of technologies in health; the future of hospitals; regulation; the future of doctors; the agendas of the medical professions' entities; and clinical research and medical innovation.
- A publication was produced with a register of all the events in 2014 entitled "Interfarma Cycle of Debates: Health-related policies".

RESULTS OR IMPACTS GENERATED

- Intense debate about policies, the result of which was the reformulation of old dilemmas, as the following examples show:
- Whereas previous thinking was related to whether the system should be public or private, now there is reflection on how the existing subsystems can complement and support each other.
- Whereas the previous focus was on federal, state and municipal responsibilities, it is now important to look to shared and decentralized management.
- Whereas previous issues emphasized prevention or treatment, priority for programs such as 'family doctors', or investments in reference hospitals, now there is belief in a whole and integrated system.
- The "Interfarma Cycle of Debates: health-related policies" publication was widely circulated through paper and digital means.

MAIN PROJECT INDICATORS

- Invitations to researchers from GVHealth to attend pharmaceutical industry events
- Invitations to GVHealth researchers to attend computer equipment and IT solutions events
- Partnerships with Health Ministry bodies
- Partnerships with Interfarma

IMPACT LEVELS

- Company or organization
- Sector or community



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HEALTH

Research project – Patient safety

Ana Maria Malik

Hospitals are already starting to introduce programs to guarantee better treatment and less risk for patients because of a FGV-EASP initiative

THE CHALLENGE

- To review the patient safety initiatives that existed in the State of São Paulo in 2014 to provide support for public policies both at the state and federal levels. Patient safety involves, for example, identifying patients correctly, improving the efficiency of communication, improving the safety of medication, ensuring the correct place and procedure in surgery and reducing the risk of infection.

WHAT WAS DONE

- An updated list of hospitals in the State of São Paulo (for the bodies that use it)
- Preparation of a questionnaire allowing the desired survey to be conducted (which can be used in other situations)
- Identification of what is lacking in terms of safety in Sao Paulo's hospitals
- Disclosure of national policies related to patient safety in public and private hospitals

RESULTS OR IMPACTS GENERATED

- Bodies such as SindHosp were made more aware of the importance of safety issues.
- A large number of hospitals that were not involved with the topic in the State of São Paulo were identified.
- Partnerships between EAESP and some sector bodies were strengthened (health departments and associations).
- After replying to the questionnaire, some hospitals started introducing programs.

MAIN PROJECT INDICATORS

- Presence in national and international events, both by submitting academic work and by receiving invitations to present results
- Invitations to present on this topic from various health services providers, such as Unimed Paulista and Nove de Julho Hospital
- Participation of EAESP in the Implementation Committee of the National Patient Safety Program

IMPACT LEVELS

- Company or organization
- Sector or community



Fale com a coordenadora:

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ENTREPRENEURSHIP

10,000 Women Program

Maria José Tonelli e Tales Andreassi

GVcenn – Entrepreneurship and New Business Studies Center

Free courses, tutorship and consultancy enable female entrepreneurs to acquire knowledge to improve the management of their businesses

THE CHALLENGE

- To develop the companies operated by female entrepreneurs, doubling their number of employees or tripling their revenues within a period of three years, based on a project funded by the Goldman Sachs Foundation.

WHAT WAS DONE

- There were 64 hours of classroom-based activities, as well as distance courses, provided at no cost to female entrepreneurs who already own and operate businesses but who had no access to courses at first-rate business schools.
- Tutoring and consultancy were offered to the participants.
- A business fair was held at which the women could present their products or services.
- Events were arranged for the women, even after the course ended.

RESULTS OR IMPACTS GENERATED

- In 2014, the goal of training 10,000 women worldwide through the Goldman Sachs Foundation's program was reached. Only four countries are operating this program: Brazil, through the FGV, India, China and Egypt. More than 350 women have already taken part in the FGV program.
- Participants obtain significant leverage in terms of both their business and personal lives given that one result is increased self-esteem.
- The participants spread the knowledge acquired through the course to other people in their communities.

MAIN PROJECT INDICATORS

- The number of female participants on the FGV program has already exceeded 350.
- The program or the female entrepreneurs who participated have been mentioned at least twice a month in the media, including on national TV.

IMPACT LEVELS

- Individual
- Company or organization
- Sector or community



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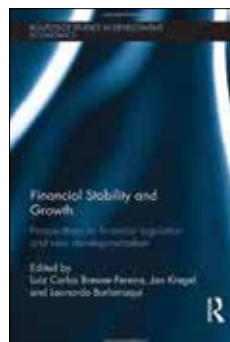
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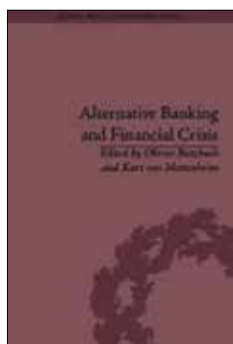
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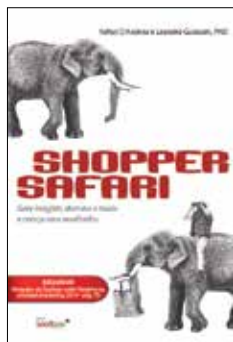
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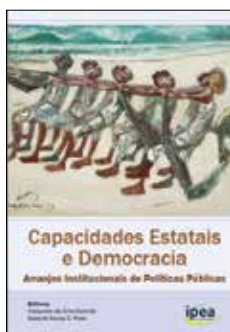
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