

Evolving Entrepreneurial Strategies for Self- Sustainability in Vulnerable American Communities

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Chapter 6

Evolution of Social and Creative Enterprise Incubation Methodology: The Case of Multisectorial Incubator Gênesis Institute PUC–Rio

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ABSTRACT

The purpose of this chapter is to critically describe the historic methodological process of the Gênesis Institute of PUC-Rio, University Incubator, during its 20 years of operation in Rio de Janeiro together with entrepreneurs of necessity and opportunity. PUC-Rio will qualify as an Entrepreneurial University and the Gênesis Institute as a multisector incubator in the 3rd phase of maturity. Additionally, another aim of this chapter is on supporting the generation of innovative entrepreneurs and ventures in the social and cultural sectors from a historical illustrated vision of cases of incubated ventures.

INTRODUCTION

The aim of this article is to use case studies to demonstrate the theory established by Allen and McCluskey (1990) that business incubators increase the probability of a new startup enterprise succeeding. Allen and McCluskey analyzed the success of an enterprise according to three indicators: “Business Incubator Occupancy Rate”; “Graduate Firms”; and “Survival Rates of Incubatees.” This article focuses particularly on the survival rates of incubatees in Brazil.¹

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According to Sebrae (2012), incubated startups have lower mortality rates as compared to startups unassisted by business incubators during the first years of existence. The assistance provided by business incubators provide, according to Allen and McCluskey, “affordable space, shared office services and business development assistance in an environment conducive to new venture creation, survival and early stage growth.”

Brazil is not a poor country. It is in fact the world’s ninth largest economy (Statistics, 2016), but it ranks 79TH in place of countries according to the Income Gini Coefficient, which lists countries according to rates of inequality (World Bank, 2013). There exist extreme differences in national incomes across regions and classes that can be traced to four centuries of slavery that concentrated economic wealth and historical differences in regional economic development. Unfortunately, the current Brazilian political and economic crisis is negatively affecting any possible advances in socioeconomic indicators.

Land reform is a necessary component to any future socioeconomic development. The country has experienced almost four centuries of slavery and many have been deprived of their civil rights for decades. Brazil has a monopolized media market and its economic and educational policies are historically exclusionary among other ills; but even so, it still finds time to party carnival and to host mega-events.

Brazil holds a complex and challenging reality with a wide range of social and environmental problems that have led us in the pursuit of creative solutions. So, proposals and initiatives aimed to fight the causes of these problems and the detriment of its effects have always been very welcome. Actions that are long-lived and self-sufficient are also expected. In other words, actions that are not dependent solely on the goodwill or sensitivity of entrepreneurs, citizens, the government, or on adherence to public edicts in order to have financial sustainability and effectiveness in its socio-environmental goals.

This new reality that is being built establishes a new relationship between State and society, between public and private. Until recently, the State was the exclusive promoter of social policies, but this situation began to change in the light of the demands and pressures from people and organized groups, even the government agencies are seeking new management, new ways to meet social needs. (Junqueira, 2006, p. 198, own translation)

Due to this situation, we have accompanied new perspectives on the fight against poverty and the processes of impoverishment, inequality, intolerance, ecological imbalance and so forth. This fact asks new settings of those agents from us. It is observed that social entrepreneurs have a “spark in their eyes” because social missions involving discipline, innovation and determination drive their shared motivation with collaborators. Yet sometimes they lack the “eye of the tiger” to associate their efforts to market mechanisms that are determinants in ensuring the sustainability of their own initiatives.

Data released in January 2015 revealed that Brazil came 62nd place in an international ranking of innovation; classified negatively on the environment for business/competition (135th); higher education (41st); effect of taxation on incentives to invest (139th); and capacity for innovation (44th) (WEF, 2015). In addition, Brazil still has too important a percentage of generated enterprises compared to those undertaken by opportunity (concept and data from GEM, 2010; 2011; 2013). This reflects not only the informality level in the national labor market, but also highlights the weaknesses of the Brazilian market and the lack of access to mechanisms that encourage competitive and innovative entrepreneurship.

CHARTER PROPOSAL AND METHODOLOGY

The article intends to critically approach the methodology of the social enterprise incubation by the Gênesis Institute of PUC –Rio, and to analyze, by cases of study from the Gênesis Institute, the theory established by Allen and McCluskey (1990) that the incubators increase the chances of a new venture to succeed.

The success of the enterprises is analyzed by the authors according to three indicators: “Business Incubator Occupancy Rate”, “Graduate Firms” and “Survival Rates of Incubates”. This article, in turn, takes into consideration one of the indicators considered, which is the “survival rates of incubates.”

According to Sebrae (2012), incubated startups have lower mortality rates, while startups unassisted by business incubators are more likely to have their activities closed down during their first five years of existence.

That is due to the incubator assistance, which the Genesis Institute has been providing for 20 years. The Institute has given birth to more than 150 enterprises in the market. Until 2015, Gênesis enterprises generated more than R\$ 2.94 billion in earnings. That year, sixty-five of the eighty-six germinated (pre-incubated), incubated, and graduated companies generated revenues close to R\$ 700 million and directly employed around 3,000 people (IG, 2015).

The Gênesis Institute has national and international recognition for the maturity of its services being awarded as the best incubator of Brazil and Latin America according to UBI 2015 index. These services belong to the third generation of incubators (Brunell et al., 2012; Garcia et al., 2015) grouping which includes organizations that provide opportunities for networking and clustering, as well as a physical space and offer support services for business development (attributes related to the second and first generation).

The guidelines of this study are in line with the same indicators that UBI (2015) utilized to evaluate business incubators, their evaluation program can be summarized in three points:

- The value for the entrepreneurship ecosystem.
- The value for the incubated and graduated companies.
- The attractiveness of the incubation program.

The objective of this chapter is to present a case study (Yin, 2001) of PUC-Rio’s acts under the concept of Entrepreneurial University (Etzkowitz, 2000), which will address their multi-sectorial nature. The Gênesis Institute operates in three sectors: technological, cultural and social. The technological sector launched the incubator’s shares in 1997. In 2002, it founded the creative area and became the first cultural incubator in Latin America and in 2005 Gênesis Institute launched in to the social sector.

In addition to presenting the context of creation and development history of the Gênesis Institute’s activities throughout its 20 years, the chapter aims to critically analyze the historical dynamics of the social area, focusing on different methodological approaches of some case studies (Yin, 2001) to give complexity to the results obtained that will be addressed.

BACKGROUND: PUC-RIO AS AN ENTREPRENEURIAL UNIVERSITY

The Gênesis Institute has emerged in the best scenario possible, since it is part of PUC-Rio, which has operated under the concept of Entrepreneurial University (Etzkowitz, 2003) for more than two decades.

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Its results in the field of teaching, research, and extension have been developed together with citizens, the State and the market, recognized as the best private institution of higher education in Brazil by the Student Guide (GE, 2015). As well as the Gênesis Institute being considered the best national and Latin American incubator (UBI Index, 2015).

PUC-Rio ranks 1st among Brazilian private universities and 8th among all universities in the country, according to the latest rankings by QS (Quacquarelli Symonds) - a British organization that evaluates the performance of higher education institutions in the world.

In 2015, PUC-Rio had 13,300 undergraduates, 2,600 graduate, and 4,000 extension students. 6,700 scholarships were awarded for undergraduate and two thousand for graduate programs. In that same year PUC-Rio had 428 full-time professors, and almost 900 in partial term, more than 300 research professors with a master's degree and almost 800 with doctorates (PUC-RIO, 2016b).

In the period from 2003 to 2009, 1,685 contracts were signed with companies to develop R & D projects. To date, PUC-Rio has already granted / filed 116 patent applications, 53 of which are abroad (PCT-Patent Cooperation Treaty & National Phase). Nearly 200 brands were deposited in Brazil and abroad, with 77 granted in Brazil, 87 brands deposited abroad (Europe, USA and Latin America) and 59 granted. Around 60 Computer programs were registered, 6 Licensing Contracts and royalties received and 7 Industrial Designs registered in Brazil from University Research (PUC-RIO, 2016b).

These results were obtained as a result of the commitment to the training of young people with a critical and entrepreneurial spirit. This orientation guides the mission of the Gênesis Institute, which acts as a training school, an incubator, an accelerator, and as a propeller of innovative entrepreneurship in an internal and external dialogue.

According to Mance (1999), between the 11th and 12th centuries, from its emergence in Europe, until the 19th century, the university fulfilled its social function of "producing, diffusing and preserving knowledge", characterizing itself as an institutional agent of Transmission of knowledge. After the 19th to the 20th century, the university began to incorporate more research aspects.

Etzkowitz & Leydesdorff (2000), cited by Ferreira et al. (2012) argue that the profound changes experienced in the competitive and dynamic environment have established new orientations regarding the performance of different economic agents. And, the university environment would not have been left out.

In addition, the third academic mission - in Brazil also called extension - gave rise to university incubators that, among other initiatives and proposals, act on the aegis of technology transfer.

In this article, a definition for technology transfer is the acquisition, understanding, absorption, and application of a given technology or a technological process. Another possible definition - given by Bessant and Rush (1993) - considers it to be a "set of activities and processes by means of which a technology - incorporated in products and new processes, or disembodied in the form of knowledge, skills, rights - is passed from one user to another."

Thus, technological transfers would have significant dynamics for the university extension according to the triple helix (Etzkowitz, 2003). In an environment of stimulus, the Entrepreneurial University, the Company, and the State would be the three propellers that have decisive interactions and interrelationships in the processes of innovation, supporting in a virtuous way the competitiveness in sectors and territories.

In Brazil, the third academic mission - also called extension -, gave rise to university incubators that, among other initiatives and proposals, act on the aegis of technology transfer. At PUC-Rio, one of the initiatives related to this function, was not only the emergence of actions of the Incubator and projects of the Gênesis Institute, but also several articulations and different technological, social and other relevant aspects. According to data from Times Higher Education (THE) - the world university ranking, United

Kingdom's Department - PUC-Rio is classified in the second place of the global industry contribution ranking. This indicator took into account data from 2009 to 2013 of the proportion of research income the institution receives from industry resources as a percentage of its total income (THE, 2016).

Another PUC-Rio's initiative regarding its entrepreneurial culture is the Minor in Entrepreneurship that covers over 25 disciplines, being three mandatory and the others electives. This qualification gives the students of any major from the University an extra degree. It was created in 2005 by Gênesis Institute and it was the first in Brazil to be recognized by MEC (Ministry of Education) in the year of 2007 (Mello & Zardo, 2016).

Currently, about 1,500 students each semester attends some minor disciplines. It is important to stress the following disciplines part of the Minor in Entrepreneurship: communication techniques for entrepreneurs, international entrepreneurship, entrepreneurial ethics, finance for entrepreneurs, social entrepreneurship, sustainable entrepreneurship and business, quality in business management, entrepreneurship and local development, creation of projects, concepts of law for entrepreneurs, and cultural business planning (Mello & Zardo, 2016).

In addition to these opportunities, PUC-Rio has more than 250 laboratories and dozens of imported equipment to develop basic and applied research of its 26 undergraduate and graduate academic departments. It is worth noting that in 2016, PUC-Rio decided to create a new Department – Medicine – that already had national prominence in postgraduate courses with expertise for the theory and practice of the so-called “active learning”.

The concept of Entrepreneurial University (Etzkowitz, 2003) is associated with the generation of new knowledge, application promotion and transfer of this knowledge to the market, generating social capital with the potential to transform knowledge into benefits for society, highlighting the opportunity that programming learning processes have that associate theory with the praxis of interdisciplinary contents, generated or implied.

Guaranys (2006), while studying the entrepreneurial ecosystem of PUC-Rio systematizes the concept of Entrepreneurial University in a dynamic movement. For her, the transition from being a research university to an entrepreneurial university would result from a shift in the internal logic of academic development. It goes on to exemplify actions of training, research and incubation of companies as activities related to the business productive sector.

In practice, in an Entrepreneurial University, the technological extension happens when there is integration of educational centers' laboratories and regional research with a flow of preparation of professionals and production of knowledge, associated with the creation of products, services and generation of sustainable enterprises.

THE GENESIS OF PUC-RIO GÊNESIS INSTITUTE

The Gênesis Institute was launched two decades ago in a unique context of the university. It aimed to support the guidance of engineering undergraduate students who had questions about professional determination (Mello & Zardo, 2016).

The Scientific Technological Center (CTC) of the university developed the Program of Reform in the Teaching of Engineering (REENGE). This action was taken as a leadership at the time because it was later seen as a “process of national reform of undergraduate education, developing methodologies and

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pedagogical conceptions and implementing flexible curricula that allow complementing the academic formation in different fields of the chosen course” (PUC-RIO, 2016).

Thus, the first program of entrepreneurial training was developed at PUC-Rio, having been born with a multidisciplinary character, involving the department of psychology, computer science, as well as engineering (Mello & Zardo, 2016).

As mentioned before, the Gênesis Institute was founded as an orchestrated articulation of the Technological Institute of PUC-Rio (ITUC). Thus, its natural orientation was supporting the creation of technological enterprises. Nowadays, the Gênesis Institute operates in three sectors, Technological, Cultural and Social, yet with just one institutional coordination that works with all these sectoral aspects.

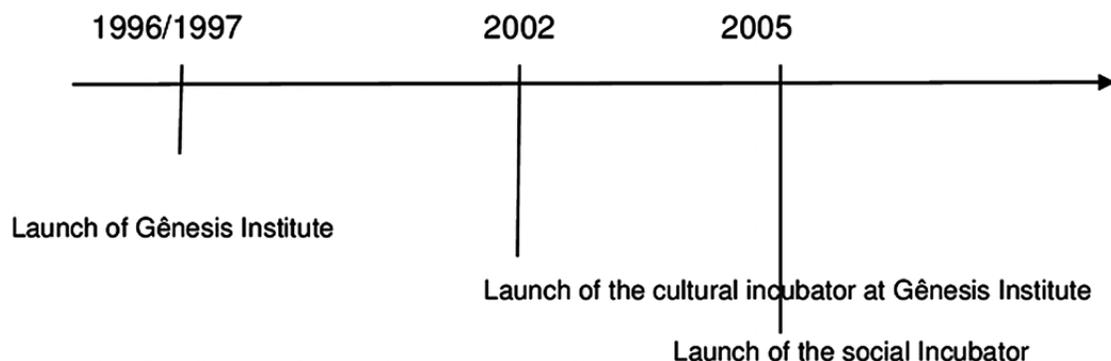
- **Technological:** Enterprises which have as their primary goal to develop new technologies in order to fulfill gaps existence nowadays. One example is Otimiza, which develops a program to promote energy efficiency at big companies.
- **Cultural:** Enterprises which are related to the cultural field. One enterprise is Ambos&&, which works with design and organize projects for museums and expositions.
- **Social:** Enterprises which intend to have a social impact with their products or services. Among the ones Genesis incubates Cinema Nosso is a graduated enterprise which aim to help kids and young people through cinematography.

The sectors are defined according to Anprotec (National Association of Entities that Promote innovative enterprises), which separate the incubators in: Technological Incubator (receive enterprises that work with technological innovation), Traditional Incubator (receive enterprises that work in the traditional field), Social Incubator (responsible to support social projects), Blended Incubator (receive traditional and technological incubators) and Cultural Incubator (support cultural projects or incubators that have cultural impact).

Figure 1 summarizes these historic dynamics that include the moment in which the three different types of Gênesis’s Incubators had merged into just one with a multi-sectorial character, in 2008.

All this happened while the international movement of junior companies echoed among undergraduate students from different courses at PUC-Rio. It was the first multidisciplinary national junior company, EJ of PUC-Rio. To this day, EJ PUC-Rio operates autonomously in the market of the city of Rio de Janeiro with great ease, having supervised the Gênesis Institute since then (MELLO & ZARDO, 2014; 2016).

Figure 1. Genesis incubation sectorial dynamic historic



Twenty years after its foundation, the Gênesis Institute can be identified as being in the third generation of incubators according to the conceptualization conceived by Bruneel et al. (2012) and corroborated by Bizzotto (2016) and Garcia et al. (2015). They point out that, to this day, some incubators have lived for three generations, according to Table 1.

A mature system (as PUC Rio's) like that of PUC-Rio in the generation and orientation of enterprises, mainly of a technology base, manages to attend both the pure and applied research of the University, as well as the market demands. The third generation of incubators sets out to go in addition. It seeks to understand the relationship with the organizational environment, the relationship with the network of effective articulation and power, as well as with local expectations as important guiding principles of its activities.

BRAZIL SCENARIO OVERVIEW

In Brazil, the role of incubators in the generation of small and medium enterprises has grown year by year. This is certainly the main orientation of the incubators, followed by the search to stimulate the identification and development of the entrepreneurial characteristics of the individuals involved in the technical, behavioral and managerial aspects; And to facilitate the entrepreneurial process and technological innovation at the local level (Mello & Zardo, 2014).

In the 1980s, the first incubators emerged in the country. This fact took place in the middle of the articulation of the National Council of Scientific and Technological Development (CNPq) when implemented the Program of Technological Parks in the country.

Borba (2012) understands that the development of incubators and technology parks in Brazil was linked to the existence of an institutional vacuum between the academic and business environment.

They would also act in a way to seek a company-university link in order to strengthen companies, increase networking, improve the linkage of the productive sector with support institutions, as indicated by Guedes & Formica (Amato, 2000, p. 74).

Table 1.

	Phase 1	Phase 2	Phase 3
Associated Period	From 2000 (before until the foundation of the social incubator of Gênesis Institute)	From 2005, launching the Social Incubator of the Institute	From 2004
Work Orientation	Incubation in support of NGOs. Work focuses on the social	Work turned and developed in the territory, but also the residente incubator of enterprises in the headquarters facilities of the Incubator	Work with the agents of the territory. However, there is still the development residente in the headquarters of the incubator.
Typology of motivation to undertake	Entrepreneur by opportunity; in the social organizations of these entrepreneurs	Entrepreneur by necessity in the case of Work in the territory; And entrepreneur by opportunity in the case of entrepreneur residing in the incubator's headquarters	
Payment	The enterprises themselves	Sponsors and / or the enterprises	

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The incubators have physical space to host innovative new-born ventures. They also offer shared services; courses, and consultancies for the technical and business management of partners and employees; Implement sector studies and research; Information on access to financing mechanisms by own or third parties; Access to markets and networks of interrelationships of their incubators; Laboratories for research and support to product prototyping; Monitoring, evaluation and orientation to entrepreneurs and entrepreneurs etc. (Anprotec, 2012)

In the beginning, the term incubator was almost always accompanied by the technological term because they are usually oriented to support the birth and the strengthening of technology-based companies (Fonseca; Kruglianskas, 2000), thus, they are aimed at attracting enterprises with the potential to lead to the market Services and innovative products in sectors that are intensive in scientific and technological knowledge.

Later, the Brazilian incubators started to seek the promotion of local and sectoral development (Anprotec, 2012).

Since 1990, in Brazil, the emergence of government incubators that were also aimed at stimulating economic growth and improving levels of employability.

A national survey of 2012 pointed out that there was a tendency to boost the local economy as the main objective of the incubators, an action that indicates, along with other positive aspects observed, the maturity of the movement in Brazil, showing that they are in line with the best international standards. This tendency occurs because “the graduated companies remain in the region of their incubation and that it is in the near environment that incubators prospect their new enterprises” (Anprotec, 2012).

Gênese, in turn, actuates specially with new enterprises located in Rio de Janeiro, nevertheless, sometimes it promotes events and workshops willing to take the Institute local development skills to other regions.

THE INCUBATION METHODOLOGY: DIFFERENT CONTEXTS AND ENTREPRENEUR PROFILES

Since the foundation of Genesis, the Institute has passed through different phases, according to the methodological changes that occurred in the field of entrepreneurship, which are going to be discussed afterwards.

Gênese primary entrepreneur profile was technological. Only afterwards the Institute started working with the cultural enterprises and, eventually, it began to support social enterprises and also technological and creative developments that had social orientation.

In general, technology basis entrepreneurs are people who are strongly associated with the concept of opportunity being very different from the other conceived profile of necessity entrepreneur. According to the Global Entrepreneur monitor of 2010, these two terms can be described:

Entrepreneur for necessity is those which start an anonymous undertaking for not having better options to work, and then opens a business in order to generate income for them and their families. Entrepreneur for opportunity choose for initiate a new business, even if holds another alternative of job and income. Searching more deeply these people and their motives, the GEM still verifies if these entrepreneurs for opportunity do it to maintain or increase their income or for the desire of independency on work. (GEM, 2010, p. 43, own translation)

Nevertheless, there was a high increase in cultural incubators, and the Institute observed that they demonstrated a different profile from the technological entrepreneurs.

On actions of cultural incubations, a big part of the entrepreneurs had the necessity of undertake for being outside the labor market or for believing in other models of business for this sector. Several cultural undertakings they used the culture as wherewithal to social welfare.

Even though the sectoral categories in their essence are limited, nowadays this has been changed, and it is possible to see, in Gênesis Institute, for example, startups that can be seen as members of the technology sector, as well as social and cultural at the same time. Another way to see this process is to assert. Over time, social incubation passed methodological changes, and sector understanding of developments became increasingly framework diffused. It began to support technological and creative developments that also had social orientation. But, even so, in the moment that we give emphasis in the trajectory of the Gênesis Institute, this sectors are used to make a lot of sense.

The Three Stages of Gênesis Institute

The article is going to discuss three stages that Gênesis Institute have experienced in its social performance. Table 2 presents the outline that's going to help understand this dynamic. It is crucial to notice that the stages are not rigid on time neither on its characteristics.

Phase 1

The ransom of self-esteem of the population economically deprived, for example, had as objective impacts socio-economic together with the population, having culture as a tool.

In 2005, when the Gênesis Institute proposed to undertake projects of a social nature, the work began with a methodology already known in the field of Brazilian social organizations: individualized support to community-based non-governmental organizations that reached the Gênesis Institute in seeking help for your business and management processes.

Table 2. Generations of incubators according to services offered

	Main focus of the 1st Generation	Main focus of the 2nd Generation	Main focus of the 3rd Generation
Associated time period	From 1960 until 1985	From 1985 until 1995	From 1995
Services offered	Physical space and shared resources	Physical space and shared resources + service of Business development support	Physical space and shared resources + service of Business development support + networking opportunity
Incubator Orientation	Tecnology push	Market pull	Networking and clustering opportunity

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Thus, in this first phase the work was directed toward the social. The Gênesis Institute team did not create a new method for this client. Additionally, the service was more conceptualized as consulting; therefore, it does not need to be carried out in the place where the organization carried out its social actions.

At the beginning of its activities, the social area performed the incubation service in underserved communities of the State of Rio de Janeiro. At that time, the methodology could be so presented:

[Action] mainly starts, through partnerships with local institutions, such as NGO's, schools, neighborhood associations, and women's groups, among others. These institutions carry out their activities within communities, in direct contact with the locals and all the local culture. Besides stimulating citizenship, education and care for the health, conduct a fundamental activity: professional training, which is an important hook and prerequisite for the development of entrepreneurial economic activities. Any community wishing to develop locally can participate in the program.... [later] activities are undertaken to promote the spread of entrepreneurial culture. This is done through workshops aimed to encourage proactive attitude and identify potential entrepreneurs and enterprises. These workshops are taught attitude and entrepreneurial behavior and business plan knowledge. (Jourdan & Zardo, 2007, p. 12, own translation)

The initiative of *Cinema Nosso* is an example of an incubated enterprise in this phase. Created in 2000 (incubated in Gênesis's cultural incubator) from the CST selection process for the renowned movie *Cidade de Deus* ('City of God', name of a poor and violent area in Rio de Janeiro), from directors, Fernando Meirelles and Kátia Lund. Young leaders, under the guidance of Luis Lomenha Nascimento that participated in the workshops offered by the directors, decided to promote access to audio-visual production tools for young people from the working classes, through practical and theoretical lessons. The main goal was to produce new films with original themes and esthetics of the working classes e insert the students in cinema's market niche.

In 2002, began the activities in the *Escola Popular de Cinema*. In 2005, the organization started to prioritize the integral development of young people and teenagers, especially students from the public system and working classes, with workshops and activities that stimulate reflection and the respect to diversity, plurality and popular culture. In 2007, inaugurated and integrated space at Lapa, located in the downtown area of Rio de Janeiro, with editing animation labs, sound finalization and a Movie Theater with capacity for 60 people. Two years later, the social enterprise called itself a production-school company for stimulating the entrepreneurship e developing professional abilities in young people, by enabling their experience in the work environment of the audiovisual market. Nowadays, the *Cinema Nosso* is an organization that accumulates more than ten years of experience in audiovisual education. 3500 learners from Rio de Janeiro's city and capital; approximately 100 completed courses and more than 150 workshops; around 200 short films produced; 2 feature films; hundreds of public exhibitions in their Movie Theater, participations in national and international festivals and works in important collections. (CN, 2016)

Phase 2

However, the sustainability of the supported projects has become a challenge that led Gênesis Institute to start a second work phase in social incubation: the work in the territory. Understand that was necessary a work that took into account the context and the surroundings in which entrepreneurs meet and confront each other. This was an equally instigating stage of Gênesis Institute work because it implied in leaving

the University's occupation area. It means doing a spillover of the knowledge and the technology that they were already familiarized together with the entrepreneurs for the opportunity of adapting them to the reality of the poor community where the entrepreneur by necessity was more frequent.

It was necessary identifying a community that could be work on always in base the demand of some agent – professor, employee, student or entrepreneur – from inside the University. From this moment, the community's diagnostic was made, identifying their abilities e their expectations for the future. After that, the workshops with the local impact were performed, both by the technical point of view as of the performance effects in their community.

At that moment, the team involved in the Social Incubator defended the concept of nano economy. For them, the articulation of local actors focused on the development of an innovative entrepreneurial culture aimed at the production of products and services integrated in a value chain would allow new public policies to be proposed. Thus, nano economies would be transformed into economic and social value, such as social micro clusters, so that economic activity would be seen as a way. The social well-being of the community would be the expected end (Aranha et al., 2006).

At this stage, the action in the *Vila Canoas* community was highlighted. In order to implement this idea, the Community Social Incubator developed the MEDIA ICT pilot project of the Gênesis Institute, approved and financed by the World Bank's InfoDev Program, with a duration of 2 years. It was started in October 2004 until 2006. (Rocha et al., 2006, p.4).

This project was implemented in *Vila Canoas, São Conrado*, and southern area of the Municipality of Rio de Janeiro. The community was chosen due to its profile: small, receptive and with a significant percentage of potential residents who already develop entrepreneurial activities. But it also faced problems common to other low socioeconomic development communities. The imminent preconception to the society causes that its residents are socially excluded only by residing in a favela (Idem).

The Gênesis Institute's MEDIA ICT project was composed of stages that are complemented with the objective of socioeconomically strengthening the community: (i) socioeconomic survey, (alliance with ITCP / Coppe / UFRJ) to raise issues related to quality of life, citizenship (ii) socio-environmental survey of the community (work in alliance with the PUC-Rio Environment Nucleus), which identifies the cultural and historical roots of the community and (iii) the training course for entrepreneurs, where residents are being encouraged to create enterprises with social technology (alliance with the NGO CEMP). After the development of these actions, 12 potential areas were identified in which local entrepreneurship will be developed (Rocha et al., 2006, p.8)

At this time, as an enterprise also supported by the social area of the Gênesis Institute, which also highlights, among others, the "Mulheres do Salgueiro" project, women living initiative of a poor region of metropolitan municipality, and farming tilapia, processing the leather and perform the tanning and dyeing for subsequent make the aesthetic production of the final products.

Phase 3

Subsequently, the Gênesis Institute's third phase of support for social entrepreneurship came with the experience and the difficulty of generating perennial and long-lived projects in the territories. The difficulty of the previous phase occurred when a project had its funding closed; it was very difficult for the actions in the territory to continue. It is observed that the autonomy and the protagonist of the community were not happening at all.

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It was at this moment when Gênesis Institute understood that applying its own methodology of incubation in the territories would be the most effective way to contribute to the social and economic development of communities in Rio de Janeiro and even other states of the country. It is at this institutional historical moment that we are aware today.

As an example of this phase of incubation work of the Gênesis Institute in the social area, there are dozens of social ventures generated within the scope of the *Agir Criativo* Program. This program is funded by *Fundação Vale* in two Brazilian states. The Program focuses on the development of skills and aims to support the generation of income and implementation of business through the production of culture. Since 2014, the Gênesis Institute has been responsible for actions in the cities of *Parauapebas, Pará, São Luis, Maranhão*. In each city four ventures have been followed, totaling eight ventures.

After participating in entrepreneurship training workshops and being selected by the technical team of the Program, they began to receive consultancy for the development of creative enterprises and also had the seed capital, financial resources, to invest in business, application for consulting services for strategic planning, development of products and services, innovation, administration, accounting, communication, marketing and sales, purchase of machines, equipment and / or inputs.

The selection process of these enterprises took into account the degree of maturity of each group and today they are already starting to show positive results. The *Mulheres de Barro* cooperative, consisted of ceramics artisans, planned the use of seed capital for the acquisition of machinery and furniture to make up the shop that is working at the local Community Development Center. These women reside in the rural area of Parauapebas and settle in the urban area offering, for locals and tourists, ceramic pieces inspired by archaeological discoveries in places in the region. The *Mulheres de Barro* today has 37 associates, who are divided in the management and execution of the works of research, production and sale of the pieces. (Vale, 2015).

Thus, currently, the social area conducts incubation and acceleration of social projects in several vulnerable regions of Brazil, mainly being sponsored by social responsibility corporate resources of large companies. Also, it works with residential incubation at its facilities in Rio de Janeiro, social businesses that are both encouraged by entrepreneurs by necessity (slum dwellers) as by entrepreneurs by opportunity.

A very recent example of residential incubation is the *Mão Santa* led by entrepreneurs for opportunities that have a strong sensitivity to social problems. *Mão Santa* is formed by students who graduated in business management and engineering, which idealized and have been developing an enterprise to teach people of a needy community in the field of construction. Also, for people who live in communities and who already know the trade (electrician, carpenter etc.) off of the market expansion, especially to work near their homes instead of crossing everywhere in the city.

Guilherme Sucupira is the co-founder of this social enterprise aims to work as intermediary between the residents of rich areas, and repair and maintenance professionals (e. g. electricians, masons, painters, plumbers, etc.) who live in a nearby favela. The idea is to respond to growing demand for this type of service by training favela residents in both professional and behavioral skills, helping them raise their incomes and promote local development.

ISSUES, CONTROVERSIES, AND PROBLEMS

A problem faced by the country is that the reality of Brazil is unfavorable to birth of new enterprises taken by opportunity. According to Pio, Brazilian journalist specialized in entrepreneurship, “Small

entrepreneurs do not need tutelage or privilege. They need that the environment of entrepreneurship in Brazil, one of the worsts of the world, to be improved in all its aspects: tax exemption for certain activities; Tax exemption for all; Exemption from payment; Fast credit, lacking; Broad, general and unrestricted training to improve small business management; Accelerated digital inclusion and empowerment so that everyone can take advantage of the opportunities that come with the digital universe”.

Beyond that a research made by ANEGEPE (National Association for entrepreneur and management studies of small firms) in 2014 shows that the entrepreneurs lack government assistance in many areas, especially in education, management and information about the risks of creating new enterprises.

Therefore, there is the need to change this reality, especially considering that there is a high level of emergence of enterprises by necessity, as the data from GEM 2013 shows. This demonstrates, consequently, that there is a controversy in Brazil’s reality. At the same time that there are many individuals investing in enterprises as a solution for their situations.

In this context, we believe that the promotion, birth and sustainability of new innovative companies through incubation process are essential so that they have markedly lower mortality rates. This can be achieved strategically by focusing on: the formation of entrepreneurs, entrepreneurial ventures, the development of problem solving tools, taking advantage of market opportunities, as well as promoting environments that stimulate networking and dynamism in territories.

SOLUTIONS AND RECOMMENDATIONS

Among all opportunities perceived during these years, what stands out most is to strengthen the communities, not only as potential consumers, but also as potential for innovation in products/services and entrepreneurs. Therefore, these data suggest that the incubators must be aware of this information in order to succeed, as well as the enterprises subscribed in it.

As it was possible to notice, many challenges are not specific to the field of entrepreneurship, innovation, social issues etc. In Brazil, the culture that embodies the country and our people is very rich and challenging per se. To recognize and to exploit it in order to give longevity and dynamics to the positive and virtuous aspects is crucial.

FUTURE RESEARCH DIRECTIONS

It is important to apply social research methods to the incubation processes experienced. It is necessary to raise quantitative and qualitative data of what has already been done in these 20 years of operation of the Genesis Institute of PUC-Rio together with entrepreneurs by opportunity and necessity.

The effort to deepen the understanding of what has been accomplished so far is also a primacy that the academy itself has as its responsibility, especially when it is remembered the tripod that sustains universities worldwide: teaching, research and extension.

In addition, the monitoring of entrepreneurs and enterprises is a recurrent and expensive theme for our institution. Unfortunately, the national culture in business does not help. Neither is the ecosystem of national innovation nor the way that organizations - governments, research centers, companies, academia, and civil society - articulate or do not articulate in Brazil.

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A good future research suggestion is to bring agglutinating issues of articulation networks free of ideological stragglers. Social innovation can be one of those agglutinating themes that incite networking, and that can be stimulated, measured, monitored, shared by academia, companies, governments etc.

This direction was also necessary because the economic crisis that is approaching can be decisive for the end of the social enterprises supported in the 20 years of work of the Gênesis Institute. It is needed to reinvent ourselves all the time, but do not give up personal and community development, and above all, to seek the equity of the mass processes and results that normally centralize groups with economic, ethnic, racial, generational, and other advantages.

CONCLUSION

There is no recipe to ensure the success of social actions. This phrase must be a cliché all over the world. And it would not be different in the scope of the actions of supporting new born innovative enterprises in the social field. The entrepreneurial context is particularly private. The complexity of the relationships in the territory and in the interpersonal relations gives the tone and dynamics of the achieved results.

The aim of this article, by discussing the case of the Gênesis Institute of PUC-Rio, incubator of the Entrepreneurial University that, with 20 years of operation and almost 200 ventures generated, is to help other initiatives and similar studies. One lesson learned is that the enterprises have to be sustainable to live longer. First, the Institute tries to help them finding their sustainability. After that, they can work on to expand their operations in order to grow as a company without being worried not to have the minimum needed to survive.

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ENDNOTE

- ¹ It is important to highlight that this article is also based on our observations throughout the years we have been working in this ecosystem.