

PRODUCTIVE ENTREPRENEURSHIP FOR SOCIAL INCLUSION: THE CASE OF THE HULK FOOTBALL SCHOOL

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Abstract keywords

Productive entrepreneurship; sports management; social inclusion

Aim of abstract/paper

This paper is part of a broader series of studies that aims to understand how entrepreneurship can lead to socially beneficial outcomes in poor communities. The specific study presented here is a preliminary investigation of the Hulk Football School located in Campina Grande in the poorer Northeastern region of Brazil, and its attempts to develop good citizenship and discipline along with identifying football talent. Our research questions are: What are the motivations for a sports entrepreneur to develop a socially beneficial mandate in poor communities? What are the potential outcomes, and how can they be measured?

Theoretical background

We draw on the social entrepreneurship discourse, where entrepreneurs act as change agents by developing ventures to create and sustain social as well as private value (Peredo and McLean, 2006). According to Hall et al (2012), within impoverished communities, entrepreneurship is often seen as a panacea for social improvement, but in reality it may lead to more harm than good, as weak institutional settings and poor education access may channel entrepreneurs away from productive activities. Baumol (1990) suggests that entrepreneurship can be productive, i.e. socially beneficial activities derived from new or improved ways of doing business (i.e. innovation); destructive, i.e. detrimental activities such as criminal behaviour leading to net social loss; and unproductive, activities that do not create social value, but instead seek rents through for example the exploitation of legal loopholes. Our research thus focuses on how social and private value can be created by a new venture (a soccer school) within a poor community.

Methodology, research design and data analysis

This research began in 2001 with the intent to explore how more sustainable business practices (economic, environmental and social parameters) could be established in various economic settings, including sport. We found that in poor regions such as Brazil a key challenge was incorporating social parameters, and specifically reversing social exclusion (Matos and Hall, 2007), “the denial of equal access to opportunities imposed by certain groups of society” (Behrman et al., 2003). We conducted expert interviews with policy-makers, entrepreneurs and other stakeholders in the poor State of Paraiba, Brazil, followed by an 800 sample survey conducted in 2012 that attempted to understand entrepreneurial behaviour within poor communities. We then interviewed 19 entrepreneurs identified from the survey and through a Brazilian bank specializing in micro-lending, which were selected based on their entrepreneurial orientation and self-reported claim that they were engaged in innovative activities. None represented highly successful productive entrepreneurs, so a more targeted search for potentially successful productive entrepreneurs was then conducted, resulting in the Hulk Football School as an exemplar case in the region. We analyse the School’s activities and motivations, discussing how it may contribute towards social inclusion in sports management (c.f. Knijnik and Tavares, 2012).

Results, discussion and implications/conclusions

Our expert interviews identified social inclusion as a key policy mandate in Brazil, and entrepreneurship an important mechanism by which this could be achieved. However, the survey and interviews with entrepreneurs found that there are considerable barriers to productive entrepreneurship within poor communities.

Hulk (Givanildo Vieira de Souza) who recently moved to Zenit St Petersburg for US\$70 million and has played on the Brazilian national team, was born and raised in Campina Grande, Paraiba, Brazil. His football potential was discovered by Jose Carlos Costa (aka Mano), who, as coach of the club, subsidized Hulk’s training because his family was unable to afford the fees. Hulk has since purchased the School and Mano runs it, and there are plans to build state-of-the-art facilities. According to Hulk, they are trying to “link the good with the useful”, identifying and developing football talent that can later play in professional clubs while instilling ethical values. They continue to sponsor poor youth (about 30% of the School’s enrolment) and place a heavy emphasis on good citizenship and discipline.

We discuss the School’s development, the roles played by Hulk and Mano in its governance and social orientation, and how it can contribute towards greater opportunities for those from poor communities. We also compare entrepreneurial activities based on sports elsewhere and with other industry activities in that region, and propose how such activities can be measured and shaped towards productive rather than destructive or unproductive outcomes. We contribute to the related social entrepreneurship and sports management literatures by improving our understanding of the motivations and outcomes derived from sports entrepreneurship, and how it can lead to social inclusion. We conclude with propositions for future research, specifically how

entrepreneurial motivations and productive outcomes can be measured.

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