INTERNATIONAL ENTREPRENEURSHIP ON FUNDRAISING OF THIRD SECTOR IN BRAZIL

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Despite the relevance and potential of International Entrepreneurship (IE) to foster the economic growth of emerging economies in the global scenario, understanding of IE in emerging economies is still limited (Kiss, Danis & Cavusgil, 2012)[1].

The present research aims to help overcome this limitation through the understanding of how IE can be related to the international fundraising carried out by non-governmental organizations (NGOs) of the 3rd sector, in Brazil. Subject of increasing interest, non-governmental organizations have also attracted numerous academic studies over the past decades, although, much of this literature, have kept the focus on "what" these organizations carry out, rather than "how" they act (Lewis, 2014, p.4)[2]. Here, also, there is a space of exploration, collaboration of this study, since apparently there is indeed a shortage of work to assess how these organizations interact with other social actors and how they conduct their actions.

Non-Governmental Organizations (NGOs) are important agents of international development. These institutions have gained prominence, largely for their performance in the context of humanitarian aid and advocacy, especially in the post-World War II period. Agency by ONGs in this sense was led and incentivized by the UN and supported by bilateral donors / investors, multilateral, and an increasing rate of private lenders (Lewis, 2014, p.6-7). In performing the role of implementing and executing development actions, NGOs mobilize resources to provide goods and services, through programs and projects of the organizations themselves, the government, or from a donor or funder. The interest of how these funds are used and applied is increasing (Lewis, 2014, p.4).

Also aligned to the overall development perspective, International Development Agencies are consolidating as valuable sources of financing and investment sources for the social and environmental actions. Development and International Assistance Agencies have become, therefore, of utmost importance from the second half of the twentieth century and have become a powerful and complex system of public and private funding agencies. Important among them are the World Bank and the Inter-American Development Bank (IDB) and bilateral donors such as USAID (Lewis, 2014, p.93-94). These loans can occur in several ways, however, in most cases, donors subcontract projects to NGOs and provide the funds required to make them feasible (LEWIS, 2014).

Notwithstanding the importance that NGOs acquired for the development of countries and the increase of the amount of international finance to NGOs, studies relating IE, Entrepreneurship Orientation and International Entrepreneurship Orientation to NGOs being or not successful in attracting international funds seem to be few or non-existent. Our research in databases such of Ebsco, Emerald, Springer, Jstor and the like, looking after papers delaying with the subject did not produce one single paper. Also, Dr. Nicole Coviello, renowned authority in the IE field, consulted about this, replied she did not know any research in this line – relating IE and IEO to NGOs' international financing.

SO, we define the research question as: How characteristics of IE and IEO can be related to the organizational performance of Brazilian NGOs in attracting international financial resources to promote their social objectives?

In order to deepen the understanding of the capacity and characteristics of non-governmental organizations in Brazil in attracting international investment, we will use the theoretical frames of the International Entrepreneurship phenomenon (IE) and the International Entrepreneurial Orientation (IEO).

Subsidiary Research Questions

How International Entrepreneurial Orientation IEO can be related to the performance of Brazilian nonprofit organizations on international fundraising? **Why** are there differences on the performance of nonprofit organizations in Brazil to fundraising from international development agencies?

Overall Objective of the Research

Analyze the relations between IE and IEO - in the 3rd sector organizations in Brazil - and the fundraising from international funding agencies / international investors.

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1 KISS, A. N., Danis, W. M., & CAVUSGIL, S. T. (2012). *International entrepreneurship research in emerging economies: A critical review and research agenda.* Journal of Business Venturing, 27(2), 266–290. doi:10.1016/j.jbusvent.2011.09.004

2 LEWIS, David. *Non- Governmental Organizations, Management and Development*, third edition, 2014, Routledge.

Specific Objective

Evaluate if the constructs of IE and IEO - proactivity, innovativeness and risk assumption - differentiate the behavior among the NGOs that raise funds from International Funding Agencies and those who did not experience the international fundraising and how the process to reach the international negotiation occurs - How behavioral and environmental variables can influence the organizational performance for internationalization.

Methodology

Methodologically speaking the present research is an Exploratory Multiple Case Studies - The units of analysis are respectively organizations of third sector, developers of programs and projects subsidized or not by international funds, and at least one international funding agency, with primary focus on IDB MIF, InterAmerican Development Bank / Multilateral Investment Fund. Based on a list of organizations, executers of projects financed by the Bank, in contrast to other organizations, on the other hand, that never captured international resources (did not act internationally) will be analyzed. The process by which NGOs may present an international entrepreneurial behavior will be understood. 20 NGOs will be selected in Brazil: 10 NGOs from the list of NGOs executers of international projects in partnership with IDB, and 10 NGOs that did not have experiences on international fundraising, or because they did not try, or because they failed. For each organization we will interview one member of the Top Management Team, an executive in charge of the Institutional and International Relationship area and or teambuilding of projects.

For the NGOS that develop international programs and projects funded by IDB, the generative question (Flick, 2004)[3] will be: "Tell how was the process that drives you to get your first international fundraising and partnership with an international funding agency. For those NGOs without international fundraising experiences, the generative question will be if they have ever sought for international fundraising. If the answer is "No" – we will ask "why". If the answer is "Yes" but they failed, we will ask to them to describe the process.

We will try to elicit as many histories and critical incidents as possible as they are the quintessential data in qualitative studies. Based on this we will develop both - intra-case and inter-case analysis (Eisenhardt, 1989)[4].

Focus will be placed in identifying the behavioral characteristics of IE and IEO – proactivity, innovation and risk assumption. At the end of each interview, a brief survey (questionnaire), adapted from Knight (1997)[5] and Knight and Cavusgil (2004)[6] will be applied, searching for indications that lead to a triangulation – a convergence of methods – strengthening the qualitative evidence.

Some examples of questions (using the Likert Scale of 7 points) are:

Related to OEI : The Top Management of the NGO tends to see the Financing Agencies from around the world, not just of Brazil, as possible sources of funding; Top Management of the company is experienced in IB;

Related to knowledge regarding the Funding International Agencies and Skills to negotiating with them: Ability to quickly align and adapt projects according to the needs and scope of International Funding Agencies;

Related to OEI characteristics, among them "Innovativeness", as example: Company is often the first one to introduce new services, administrative technical and operational technologies; Managers, in general, believe that to achieve the objectives of the companies are required audacious and radical actions X cautious attitudes; and or Managers when confronted with decisions involving situations of uncertainty typically adopt an attitude of caution, in order to minimize the risks.

Expected results

It is expected that this research will lead to positive relations among international activities carried out by NGOs and IE and IEO. Based on the studies developed with organizations from the private sector, especially SMEs, we believe it will be possible to draw preliminary hypothesis on how IE and IEO lead NGOs to succeed in attracting international funds and on the process from IE and IEO to success in international fundraising.

Results will have not only a theoretical contribution to the IE literature – we expect they will also be a contribution to help NGOs improve their performance on their entry and exposure in the international environment, and in detecting opportunities to attract investments that support social mission and development.

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[3] FLICK, U. (2004). *Uma introdução à pesquisa qualitativa* (2nd ed.). Porto Alegre.

[4] EISENHARDT**,** Kathleen M., Stanford University; *Building Theory from Case Study Research, Academy of Management*. The Academy of Management Review; Oct 1989; 14, 4; 2007, Vol. 50, No. 1, 25–32.

[5] KNIGHT, Gary A. *Cross-cultural reliability and validity of a scale to measure firm entrepreneurial orientation***,** Journal of Business Venturing, Volume 12, Issue 3, May 1997, Pages 213-225

[6] KNIGHT, Gary A.; CAVUSGIL, S Tamar. *Innovation, Organizational Capabilities, and the Born-Global Firm***,** Journal of International Business Studies, 2004, 35, 124–14, 2004 Palgrave Macmillan Ltd.