




Public policies of microcredit and the production of milk and cheese in Batalha-AL

Políticas Públicas de microcrédito e a produção de leite e queijo em Batalha-AL¹

NUNES, Maria Lucélia Felix ⁽¹⁾; AMORIM, José Francisco Oliveira de ⁽²⁾.

⁽¹⁾  <https://orcid.org/0009-0002-6506-8594> Mestre em Economia Aplicada pela Universidade Federal de Alagoas (UFAL). Faculdade de Economia, Administração e Contabilidade (FEAC-UFAL). Maceió, Alagoas (AL), Brasil. lucelia.nunes.batalha@gmail.com

⁽²⁾  <https://orcid.org/0000-0003-4494-8365> Doutor em Economia pela Universidade Federal do Rio Grande do Sul (PPGE/UFRGS) e professor na Faculdade de Economia, Administração e Contabilidade da Universidade Federal de Alagoas (FEAC/UFAL). Maceió, Alagoas (AL), Brasil. Email: josefranciscoamorim@gmail.com.br

ABSTRACT

Microcredit policies are constituted as financial intermediation services aimed at less structured ventures with the possibility of accessing credit. It is highlighted that there is a positive impact on access to microcredit policies, given that we can contribute to the development of the activities of two agents present in the market. These policies are intended to promote local development through access to microcredit, thus contributing to the development of the local economy. The objective of this work is to study the contributions of public policies used in agricultural activities with a view to rural entrepreneurship in the municipality of Batalha/AL. The methodology used was a descriptive analysis, with data obtained through a questionnaire applied together with the milk and cheese producers of the municipality of Batalha/Alagoas. The study was applied during the year of 2018, analyzing the profiles of the agents (level of education, income, source of income), time of adjustment in the market, problems in the production process, technical assistance and which agents enable financing. Finally, we conclude the importance of the development of these policies for the development of the region.

RESUMO

As políticas de microcrédito constituem-se como serviços de intermediação financeira direcionados para empreendimentos menos estruturados com possibilidades de acesso a crédito. Destaca-se que existe um impacto positivo no acesso a políticas de microcréditos, visto que podem contribuir com o desenvolvimento das atividades dos agentes presentes no mercado. Essas políticas possuem por finalidade fomentar o desenvolvimento local através do acesso ao microcrédito, vindo a contribuir para o desenvolvimento da economia local. O presente trabalho tem como objetivo, estudar as contribuições das políticas públicas utilizadas nas atividades agropecuárias com vista no empreendedorismo rural no município de Batalha/AL. A metodologia utilizada foi uma análise descritiva, com obtenção de dados através de um questionário aplicado junto aos produtores de leite e queijo do município de Batalha/Alagoas. O estudo foi aplicado durante o ano de 2018, foram analisados os perfis dos agentes (nível de escolaridade, renda, fonte da renda), tempo de atuação no mercado, problemas no processo de produção, assistência técnica e quais agentes possibilitaram o financiamento. Por fim, conclui-se a importância do desenvolvimento de tais políticas para o desenvolvimento da região.

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¹ **Note 1:** This article was the result of work developed in the Postgraduate course in Business Administration at the State University of Alagoas (UNEAL), to complete and obtain the title of Specialist in Business Administration. 2019.

INTRODUCTION

The Federal Government, in partnership with financial institutions, has been developing programs that facilitate access to microcredit for individuals, who are interested or need to invest in their properties or businesses.

This topic is extremely relevant, given the power and importance of microcredit policies for the development of a local market, as its effects can contribute to improving Society's income. Its effects have been of positive relevance in the actions of rural producers.

Microcredit becomes as an instrument that allows producers to take advantage of opportunities that they were previously unable to invest in their businesses. Access to formal credit allows you to create a self-sustainable mechanism, helping to mitigate negative impacts and helping to create future prospects for economic growth. Public microcredit policies aim to democratize credit, increasing social opportunities, thus contributing to increasing the success of the enterprise.

This study is of importance for Society, as it helps to present to those who do not know the benefits of microcredit policies for the market and for Society that lives in a given location. Thus, this article was the result of a research project developed to complete the final specialization work, whose interest was based on seeking to understand the difficulties faced by producers, their profile, the source of income, their role and performance in the market.

The theme was chosen due to the need to understand the importance of public microcredit policies for rural producers in the municipality of Batalha. Thus, making it necessary to understand the monitoring of this producer, the effects of these producer-oriented policies, the need to improve their activities on their properties. Therefore, it becomes necessary to understand the importance of policies for the growth of the activity carried out by rural producers.

Given this brief introduction, the following point arises to be analyzed: to what extent do public microcredit policies developed by the Federal Government contribute to the efficiency of rural entrepreneurship in Batalha/AL?

From this brief questioning, the objectives presented below are highlighted: the general aim is defined: 1) Study the contributions of public policies used in agricultural activities with a view to rural entrepreneurship in the municipality of Batalha during the year 2019.

The specific aims were defined: i) Analyze the profile of agents operating in the milk and cheese production market in Batalha/Alagoas; ii) Analyze the difficulties faced in the milk and cheese production process by rural producers; and iii) Check which financial institutions provide access to credit and observe their development policies for these projects, thus facilitating access and strengthening so that an increase in the production of these producers occurs as a result.

In view of this presentation, the following are indicated as the structure of the article: 1) this brief introduction to the study; 2) presentation of the theoretical framework, focusing on public policies, family farming and microcredit policies; 3) the methodology used in the present study, highlighting the type of research, the collection instrument used, the target audience and the analysis carried out; 4) analysis of the results, highlighting the results obtained during the study; and 5) finally, final considerations on the work developed.

PUBLIC POLICIES, FAMILY FARMING AND MICROCREDIT

In order to provide support for the present study, this section presents brief notes on the necessary framework that can provide support for the study.

Public Policies and Microcredit Actions

The focus, or rather, the emergence of studies on public policies can be presented as originating through the studies of some scholars, of whom we can mention: a) Laswell (1936) – where establishing public policy as a way of contributing to the dialogue between interest groups and the State itself; b) Simon (1957) – where he highlights the search for maximizing their own interests, for this, individuals use their rational knowledge to make decisions and in this environment we have public decision-makers, but decision-making presents problems due to incomplete information; c) Eastone (1965) – in this study he defines public policy as a relationship between agents and the environment.

Other authors present their contributions, such as Lynn (1980), by defining public policies as a group and/or set of government actions, which end up affecting and producing specific effects. These effects may be targeted at certain locations and/or regions, or may be targeted at a specific group of individuals who participate in a particular activity in the market. These actions can and should influence the lives of citizens. Otherwise, Dye (1984) further expands such definitions, defining that the government can act or not act, that is, the government aims to identify who may be affected by the actions, or set of actions taken by the government and how this will also affect the marketplace.

Following the thinking, pointed out by the authors already mentioned, we can define public policy as the set of choices, demonstrating in another way, what the government's preferences are at a given moment, these preferences can also be chosen due to the choices of society itself, as we can see in Abrucio and Loureiro (2004) where one of the ideals of democracy arises from the fact that the government emanates from the will of the people, therefore, the actions taken by the government also emanate from the choices made by society as a whole and how they accept to be represented.

The public policies carried out by the government aim to influence the actions of these groups belonging to Society, either due to their actions or due to the impact that could be

promoted in society. In continuity, public policies emerge with the purpose of promoting positive actions for society, mitigating the so-called negative externalities.

Given this prior knowledge, we can mention microcredit as one of the policies used by the government to mitigate negative impacts on society. The action of microcredit began to be discussed in Brazil from the 1990s onwards, through the studies of Barone (2002) and Zouain and Barone (2007) it is possible to arrive at the definition of microcredit, which is the granting of low-value credit to small entrepreneurs. Such loans are granted with the purpose of allocating resources for production, however, one of the problems faced by the public authorities and by Society has been the fact of establishing norms and means that can promote the development of small enterprises, contributing to the generation of employment and income for certain locations (SEBRAE, 2008).

Continuing, Chaves (2010) points out that microcredit activities are defined as small-value resources, whose purpose is to meet the liquidity needs of small production units. Such actions are aimed at enterprises and entrepreneurs, they are aimed at reducing the difficulties in offering credits and guarantees, in this way, they end up being excluded from the normal banking system.

In contribution, Monzoni Neto (2006) shows that the microcredit activity is linked to the field of microfinance, however, it is characterized by presenting the set of financial services that are provided by institutions for low-income individuals and formal individual microenterprises and/or for informal market agents, who end up being excluded and/or who do not have restricted access to the traditional system.

Given this, the action of microcredit can be identified as a positive strategy to reach a certain audience and/or location, favoring the generation of employment and income for a certain group of agents.

Family Farming and Microcredit

One problem, among others, faced by the Brazilian population, refers to the high level of inequality experienced, the result of a long period of poor income distribution, which contributed to the existence of negative externalities, promoting social exclusion from society.

In this way, it becomes possible to highlight that Brazil is not a poor country, but rather a country that is affected by poor income distribution, therefore, the need to combat poverty and problems with income generation arises, the problem remains it is worse when we move away from the capitals, heading towards the interior regions, as a result, Brazil suffers from poor distribution and not from the scarcity of resources (BARROS et al., 2000).

When analyzing locations far from the capital, the situation is much more complicated, as a result of the poor distribution of resources and allocation of resources, so in rural areas the situation is much more complicated. From this situation, there is a need to value the agents

who develop activities in this location, aspects presented by Abramovay (2006) who highlights the need to value family farming, through public policies, such as the National Program for Strengthening Family Farming (PRONAF).

The PRONAF corresponds to the result of a public policy action, originating in the 90s, organized along a few lines, of which we can mention: a) credit, b) infrastructure and municipal services, and c) training. As sources of resources, the General Budget of the Union, the Worker Support Fund, banks, cooperatives and constitutional funds are mentioned.

In research of Silva (2012), it is highlighted that the Program underwent several changes, with the aim of achieving greater capacity to apply its actions. Some of the differences that occurred can be highlighted as: a) the segmentation of farmers into different groups; b) another change occurred through the interest rate. These changes contributed to the expansion of the Program, allowing it to reach a greater number of family farmers, as until now they were excluded from the financial system.

The Program becomes important because it allows the generation of employment and income, it soon emerges as a financial operation, this operation allows the financing of production, allowing access to credit to be democratized.

Another notable initiative refers to Crediamigo (easy credit). About this, Barone et.al. (2002) states that the initiative arises through Nordeste Bank, a state bank focused on granting credit and managerial training.

Continuing, we can highlight that these actions favor and also contribute to the generation of employment and income for various locations. Of these locations, we can highlight the Alagoas hinterland region, more precisely the city of Batalha in Alagoas, used for the present study.

METHODOLOGY

This study presents characteristics from the point of view regarding the descriptive objective, as determined by Gil (1991) and Malhotra (2006), since the study intends to present characteristics of a given population and the establishment of possible relationships between the variables.

In relation to objectivity, some techniques are used, which can be standardized and structured. It is also evident that the descriptive character presented focuses on collecting information, or as Malhotra (2006) defines 'survey', basically the collection of information which consists of the use of a structured questionnaire, to obtain data that can favor the understanding of a given phenomenon. On the other hand, Pinsonneault and Kraemer (1993) define a 'survey' as a way of collecting data and/or information about a certain group.

In relation to the focus audience, participants are agents who develop activity in the city of Batalha in Alagoas, this market activity refers to the production of milk and cheese during the period of 2018, a total of 40 individuals were interviewed.

The purpose of the data is the primary characteristic, as the purpose of the data was to answer the problems relating to the present study, as determined by Malhotra (2006). To process the data, the Office System was used, using Excel software for tabulation and data analysis, thus, descriptive analyzes were carried out. From this analysis, it was possible to outline the profile and respond to the others specific objectives in the present study.

PUBLIC POLICIES ON MICROCREDIT AND MILK AND CHEESE PRODUCTION IN BATALHA-AL

The present stage of the article appears with the purpose of presenting the results obtained from the present study, as aspects to be highlighted in this section, occurrences derived from the specific objectives are highlighted.

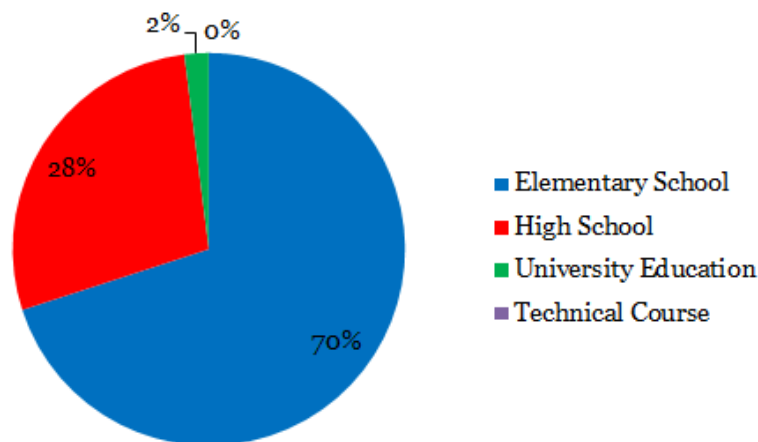
Agents Profile

In order to identify how the agents are presented, the first part of the study sought to outline the profile of the individuals presented as market agents for the activity carried out.

Regarding Education, 70% of those interviewed stated that they only had primary education and 28% stated that they had completed secondary education. As we can evidence from the data, market agents have a level of education below that required in other professional activities, possibly in others realities this would be quite worrying, however, as market performance requires case knowledge, the actions of agents and their knowledge in developing the activity are positive factors for remaining in the professional market.

Graphic 01.

Education / Formal instruction



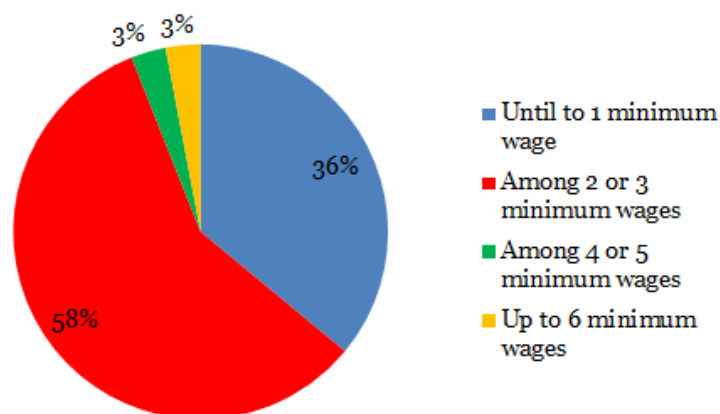
From: Data Research 2019.

Following what was presented in the previous graph, the monthly income corresponds to the result of the schooling/instruction obtained by the market agent. According to previous studies, the level of education of agents directly impacts income, 58% of respondents stated that they had income between 2 and 3 minimum wages, 36% up to one minimum wage, on the other hand, they had between 4 and 5 minimum wages and above 6 minimum wages present only 3% each of the alternatives presented.

Possibly, with greater knowledge, agents could involve other activities and actions, which could impact the organization and its income.

Graphic 02.

Family monthly income

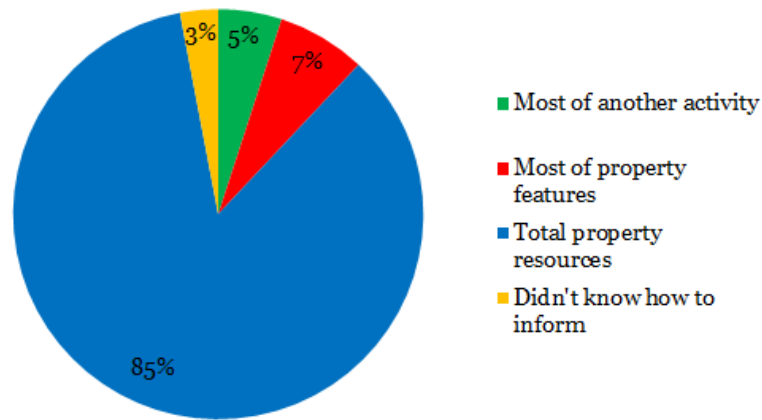


From: Data Research 2019.

Regarding the source of reported income, it was verified in the study, based on the alternatives highlighted, 85% of the interviewees reported that their resource or source of income is obtained entirely from the property, 7% reported that the majority of the resources are obtained from the property, only 5% reported that most of the resources come from another economic activity, either through agricultural production or livestock farming.

However, this data is worrying, if a possible bad edaphoclimatic situation occurs, resulting from the lack of rain and/or relief problems, the situation of producers will be extremely complicated, as there is a strong dependence on the activity as the main one.

Graphic 03.
Source of income

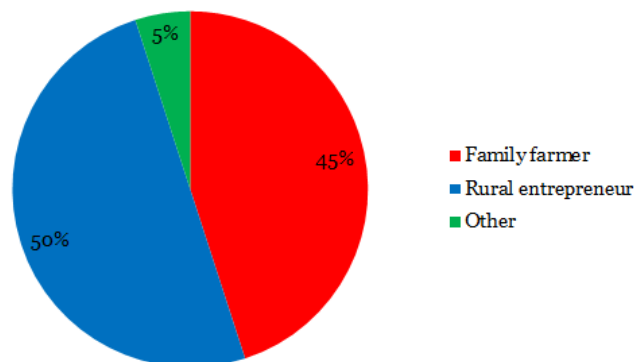


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Market Performance

According with the analysis presented, it was found that in relation to the type of category developed by the market agents interviewed, 50% reported that they are rural entrepreneurs, that is, professionals who develop activities in rural areas, but present a different vision of the business manager. The rural entrepreneur corresponds to someone who acts differently from the common business manager, as they have a different vision, take risks and take advantage of the opportunities that are available on the market. 45% of those interviewed stated that they were family farmers, the other option was mentioned by 5% of those interviewed, however, they did not inform this other activity.

Graphic 04:
Category

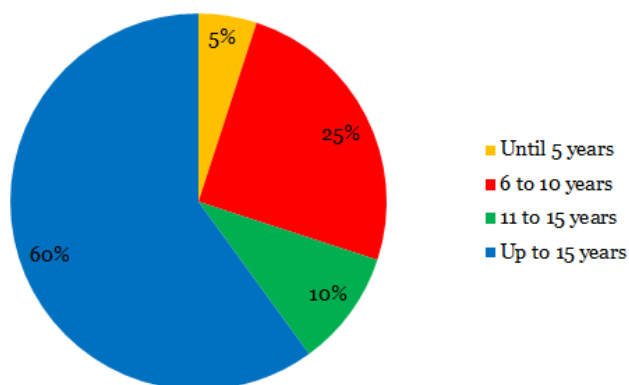


From: Data Research 2019.

In relation to time in the market, it was found that 60% of those interviewed reported that they had been in the market for more than 15 years, between 6 and 10 years was chosen as the second alternative with 25% and between 11 and 15 years by 10% of the respondents; on the other hand, up to 5 years was reported with 5%.

Graphic 05.

Time of work in the Market

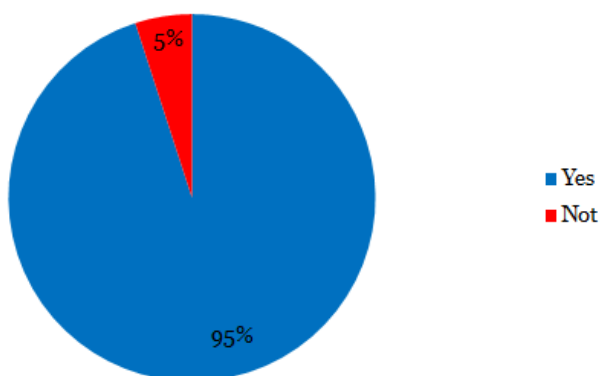


From: Data Research 2019.

In relation to the time spent in the market, depending on the type of activity and the actions carried out by the agents, such factors can directly impact the results. Due to this time in operation, 95% of the market agents interviewed reported that there was growth in production in their field of activity, a factor necessarily favorable to the performance of those interviewed in the market.

Graphic 06.

Considering your time in the market, was there an increase in production? Time of work in the Market



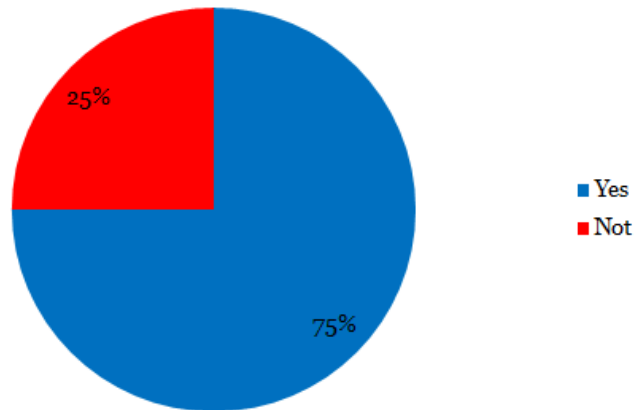
From: Data Research 2019.

Difficulties faced in the production process

Regarding the difficulties faced while operating in the market, 75% of those interviewed reported that they had problems in the production process, on the other hand, 25% highlighted that they had no problems in the production process.

Graphic 07.

Do you have problems in the production process?



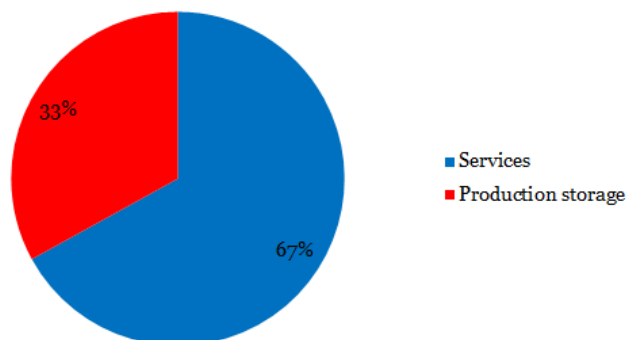
From: Data Research 2019.

The result of the following graph presents the continuation of the results obtained regarding problems encountered in production. As can be identified, most of the problems occurred due to labor, possibly due to the qualification to be presented, given the costs and income presented by the interviewees.

On the other hand, a worrying problem refers to the storage of production, 33% of respondents stated this as a problem in their business.

Graphic 08.

Problems Types Until 5 years



From: Data Research 2019.

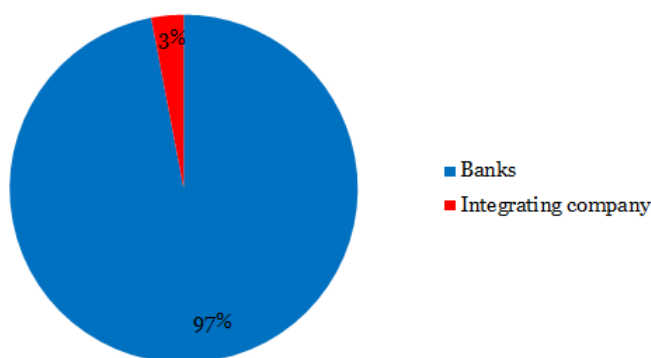
Corroborating the information presented in the previous graph, 70% of agents did not receive technical guidance, due to this, combined with the problems presented and the level of education presented by the interviewees, agents may not be able to deal with the problems that may arise, with this, technical guidance could be a possibility to mitigate problems that may arise, however, only 30% of interviewees received technical guidance and indicated EMATER as an agent that made the technical guidance action possible.

Financial Institutions that made it possible to operate in the market

In relation to the institutions that enabled agents to act in the market, 97% reported that banks were the main institution that made financing possible, on the other hand, only 3% of respondents reported that the integrating company contributed to the agent's financing.

Graphic 09.

Possibility of financing Agent



From: Data Research 2019.

Considering the information presented by the interviewees, none of them are currently linked to the cooperative, which ends up influencing their level of activity in the market and even more so the problems that occur. Because of this, agents have problems that they end up not mitigating, which they could in another situation. Through the development of a cooperative, agents could better prepare themselves to operate in the market.

Previously, 10% of those interviewed indicated that they tried to participate in a cooperative, but ended up giving up on the idea, on the other hand, approximately 23% are part of the PRONAF, therefore, such agents are directly affected by an action through public policies, proving that the level of action of the policies are necessary, however, the level of action of the agents could be better if the policies reached everyone, or better, if all agents could use the means of such policies.

FINAL CONSIDERATIONS

The purpose of this study was to analyze the action of the microcredit policy applied in the municipality of Batalha in Alagoas, to this end, we sought to verify the impact promoted on production and how individuals, farmers and rural entrepreneurs managed to obtain such resources.

Public policies consist of actions aimed at the better development of a given region, for this purpose, the actions are aimed at a given location and/or a specific group, the purpose of which is to generate employment and income in that particular chosen region or that defined group.

Microcredit actions in the Brazilian state gained strength in the 90s, this allowed individuals who lived on the margins of the common credit system to have access to credit, favoring their production and their performance in the market.

The study was carried out in the municipality of Batalha, in Alagoas, during the year 2018, with this, the profile of the agents was that 70% had primary school education, in terms of income, the majority of 2 to 3 salaries corresponds to monthly family income.

In view of the above, we can observe that the level of education does not affect the individual when operating in the market, as experience prevails in the field of activity, directly impacting business results. Therefore, the longer the period of activity, the greater the increase in production has been considered, but the level of education has a direct impact on income and consequently, those who have more education behave like a business manager. However, those with little education are characterized as rural entrepreneurs, representing approximately more than 50% of those interviewed. It is important to note that those who earn 4 to 6 minimum wages correspond to only 3% of those interviewed, who are the people with the most education.

As for the source of income, 85% of those interviewed have resources that are entirely their own, so if they have problems on their property due to soil and climate conditions they could be harmed. Thus, 75% of interviewees reported problems in the production process, with problems with labor and production storage being the main factors. However, 97% of individuals had banks as agents that favored their business and 23% reported having access to PRONAF and others indicated other means. It is worth highlighting that this fact proves that the actions taken to contribute to the generation of employment and income have had the desired effect on market agents, given that only 30% reported having technical guidance and 70% did not have guidance, the lack of Guidance in production can be seen as a detrimental factor, as with technical guidance the producer would minimize his production problems, being able to increase his productive profitability by expanding his business.

Given certain aspects, there is a need to expand the study in the future, thus, new actions can be developed in the future to favor the agents present in the market. Therefore,

actions aimed at expanding microcredit applied to rural entrepreneurs can favor the advancement of actions in the region, expansion of activities in the local market and increased purchasing power in the region. Therefore, such actions allow not only the impact on the actions of entrepreneurs, but on the entire location.

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