

Business perceptions and territorial development in small municipalities: a study in the midwest of Paraná

Percepções empresariais e desenvolvimento territorial em pequenos municípios: um estudo no meio oeste do Paraná

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Abstract

Territorial development has gained prominence in studies on socio-economic dynamics in regional contexts, especially in small towns marked by low productive diversification and strong dependence on agro-industrial chains. In this scenario, business leaders play a strategic role in formulating local initiatives. The aim of this article is to analyze the conceptions of development expressed by business leaders working in municipalities in the Midwest of Paraná state, in Brazil. The research adopts a qualitative approach, with semi-structured interviews conducted with the presidents of commercial and industrial associations in six municipalities in the region. The results indicate that perceptions are strongly anchored in a functional view of development, centered on job creation, infrastructure and labor qualification, with little incorporation of dimensions such as social inclusion, sustainability and territorial cooperation. The case of the Frimesa company illustrates tensions between expectations of economic growth and the risks of regional asymmetries. The conclusion is that although business leaders contribute to local dynamism, their conceptions still have little to do with the principles of territorial development, indicating the need to broaden the debate on more integrated and sustainable strategies.

Keywords: Territorial Development; Small Cities; Business Leadership; Municipal Management; Paraná state.

Resumo

O desenvolvimento territorial tem ganhado destaque nos estudos sobre dinâmicas socioeconômicas em contextos regionais, especialmente em cidades de pequeno porte, marcadas por baixa diversificação produtiva e forte dependência de cadeias agroindustriais. Nesse cenário, lideranças empresariais desempenham um papel estratégico na formulação de iniciativas locais. Este artigo tem como objetivo analisar as concepções de desenvolvimento expressas por lideranças empresariais atuantes em municípios do Meio Oeste do Paraná. A pesquisa adota uma abordagem qualitativa, com entrevistas semiestruturadas realizadas com presidentes de associações comerciais e industriais de seis municípios da região. Os resultados indicam que as percepções estão fortemente ancoradas em uma visão funcional de desenvolvimento, centrada na geração de empregos, infraestrutura e qualificação da mão de obra, com baixa incorporação de dimensões como inclusão social, sustentabilidade e cooperação territorial. O caso do frigorífico da Frimesa ilustra tensões entre expectativas de crescimento econômico e os riscos de assimetrias regionais. Conclui-se que, embora as lideranças empresariais contribuam para o dinamismo local, suas concepções ainda pouco dialogam com os princípios do desenvolvimento territorial, indicando a necessidade de ampliar o debate sobre estratégias mais integradas e sustentáveis.

Palavras-chave: Desenvolvimento Territorial; Cidades Pequenas; Lideranças Empresariais; Gestão Municipal; Paraná.

Recebido em 06/05/2025

Revisado em 06/08/2025

Aceito em 11/08/2025

1. Introduction

Studies on regional development must consider both interregional inequalities and the territorial and local specificities that shape the diversity of trajectories, dynamics, and socioeconomic heterogeneities. In light of these heterogeneities, it is important to incorporate the perceptions of local and regional leaders regarding development trajectories, not only to understand the development process itself but also to inform policies and actions aimed at fostering development (Pereira & Moreira, 2020; Marzulo et al., 2020; Ávila, 2021).

The specialized literature recognizes the strategic role of local leadership in territorial development processes, given their involvement in contexts permeated by power relations, cooperation networks, governance structures, and collective action practices (Cruz et al., 2024; Gonçalves et al., 2024; Nunes et al., 2024). The conceptions held by these actors directly influence the formulation of proposals, resource mobilization, and the construction of strategies aimed at strengthening local economies and coordinating various territorial actors in favor of development. However, little attention has been paid to how business leaders, particularly in small municipalities with agricultural bases and low productive diversification, construct representations and take actions in support of local development and how they perceive their roles in these processes.

In this context, this article aims to contribute to the field of local and territorial development by investigating the socioeconomic development conceptions expressed by business leaders active in rural municipalities in the interior of Paraná. According to Fernandes et al. (2019) and Fajardo and Cunha (2021), rural municipalities are territories made up of small towns characterized by a predominance of urban services but with a significant rural interface. This productive configuration supports a vertically integrated structure linked to agri-food chains, but it remains concentrated in low value-added activities.

Within the framework of territorial development, small towns play an ambiguous role: although they are directly affected by large-scale economic dynamics, they have limited institutional and political capacity to influence development pathways. According to Santos et al. (2022), Endlich et al. (2023), and Barancelli et al. (2024), these urban centers have limited productive diversification and are highly dependent on external networks, such as large enterprises, cooperatives, agribusinesses, and sectoral public policies. Their centrality tends to be secondary and limited to providing basic services to local and nearby rural populations. In the case of the Midwestern region of Paraná, the municipalities analyzed exhibit these characteristics, combining low population density, agro-industrial specialization, and strong influence of external actors on territorial planning and structuring. Therefore, the empirical focus encompassed six municipalities in the region: Assis Chateaubriand, Nova Aurora, Formosa do Oeste, Jesuítas, Palotina, and Tupãssi. The economies of these towns are strongly rooted in agribusiness, particularly in the production of grains, pigs, and poultry, driven by integration with agro-industrial cooperatives.

This case provides an analytical opportunity to examine how these business actors interpret the challenges and possibilities of territorial development in small towns. From this perspective, the article seeks to answer the following questions: How do business leaders perceive development in their municipalities? To what extent are these perceptions aligned with, or in tension with, the principles of territorial development?

The originality of this study lies in the combination of three elements: a specific focus on business leadership as a source of meaning-making in development; the empirical analysis of small municipalities with strong agro-industrial specialization; and the examination of these perceptions through the lens of the territorial development theoretical framework. By integrating these dimensions, the article addresses a gap in the literature, which often regards business leaders as secondary or purely economic actors, overlooking their influence on strategies, discourse, and decisions at the territorial level. The article is structured into four sections: Section 2 outlines the theoretical framework; Section 3 details the methodology; Section 4 presents and discusses the results; and Section 5 concludes with the main findings and implications.

2. Theoretical Framework

The concept of territorial development is grounded in a critique of traditional approaches focused exclusively on economic growth, typically measured by aggregate indicators such as Gross Domestic Product (GDP). These approaches, by prioritizing quantitative targets and macroeconomic outcomes, tend to overlook local specificities, historical processes, and social dynamics that shape territories (Antoniazzi & Raiher, 2020). According to Dallabrida (2020), territorial development is a multidimensional, relational, and situated process, oriented toward transforming economic, social, and institutional structures based on the valorization of endogenous resources, social equity, the sustainability of natural systems, and the affirmation of local identities.

This perspective views territory not only as a physical space, but also as a social and political construction shaped by cooperation networks, power relations, and cultural practices (Saquet, 2015). Thus, territorial development seeks to integrate economic growth with collective well-being, social participation, and the strengthening of local governance, promoting trajectories that are sustainable, inclusive, and rooted in each place's potential (Canquerino & Bertolini, 2019).

This approach arises from the recognition that planning strategies based on sectoral policies and centralized command models have proven inadequate for addressing regional inequalities and contemporary socio-environmental challenges. Since the 1990s, a theoretical and normative shift toward territorial development has gained momentum, emphasizing the articulation across scales, decentralized governance, strategic use of endogenous resources, and the construction of localized institutional arrangements (Joyal, 2019).

In this new paradigm, territory ceases to be understood merely as a physical support for production and is instead conceived as a socially constructed space, shaped by symbolic relations, organizational practices, and institutional disputes. As Blomley (2019) notes, territory is simultaneously a social and cultural space, configured by the meanings that actors attribute to the place where they live and operate. This understanding lies at the heart of approaches that consider development as a situated, historically conditioned, and institutionally mediated process (Dallabrida, 2020).

Ongoing transformations in the global economic system have intensified the interdependence between local scales and transnational dynamics. According to Cardoso et al. (2020), there is a growing verticalization of spatial relations, whereby logistics networks, production chains, and financial circuits subordinate peripheral regions to exogenous decision-

making logics. This condition is especially pronounced in territories highly specialized in the production of agro-industrial commodities, such as Western Paraná. As noted by Favareto (2019), such dependence undermines productive diversity, exacerbates income concentration, and hampers the development of sustainable long-term strategies.

For these reasons, thinking about territorial development requires an approach that recognizes the complexity of territories and promotes integrated trajectories capable of reconciling economic growth, social well-being, and environmental conservation. The challenge lies not only in designing sound strategies, but also in building sociopolitical coalitions that can sustain the transition to a new model of development.

2.1 Small Towns and Business Leadership: Agents and Territories of Development

Within the framework of territorial development, small municipalities require specific attention, as they present institutional, productive, and social structures that distinguish them from large urban centers. According to Santos et al. (2022), Endlich et al. (2023), and Piffer (2024), these locations exercise secondary centrality, with functions concentrated in the provision of basic services and limited capacity for coordinating autonomous development strategies. Their economic base is often narrow and dependent on external agro-industrial chains, such as agribusiness, making them vulnerable to market fluctuations and to decision-making concentrated outside the territory.

Despite these limitations, small towns should not be interpreted as passive spaces. As Ávila (2021) and Santos et al. (2022) point out, such territories possess dense social networks, associative structures, and cooperative experiences that can foster endogenous dynamics. Even in contexts with low institutional density, there is room for the emergence of leadership capable of articulating actors, mobilizing resources, and mediating both local and extraterritorial agendas.

The literature indicates that business leaders, in particular, play a strategic role in these contexts. For Hofer et al. (2004), local development implies a "grassroots organization" supported by actors who move across different spheres—economic, political, and institutional. In small towns, where the local state often faces technical and fiscal constraints, these leaders take on expanded roles in attracting investments, setting priorities, and influencing public policy (Bremer et al., 2023).

In the case of Western Paraná, territorial arrangements reflect this dynamic. As demonstrated by Cima et al. (2021) and Rippel (2022), the municipalities in the region share production patterns strongly linked to agribusiness, especially pig and poultry farming. The spatialization of data reveals a high autocorrelation between per capita tax revenue and the concentration of agro-industrial activities, suggesting a strong dependence on specific sectors and limited economic diversification. These characteristics reinforce the centrality of business leaders as mediators between local interests and exogenous development strategies implemented by large cooperatives and companies.

As Joyal (2019) argues, these regions operate under a logic of exogenous development, often shaped by centralized strategies that fail to promote the endogenous and interinstitutional coordination of local actors. In this context, understanding how business leaders formulate their perceptions of development becomes essential, particularly in peripheral areas marked by structural asymmetries but also by potential for cooperation and local networks.

For this reason, understanding how these leaders construct their development conceptions is crucial for assessing the potential for building more autonomous, sustainable strategies rooted in the territorial specificities of small towns.

3. Methodology

This research adopted a qualitative, exploratory approach, suitable for investigating meanings, interpretations, and perceptions constructed by social actors in specific contexts (Collins & Stockton, 2022). This methodological choice is justified by the need to understand how business leaders formulate their conceptions of socioeconomic development in municipalities in the Midwestern region of Paraná, taking into account the complexity of territorial processes and the influence of institutional, economic, and historical factors. The study sought to answer the following questions: (i) how do business leaders perceive development in their municipalities? and (ii) to what extent are these perceptions aligned with or in tension with the principles of territorial development?

To address these questions, we conducted six semi-structured interviews, one in each municipality (Assis Chateaubriand, Nova Aurora, Formosa do Oeste, Jesuítas, Palotina, and Tupãssi), with the sitting presidents of the respective Commercial and Industrial Associations. The selection of these individuals is due to their strategic position in local economic dynamics, which makes them relevant sources for analyzing territorial development. This empirical choice is also linked to recent transformations in the region, particularly the installation of a large-scale meatpacking plant in Assis Chateaubriand, with expected impacts on the labor market, productive structure, and economic flows in neighboring municipalities.

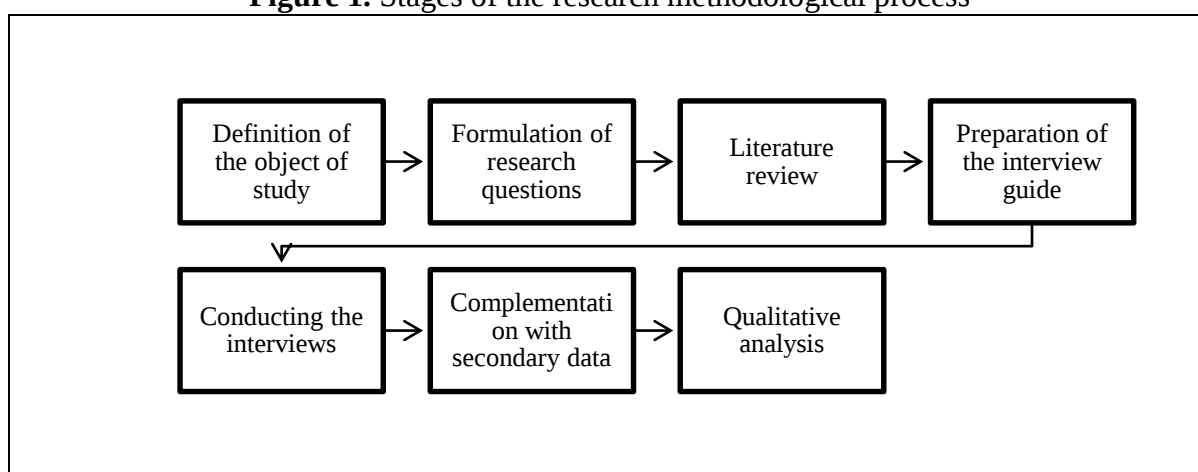
The interviews were conducted between November 20, 2021, and March 14, 2022, in accordance with the ethical guidelines established by the National Research Ethics Commission (CONEP). Interviews lasted approximately 45–60 minutes, were conducted in Portuguese, audio-recorded with consent, and transcribed verbatim. We complemented transcripts with field notes taken during and immediately after each interview. Four interviews were conducted via video call (WhatsApp), due to the health restrictions imposed by the COVID-19 pandemic and the geographical distance between municipalities. The remaining two interviews were conducted in person. The use of the remote format aimed to preserve the quality of interaction and capture expressive nuances in participants' responses.

The interview script was developed from the theoretical framework presented in Section 2, prioritizing dimensions considered central to the role of business leadership in the context of territorial development. The set of questions underwent a prior review to ensure clarity, relevance, and alignment with the study's analytical objectives. It was organized into five thematic axes, each operationalized through guiding questions, as follows: i) Perception of the municipality's level of socioeconomic development — e.g., “How would you describe the current level of development in your municipality?”; ii) Factors that hinder local development — e.g., “What are the main barriers to economic and social progress here?”; iii) Elements that can foster development — e.g., “What local resources or opportunities could be better used to promote growth?”; iv) The role of business leadership and public authorities — e.g., “How do you see the role of the local business community and the government in driving development?”; v) Expectations regarding the economic and social impacts of the Frimesa

meatpacking plant — e.g., “What changes do you expect in the municipality and the region as a result of this investment?”.

The questions were formulated to allow respondents to freely express their interpretations and experiences, in line with approaches that value subjects' perspectives and their articulation with local development processes (Denuzzi & Lima, 2013). The overall sequence of these stages is illustrated in Figure 1, which summarizes the methodological process adopted in the study.

Figure 1. Stages of the research methodological process



Source: Author's elaboration (2025).

We applied Bardin's content analysis (2016), following the stages of pre-analysis, material exploration, and treatment of results. Coding combined a deductive frame derived from the five axes with inductive subcodes that emerged from the narratives. Two researchers independently coded an initial 30% sample, discussed discrepancies to refine the codebook, and then completed coding; disagreements were resolved by consensus (negotiated agreement). We monitored thematic saturation at the level of the five axes; no new categories emerged after the fifth interview, and the sixth confirmed the stability of the coding scheme.

The qualitative approach adopted is compatible with the analysis of social representations, as it enables the identification of both convergences and divergences among the respondents' perceptions (Knott et al., 2022). As argued by Fonseca and Ferentz (2021), qualitative interviews do not aim to quantify opinions, but rather to explore meanings, experiences, and interpretations. The analytical value of the data lies in the depth of the narratives, not in the size of the sample. The perceptions expressed directly reflect the participants' social and economic embeddedness, reinforcing the relevance of the adopted approach. This perspective is consistent with studies that highlight the importance of valuing local knowledge and strengthening productive chains as strategies for sustainable regional development, especially in contexts marked by structural vulnerabilities.

Although the primary focus of the research is the analysis of business leaders' perceptions, secondary data from the Firjan Municipal Development Index (IFDM) were used

to contextualize the socioeconomic landscape of the municipalities studied. Indicators for the base years 2006 and 2016 were selected to provide a stable, comparable series across the six municipalities, supporting contextualization and triangulation with the interview narratives. This time frame was chosen because later releases were either not fully harmonized for longitudinal comparison at the time of analysis or presented discontinuities that could bias the interpretation of trends relative to the qualitative evidence gathered in 2021–2022. According to Leão et al. (2023), the IFDM allows comparisons between municipalities based on three dimensions: education, health, and employment and income.

In the education dimension, indicators include early childhood education coverage, dropout and age-grade distortion rates in elementary education, teacher qualifications, and performance in the Basic Education Development Index (IDEB). The health dimension includes prenatal care coverage, mortality from ill-defined causes, avoidable infant deaths, and hospitalizations for conditions sensitive to primary care. The employment and income dimension includes the generation of formal jobs, the level of labor market formalization, average income, wage mass, and inequality measured by the Gini index (Firjan, 2022). The IFDM ranges from 0 to 1, with the following classifications: below 0.4 (low development); between 0.4 and 0.6 (regular); between 0.6 and 0.8 (moderate); and above 0.8 (high).

The sample, although small, was intentionally composed of individuals with strategic roles in local economic dynamics. This configuration aligns with the exploratory objectives of the study and the logic of analytical inference in qualitative research. As a limitation, the absence of other territorial actors and the partial use of remote interviews are acknowledged, as they may have constrained the depth of interaction. These limitations do not compromise the findings but indicate opportunities for future research that includes a broader range of voices and data collection methods.

4. Results And Discussion

The socioeconomic development of the six municipalities analyzed is examined using secondary data and interview evidence, beginning with an overview of their productive structures. These economies are strongly linked to agribusiness, especially the production of soybeans, corn, wheat, poultry, swine, cattle, and dairy. Assis Chateaubriand stands out in poultry, swine, and metalworking; Nova Aurora combines diversified agriculture, fish farming, and agroindustry; Formosa do Oeste has an essentially agricultural profile; Jesuítas adds large-scale coffee production to grain, poultry, and cattle farming, along with construction and small industries; Palotina concentrates significant agroindustrial activity, with strong cooperative presence and diversified services and education; Tupãssi complements its agricultural base with services, public administration, small-scale industry, and local development initiatives (IBGE, 2024).

To understand how these productive profiles translate into broader socioeconomic performance, the next step is to examine IFDM data, which help contextualize the municipalities' performance in education, health, and employment and income. Table 1 presents the IFDM indicators for the six municipalities, based on data published annually by the Federation of Industries of the State of Rio de Janeiro (FIRJAN). The results show that, in recent years, all have improved their positions in both the state and national rankings.

Table 1. Overall IFDM of the municipalities analyzed (2006 and 2016)

Municipality	IFDM		National Ranking		State Ranking	
	2006	2016	2006	2016	2006	2016
Assis Chateaubriand	0.67	0.72	1,637	1,431	219	196
Formosa do Oeste	0.64	0.73	1,815	1,486	251	198
Jesuítas	0.61	0.72	2,244	1,604	301	213
Nova Aurora	0.64	0.78	1,813	551	249	551
Palotina	0.68	0.81	1,315	281	159	29
Tupãssi	0.68	0.68	2,472	1,354	312	182

Source: Adapted from FIRJAN (2022).

Among the one hundred best-performing municipalities in the state of Paraná, only two of those surveyed appeared in the ranking: Palotina and Nova Aurora, which held the 29th and 66th state positions, respectively. Palotina stood out with the highest results in both the state and national rankings. In contrast, Tupãssi had the lowest index among the sampled municipalities, ranking 2,472nd nationally and 312th in the state. This overall performance can be better understood by examining the three dimensions that compose the IFDM: Education, Health, and Employment & Income. Palotina recorded the best results in the Education and Employment & Income dimensions, while Jesuítas achieved the highest score in the Health dimension.

Table 2. IFDM – Education Dimension (2006 and 2016)

Municipality	IFDM	
	Education – 2006	Education – 2016
Assis Chateaubriand	0.73	0.86
Formosa do Oeste	0.66	0.86
Jesuítas	0.77	0.79
Nova Aurora	0.68	0.85
Palotina	0.74	0.88
Tupãssi	0.81	0.85

Source: Adapted from FIRJAN (2022).

The Education dimension showed the least variation among the municipalities surveyed, with relatively high scores overall. The exception was Jesuítas, whose performance was lower than the others. Since the IFDM Education dimension evaluates indicators related to basic education, the results suggest improvements in the services offered by the municipalities. In Assis Chateaubriand, the establishment of the Federal Institute of Paraná (IFPR), offering technical and undergraduate programs, contributed to the consolidation of vocational education at the secondary level.

Table 3. IFDM – Health Dimension (2006 and 2016)

Municipality	IFDM	
	Health – 2006	Health – 2016
Assis Chateaubriand	0.72	0.78
Formosa do Oeste	0.72	0.85
Jesuítas	0.65	0.90
Nova Aurora	0.72	0.79
Palotina	0.69	0.86
Tupãssi	0.64	0.71

Source: Adapted from FIRJAN (2022).

Jesuítas had the best performance in the Health dimension among the municipalities analyzed. Despite being the second smallest in terms of population, it achieved the highest score in this dimension. This indicates the effectiveness of local health initiatives, particularly in primary care, which is the main focus of the IFDM Health evaluation. This dimension includes indicators such as the proportion of adequate prenatal care, deaths from ill-defined causes, preventable infant mortality, and hospitalizations for conditions sensitive to primary care.

Since the regional hospital for low- and medium-complexity care is located in Assis Chateaubriand, a significant portion of the indicators measured in the surrounding municipalities is linked to the performance of local health units. Therefore, the strong results for Jesuítas suggest efficient operation of its primary care services, even as a small municipality.

Overall, the data on the Education and Health dimensions show progress in improving living conditions in the municipalities analyzed, indicating development in human capital. However, gaps remain, especially regarding the quality of education in the later years of primary school and in secondary education. Nonetheless, in areas where local governments have more direct responsibility, such as basic education and primary healthcare, the data show significant improvements.

Table 4. IFDM – Employment and Income Dimension (2006 and 2016)

Municipality	IFDM	
	Employment and Income – 2006	Employment and Income – 2016
Assis Chateaubriand	0.56	0.52
Formosa do Oeste	0.55	0.47
Jesuítas	0.41	0.48
Nova Aurora	0.52	0.71
Palotina	0.61	0.70
Tupãssi	0.58	0.49

Source: Adapted from FIRJAN (2022).

The Employment and Income dimension recorded the lowest scores among the three areas analyzed, with all municipalities showing their weakest performance in this component. However, Nova Aurora and Palotina stood out as exceptions, recording notable improvements driven by the installation and expansion of an animal nutrition industry in Nova Aurora and the diversification of the agroindustrial sector in Palotina, including a fish processing plant. In both cases, investments by agroindustrial cooperatives played a decisive role in achieving these results.

Despite the growth in formal employment relationships, the data indicate that wages remain low, reflecting structural constraints in the local labor market and limiting the broader effectiveness of economic development. In other words, the expansion of formal job opportunities has not been accompanied by a proportional increase in real household income, which may restrict long-term socioeconomic gains.

The upward trends observed in Nova Aurora and Palotina may be replicated in Assis Chateaubriand with the completion of the Frimesa cooperative's industrial plant. This project is expected to increase formal employment and reduce informality, thereby improving the municipality's performance in the Employment and Income dimension. However, sustaining higher development levels will require ensuring real wage growth and maintaining the quality of public services in education and health to meet rising population demands.

A comparison of the 2006 and 2016 data shows that all municipalities improved their IFDM indicators. At the state level, all climbed in the rankings, and at the national level, five of the six advanced, with Tupãssi as the only exception. These results suggest that, although structural challenges persist, the region has made measurable progress in strengthening its socioeconomic foundations over the last decade.

4.1 Factors That Hinder Socioeconomic Development

When asked about the factors that limit the socioeconomic development of the municipalities, business leaders highlighted the following main barriers: local political disputes, geographic location, small city size, and, recurrently, a sense of complacency among business owners themselves.

The presence of political conflicts and disputes was identified as a frequent obstacle. Statements indicated that the lack of cooperation among political leaders undermines the planning and implementation of development-oriented initiatives. Although the interviewees acknowledged the importance of the public sector in this process, the dominant perception was one of institutional fragmentation and discontinuity in initiatives, resulting in decision-making paralysis. As one interviewee stated: "Here, every new mayor wants to undo what the previous one did. There's no continuity or dialogue" (E3).

The municipalities' geographic location, considered peripheral in relation to major urban centers and main consumer markets, was mentioned as a factor hindering regional competitiveness. However, this view requires a more contextualized analysis. In a production environment that is increasingly decentralized and connected through logistical and digital networks, physical distance can be offset by adequate infrastructure, connectivity, and regional integration (Sales et al., 2024). Nevertheless, the perception of isolation persists: "Everything here is more expensive, takes longer, logistics are a burden" (E5).

The small size of the towns was also seen as a limitation, primarily due to the perceived shortage of labor and low levels of professional qualification, a perception consistent with the findings of Nyström (2021). This view, widely shared by the interviewees, reflects a common tendency to blame local workers for low productivity or market unpreparedness. However, what exactly is meant by "qualification" was not clearly defined. Is specific technical knowledge expected? Interpersonal skills? Adaptability? Is the regional labor market equipped to absorb qualified professionals, or is it characterized by low wages, informality, and high turnover, factors that inhibit retention and continued training?

Complacency and passivity were also perceived among the business owners themselves, with resistance to innovation, hesitancy regarding new investments, and low engagement with technological upgrades all associated with economic stagnation, as also observed by Carvache-Franco et al. (2022). This criticism, directed at their peers, reveals contradictions within the business community itself and suggests a lack of coordinated initiatives aimed at productive renewal and territorial cooperation. As one interviewee noted: "There are many business owners who think everything's fine the way it is, they don't want to change anything" (E1). This complacency may, in part, be a reflection of structural constraints such as dependence on traditional sectors and the limited economic diversification of the municipalities.

4.2 Factors That Drive Socioeconomic Development

Business leaders were also asked about internal factors that, if properly mobilized, could support the development of the municipalities. Their responses revealed a set of recurring elements: the role of local government, geographic location, the strength of agribusiness, and workforce qualification.

The role of the public sector was identified as central to advancing local development. The leaders expect municipal governments to adopt a more proactive stance, taking on roles in institutional coordination, investment promotion, and intermunicipal policy articulation. This perspective assigns local governments the responsibility for leading planning processes and territorial organization, especially in smaller municipalities (Maritan et al., 2024). As one interviewee highlighted: "The city hall needs to take the lead, drive the planning. Without coordination, no one is on the same page" (E2). However, according to Marengo and Cate (2021), this expectation faces constraints imposed by administrative and budgetary limitations, which often hinder the capacity to formulate and implement public policies at the local level. This reinforces the need to assess whether the responsibilities assigned to local governments are feasible given the actual conditions of their institutional structures.

Geographic location, previously mentioned as a barrier, was also reinterpreted positively by some of the interviewees. Municipalities centrally located within the region were seen as strategically positioned to facilitate economic flows and foster local production arrangements. "We're in a strategic spot in the region. What's missing is better use of it" (E6), said one business leader. This perception suggests that regional integration and the strengthening of logistical and institutional connections are viewed as underutilized aspects of the municipalities' competitive potential.

Agribusiness was unanimously recognized as the engine of the regional economy. Its capacity to generate employment, income, and productive dynamism was widely valued.

However, as noted by Sanguinet et al. (2023), dependence on production chains concentrated in a few primary sectors raises concerns about the resilience and long-term sustainability of this model. The lack of strategies to add value, diversify activities, and more equitably distribute the benefits of the sector may undermine its ability to promote more balanced and inclusive development. “Agribusiness sustains everything, but it needs to think beyond raw output” (E4), noted one of the interviewees. Discussions around agribusiness should therefore consider not only its scale and efficiency, but also its role within the territorial logic and its articulation with other economic sectors.

Workforce qualification emerged again as a recurring concern. Business leaders expressed dissatisfaction with the training of local workers and advocated for more consistent investments in technical and professional education. “There are openings, but not enough prepared people. Schools and the productive sector need to communicate more” (E3). However, this perception requires deeper analysis. What exactly are the competencies demanded by the local production base? Are there communication channels between the business sector and training institutions? Is the labor market structured to absorb qualified professionals in a stable and adequately paid manner? Holding individual workers accountable for structural deficiencies reveals a limited understanding of the issue. The challenge goes beyond technical training and also involves informality, the low appeal of certain occupations, and the lack of coordinated policies for training and talent retention. As also observed by Soliani et al. (2025), meeting production demands requires integrated efforts between industry and educational institutions to develop technical, transversal, and innovation-oriented skills.

4.3 Conceptions of Development Expressed in Business Leaders’ Perceptions

Taken together, the IFDM data provide a clear backdrop: steady gains in Education and Health across all municipalities, persistent weakness in Employment and Income, notable improvements in Nova Aurora and Palotina, and continued underperformance in Tupãssi. The interviews reflect a similar pattern. Most leaders from Assis Chateaubriand, Jesuítas, Formosa do Oeste, Nova Aurora, and Palotina described their municipalities as well developed, while Tupãssi was seen as lagging, a perception consistent with its position in the index.

These perceptions reveal a concept of development largely focused on expanding economic activity, generating jobs, and improving workforce skills. This view rests heavily on expectations for infrastructure investments and an active role for local government as a facilitator of private initiatives (OECD, 2020). It prioritizes measurable economic variables and immediate outcomes, often linked to the IFDM and to the attraction of large enterprises, such as the Frimesa meatpacking plant in Assis Chateaubriand, whose influence extends to neighboring municipalities.

While these elements are relevant in the regional context, broader dimensions of development, such as social inclusion, environmental sustainability, the valorization of local resources, and the creation of territorial governance mechanisms, appeared only marginally in the interviews. This gap reveals a distance from the territorial development perspective adopted in this study, which understands development as an endogenous, multidimensional process embedded in the social, cultural, and political dynamics of the territory (Mir et al., 2024).

The contrast between this instrumental conception and the territorial approach points to the need for a critical reading of the business leaders' representations. Such views should be seen not as direct reflections of reality, but as social constructs shaped by specific interests, experiences, and perceptual boundaries. The common belief that development depends on the arrival of large external enterprises illustrates an exogenous expectation that diverges from principles such as the valorization of internal resources, collaboration among actors, and the design of locally grounded territorial strategies (Favareto & Lotta, 2022).

Overcoming these limitations requires fostering dialogue across different social sectors and expanding business leaders' understanding of alternative dimensions of development. Building shared agendas for institutional strengthening and economic diversification depends on the ability to move beyond sector-based perspectives and to embrace a broader, more strategic vision of the territory.

4.4 The Municipality with the Highest Socioeconomic Development?

There was no consensus among the interviewees regarding which municipality had the highest level of socioeconomic development. Most responses pointed to Palotina, followed by Assis Chateaubriand. Formosa do Oeste was mentioned only once. The preference for Palotina was primarily based on its apparent current situation, marked by economic dynamism and the presence of established enterprises that support urban expansion. In contrast, the mention of Assis Chateaubriand was more closely linked to future projections, particularly those related to the installation of the Frimesa Cooperative's meatpacking plant.

This distinction between present reality and future expectations reveals different ways of assessing development: one anchored in observable indicators, and the other focused on economic transformation potential. The findings from this part of the study align with the conclusions of Biscaro and Luzio-dos-Santos (2024), who highlight the role of local economic organizations in driving development. According to the authors, organizational models committed to cooperation, solidarity, and continuous human development tend to generate positive impacts not only on the productive base but also on social cohesion and the agency of involved communities. This perspective helps explain the case of Palotina, where, despite having a smaller population and land area than Assis Chateaubriand, the more structured performance of its economic agentes, consistent with the dynamics described by Minutti et al. (2025), has been decisive in fostering dynamism and attracting investment.

However, this scenario may shift in the coming years with the consolidation of Frimesa's meatpacking facility in Assis Chateaubriand, projected to be one of the largest pork processing plants in Latin America. In the short term, a significant impact is expected in the creation of formal jobs, directly affecting the "Employment and Income" dimension of the IFDM. In the medium term, the expansion of production should positively influence municipal revenues through an increase in the fiscal value added and generate indirect effects across neighboring municipalities, particularly through household consumption and the strengthening of the pork production chain.

Despite the optimism, the project also raises concerns among leaders in surrounding municipalities. There is apprehension that these towns may assume a secondary role, becoming commuter towns, with associated social and urban impacts such as increased commuting,

pressure on local public services, and a loss of political and economic protagonism within the region.

5. Conclusion

This study analyzed the perceptions of business leaders from municipalities in the Midwestern region of Paraná regarding local socioeconomic development. The findings show that these perceptions are primarily anchored in a functional and sectoral vision, with emphasis on infrastructure expansion, formal job creation, and workforce qualification. While the public sector and agribusiness are recognized as important drivers, broader dimensions such as territorial cooperation, sustainability, social inclusion, and institutional governance remain secondary or absent in the narratives, diverging from the multidimensional perspective of territorial development adopted in the theoretical framework.

The alignment between certain perceptions and secondary indicators such as the IFDM suggests that local actors identify and value tangible aspects of economic performance, yet tend to overlook intangible factors that sustain long-term development. This reinforces the importance of promoting spaces for dialogue and knowledge exchange that encourage leaders to incorporate environmental, social, and governance dimensions into their development agendas.

From a policy perspective, the results point to the need for municipal governments and regional organizations to strengthen mechanisms of intermunicipal cooperation, strategic planning, and institutional coordination. Business associations could play a more active role in fostering productive diversification, investing in innovation, and building collaborative networks that go beyond the boundaries of individual municipalities. For the case of Assis Chateaubriand, the consolidation of the Frimesa meatpacking plant presents opportunities for economic growth, but also demands proactive planning to mitigate possible asymmetric effects on neighboring municipalities.

Future research should explore the medium- and long-term impacts of major industrial investments in peripheral regions, adopting a broader scope that includes public officials, educational institutions, civil society, and workers. Such an approach would allow for a richer and more plural understanding of development dynamics and support the formulation of strategies that balance economic efficiency with social inclusion and territorial cohesion.

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