

Lecture 4: Brazilian case study

What's going on outside Italy?

Let's have a look!

Brazilian Economy at a glance



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Brazil - Economic History



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Brazil - Economic History

- 1994: Fernando Henrique Cardoso - **Real Plan**
– Financial Establishment
- 2000: Lula - **Social Politic**



Brazil - Economic History

- Fullness of Natural Resources
 - 9th biggest economy in the world
 - Free and Exporter Market
 - Scientific and technologic development attracts FDI (foreign direct investment- investimenti diretti dall'estero).
- (1990) US\$ 2 billion/year --- (2000) US\$ 30 billion/year

Brazil- Populational Density

Composition of Brazilian Population

- White: 49,7%,
 - Brown: 42,6%,
 - Black: 6,9%,
 - Indian: 0,3%,
 - Asiatic: 0,5%
- (source: PNAD 2006).





* estimativa (final de 2005)

Fonte: IBGE



Brazil - Gross Domestic Product Growth (crescita del prodotto interno lordo)

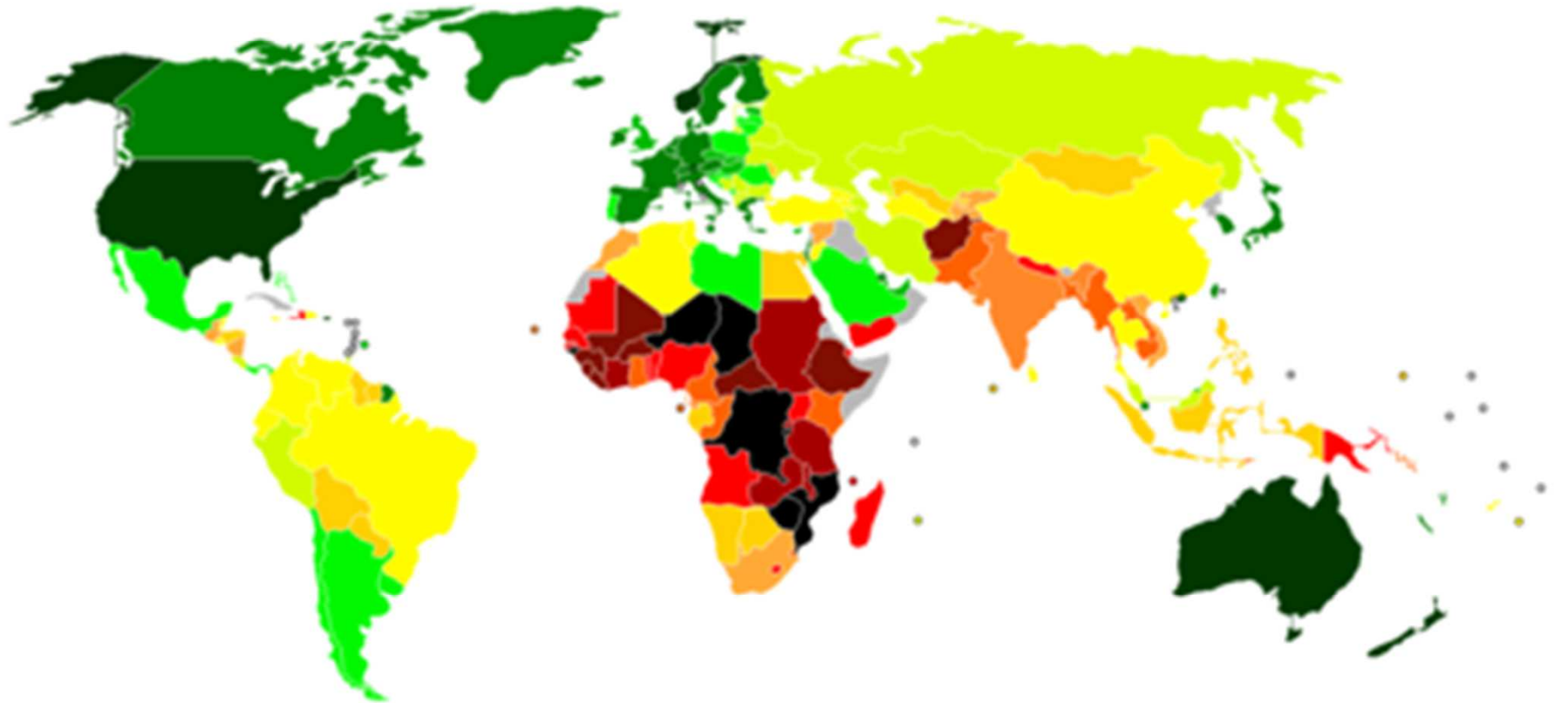


Total GDP:
R\$3,143 tri or US\$1,849 tri





Brazil - Human Development Index



0,900+
0,850-0,899
0,800-0,849
0,750-0,799
0,700-0,749

0,650-0,699
0,600-0,649
0,550-0,599
0,500-0,549
0,450-0,499

0,400-0,449
0,350-0,399
0,300-0,349
0,300-
No data



Brazil - Literacy Index



Source: Index Mundi



Brazil- Economic Sectors



Source: IBGE - 2009-2019



Brazil - Currency



Exchange rate:

- R\$1 / US\$ 0,58
- R\$1 / € 0,45

Brazil - Corporative Market

In 2008, **34 brazilian companies** was been listed in Forbes Global 2000 – yearly classification of mains 2000 public companies around the world.



PETROBRAS



VALE



Eletrobrás



Bradesco



USIMINAS



BRASIL FOODS



GERDAU



BANCO DO BRASIL



EMBRAER



BRICs

Brazil:

- Raw materials (materie prime), oil and food **exporter**
- **Soya and Meat provider for more than 40% of global population.**
- **Relevant Natural Tresure:** Water, Fauna and Flora
- No military potencial

Fast Economical Growth

Power

Political Influence



Brazil was the country that showed the biggest improvements in competivity in 2009, passing over Russia and aproximating to India and China.

Source: Global Economic Forum- Goldman Sachs Financial Group



International Trade

- **Mercosul** Southern Common Market)-
Mercato comune dell'America Latina
1991: promoting fluid movement of goods,
people and currency between countries.
-Brazil, Argentina, Uruguay and Paraguay
- **WTO**: World Trade Organization
- 153 members, more than 97% of total
world trade
- **G20**: Group of Twenty Finance Ministers
and Central Bank Governors
- Discuss key issues in the global economy
- 80% of world trade



The background is a dark green gradient. On the left side, there is a faint, semi-transparent image of a globe showing the Americas. Scattered across the background are numerous faint, white outlines of lightbulbs, some of which are connected by thin white lines, suggesting a network or ideas.

The other face of the
coin: **Brazilian
Problems**



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Logistics (logistica)

- Roads are the main infrastructure, with trucks being mostly used for logistics.
- 161.500 km. of paved highways



Social Inequality



Deforestation

Amazon has lost 20% of its original size =
700.000 km²

Imazon, 2007

75% of deforested area is occupied by
livestock

Ministério do Meio Ambiente (2007)



Reasons:

Burning trough ballons and cigarretes, cleaning pasture, vandalism, forest fire, wood extraction, consumption of meat



Ethic

Did you know that **livestock production (allevamento)** is one of the major causes of the world's most pressing environmental problems?



Video:

<http://www.youtube.com/watch?v=As8XAMTrXXg&feature=related>

Source:



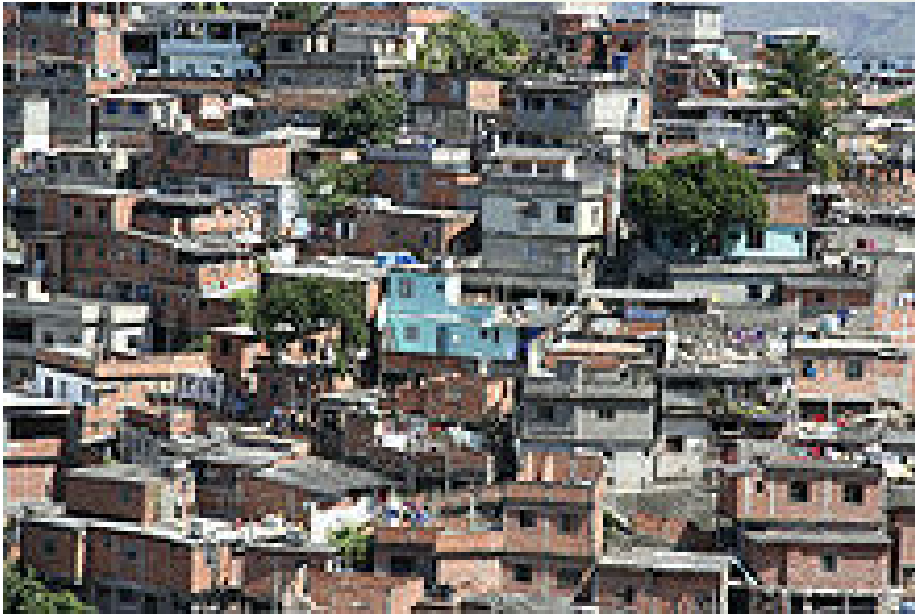
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<http://www.fao.org/cg/magazine/0612en1.htm>



Ethic

Poverty , Slums



Video: http://www.youtube.com/watch?v=_RgovsemQiU&feature=related

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If you wanna know more about favelas and poverty in Brazil

- **Documentaries:**

- **Favela rising** (2005) – English subs:
http://www.youtube.com/watch?v=B5_DnxeEkts
- **Favela on bast** (2008):
<http://www.youtube.com/watch?v=bu7HH0sMOKs>
- **Falcão - Meninos do Tráfico (2006):**
<http://www.youtube.com/watch?v=yI4urSYqkog>
- **Rocinha. Daylight of a favela** (2003) :
<http://vimeo.com/9373383>

- **Movies:**

- **5x Favela, Agora Por Nós Mesmos**
- **Cidade de Deus**
- **Show de bola**
- **Era uma vez**
- **Tropa de elite**



CSR in Brazil

How is CSR perceived in Brazil?



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A Recent Approach

- CSR has only started gaining importance in the Brazilian market more recently.
- Researches point to the fact that CSR does not have a very clear concept in the common sense.
- **What type of impact does a socially responsible enterprise cause?**



What drives CSR in Brazil?

- Brazilian customer behaviour towards CSR:
 - “The wrong things the enterprises do influence me not to buy what they sell. For instance, I wouldn’t buy a car that’s manufactured in a country whose government has a negative posture towards the rest of the world.”
 - “I would not buy a product or service from an enterprise that acts in accordance to the social health of my country.”
 - “I don’t buy products that are harmful to the environment or that are tested in animals.”
- CSR is not corporative fashion.

Where should CSR impact happen?

- Education;
- Public Health;
- Environment;
- Malnutrition;
- Infant mortality;
- Products and services quality;
- Transparency (honesty on the information the enterprises provide);
- Relationship with employees;
- Recycling.

How is CSR developed in Brazil?

- “Enterprises should think of CSR as a long term project, and not as isolated actions.”
- “CSR is in vogue, lectures, seminars, university activities and even the market are turning into it.”
- “[Enterprises] try to overrate what they are doing to improve their brand positioning. Still it is too few.”
- Meanwhile, Coca-Cola Brasil and other enterprises are developing areas internally only to take care of CSR and social businesses initiatives, what indicates the market is changing again.

CSR and Social Ventures



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What is CSR becoming, then?

- The **social function** of enterprises;
- Enterprises' basic duties = Social basic needs
- A better country through the market's actions!
 - Education
 - Habitation
 - Health
 - ...

CSR actions and Social Businesses

A **CSR action** is an initiative taken by an enterprise to improve some social/environmental condition. However, this activity is not the enterprises corework, what differentiates it from the social business model.

A **social business** is a venture based on a business model that includes, in its main activity, causing positive impact on society.

It can bring profit or not (what differentiates it from a third-sector venture).

Aims a better use of resources through social or environmental friendly activities.
Easy resource allocation.

Aims social changes.
Has difficulties on being self-catering.
Can start from a CSR action.



Activity

What if it was up to me?



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Activity



- Read the case
- Divide in groups
- Discuss the case
- Chose a problem as the focus
- Create a CSR action model based on the following criteria:
 - Social/environmental impact
 - Replicability
 - Viability
 - Sustainability of the project
- Present your idea!

Suggestions: Education; Public Health; Environment; Malnutrition; Infant mortality; Products and services quality; Recycling.



What now?

What if it was up to me?



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Learn more about economic trends:

- *The World Factbook*

<https://www.cia.gov/library/publications/the-world-factbook/>

- International Monetary Fund

<http://www.imf.org/external/index.htm>

- Organisation for Economic Co-Operation and Development

<http://www.oecd.org>

- World Bank

<http://data.worldbank.org/>

- World trade organisation

<http://www.wto.org/>

Ethic

“Between gaining money and making a difference, you can choose both.” Questions? Thank you for the attention!

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