

## Federative Republic of Brazil

### Positions for the Economic Committee of Latin American and the Caribbean

---

#### **I. Developing Environments for Facilitating Entrepreneurship in Latin America and the Caribbean**

The Federative Republic of Brazil emphasizes the need for all nations within the commission to develop sustainable environments for innovative entrepreneurship that aim to decrease poverty rates and elevate the economies of developing nations in the region.<sup>1</sup> With a Brazilian declining poverty rate of 8.9%, according to the World Bank and with small business making up over 52% of Brazil's economic activity, Brazil highlights the importance of efficient small business as being the backbone of an economy. Brazil supports the World Bank statement that the problem of lack of efficiency in small and medium enterprises (SMEs) in the region is not due to lack of entrepreneurs, but lack of technological and entrepreneurial innovation, as well as lack of environments that support SMEs.<sup>2</sup> Brazil supports *GA/RES/67/202* which emphasizes the need for governments to provide effective political linkage systems between the government, industry and academia. The renovation of existing policies acting as barriers for SMEs and entrepreneurs will aid in removing red tape and make the establishment and maintenance of small business much easier.

Historically, Brazil established the Brazilian Support Service to Micro and Small Business (SEBRAE) that helps develop small business in Brazil with necessary skills, guidance, finances and networks in order to motivate and strengthen entrepreneurs. The organization has led small business to make up almost 99% of total Brazilian business, which has strengthened Brazil's economy on a global scale. In order to unite the public and private sectors, The Brazilian Association of Incubators and Science Parks (ANPROTEC) has encouraged university and research institutes' participation in business incubator programs while working with legislators and policy makers in establishing litigation favoring SMEs and entrepreneurship.<sup>3</sup> ANPROTEC has helped pass laws such as The Easy One (FACIL) that simplifies laws to open and register an SME and The Simple One (SIMPLES), which consolidates taxes on small business into one single tax rate to reduce tax burdens.<sup>4</sup> As a member of the United Nations Conference on Trade and Development, Brazil worked alongside the UNCTAD Entrepreneurship Policy Framework in improving regulatory policies between SMEs and governments of developing countries. UNCTAD's Empreendedores y Tecnología (EMPRETEC) programs, developed in 1988 targets developing nations to create entrepreneurial environments for transitional, women and young entrepreneurs. The programs consist of four parts: Entrepreneurial Training Workshops (ETW) which formulates entrepreneurial behaviors and attitudes, Business Development Strategies (BDS) that provide follow-up services to businesses in order to keep the business thriving, Empretec Networks that allow the sharing of experiences and connecting experts with students and National Institutional Facilities that ensure EMPRETEC activities are aligned with the state's policies<sup>5</sup>. Brazil's growing industrial and technological sectors allow a large system of over 400 of these incubation programs to multiply, spreading into Argentina, Chile and Colombia, which plays a key role in creating environments that generate successful entrepreneurial strategies and skills for young students, women and indigenous peoples. .

Moving Forward, Brazil believes that an improvement in regulatory policies, advanced entrepreneurial innovation through efficient NGO training programs and an open and accessible global market is necessary to create fluid infrastructure and boost productivity and efficiency in Latin America and the Caribbean. Private educational programs like EMPRETEC exemplify effective ways that political linkage systems can provide a thriving and sustainable small business sector within the nation. Brazil strongly urges Member States to examine their regulatory policies regarding the establishment and expansion of SMEs and entrepreneurship while promoting entrepreneurial

---

<sup>1</sup> United Nations General Assembly. *High Level Thematic Debate on 'Entrepreneurship for Development'*. United Nations. 26 June 2013. Web.

<sup>2</sup> Lederman, Daniel and Julian Messina. *Latin American Entrepreneurs: Many Firms but Little Innovation*. World Bank. 2014. Web.

<sup>3</sup> Chandra, Aruna. *Business Incubation in Brazil: Creating an Environment for Entrepreneurship*. Indiana State University, Oct. 2007. Web

<sup>4</sup> SEBRAE. *Leis e Normas*. SEBRAE, 2007. Web

<sup>5</sup> United Nations Committee on Trade and Development. *Entrepreneurship Policy Framework and Implementation Guide*. United Nations. 2012. Web.

education and training with the aid of NGOs and private institutions within their state. Taking into account the importance of networking in developing entrepreneurship, Brazil moves to expand its business incubation systems by setting up offices all over the Caribbean and Middle America, respecting the sovereignty of each nation to refuse. In conjunction with fellow Mercado Común Del Sur (MERCOSUR) nations and the Inter-American Development Bank, Brazil affirms the importance of global markets to be available and accessible for developing nations in Latin America and the Caribbean.<sup>6</sup>

## **II. Improving the Management of Natural Resources in Latin America and the Caribbean**

The Federative Republic of Brazil seeks to reiterate its stance on the importance of improving the natural resource management of its own state as well as those of its Latin American and Caribbean (LAC) neighbors and stresses the importance of addressing this challenge as a unified region. Brazil supports the cooperation of the LAC region and believes that this can be strengthened “by participating in economic and political forums, such as the World Trade Organization and the United Nations<sup>7</sup>” as stated by Luis Inácio Lula da Silva. During the unprecedented Rio Summit of 1992, the former President of Brazil Fernando Collor recognized that it was necessary to put an end to the contamination that was admittedly the result of short-term economic interest<sup>8</sup>.

Currently, Brazil continues to address and reform its approach to the preservation of natural resources through national programs such as the Pilot Program to Conserve the Brazilian Rainforest (PPG7)<sup>9</sup> which have helped Brazil reverse the rate of deforestation and increase the number of hectares inside the protected area of the Amazon basin. Brazil also reaffirms its commitment to promote regional coalitions by working alongside other Latin American powers and being a diligent member of the OTCA (Amazon Cooperation Treaty Organization), an international organization that seeks to promote sustainable development throughout the Amazon Basin and whose members include Bolivia, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela<sup>10</sup>. Brazil is a member of the Plata Basin Treaty, which seeks to conserve and manage the different hydroelectric dams along the basin<sup>11</sup>, and also plays an important role in the Southern Common Market (MERCOSUR), a regional trading bloc that promotes the free movement of goods, services and people among member states<sup>12</sup>. Brazil coordinates efforts with other LAC States for the “distribution of petroleum and gas and enhances cooperation in matters of renewable energy sources, such as ethanol, bio-diesel and H-bios<sup>13</sup>.” More recently, in 2011, through General Assembly’s A/RES/65/164 Brazil recognized the work undertaken by civil society, academia and scientists in regard to signaling the precariousness of life on Earth, as well as their efforts to devise a more sustainable model for production and consumption that consequently, through A/RES/66/288, led to the adoption of a 10-year framework of programmers on sustainable consumption and production<sup>14</sup>.

Henceforth, the government of Brazil actively seeks to work side by side with its Latin American and Caribbean neighbors in the managing of natural resource through environmentally-friendly means without forfeiting economic interest. In the short term, Brazil recognizes the importance of including indigenous organizations such as the National Indian Foundation of Brazil (FUNAI) and the scientific community into all regional decision making. We believe that immediate action should be taken by all regions with regards to the sanitation of water bodies affected by resource extraction through organizations like the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) and The Latin American Water Funds Partnership. Brazil also believes that the agreeing Member States in the committee should ensure that their facilities are working in accordance to national, regional and global norms regarding mineral or fossil fuel extraction. Long term goals would include the formation of a stronger interdependent regional market, through an alliance with MERCOSUR, that promotes the domestic consumption of raw products, moderates the global exports of inelastic natural resources and lessens the LAC states critical dependency on global raw product exports. Brazil also wishes to facilitate the formation of a stronger specialized industry located in regions whose economic sustenance depends on the extraction of natural resources so that they may not see themselves affected by the moderation of the raw product market. However, Brazil recognizes

---

<sup>6</sup> Dr. Luis Piera. Bienvenidos al Portal de MERCOSUR. MERCOSUR, 1992. Web

<sup>7</sup> Brazilian Foreign Policy Handbook. Brasília: Fundação Alexandre De Gusmão, 2008. 348. Print.

<sup>8</sup> "Attendance and Organization of Work C/." REPORT OF THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT. Vol. 1. Rio De Janeiro: United Nations, 1992. Print.

<sup>9</sup> "Pilot Program to Conserve the Brazilian Rain Forest (PPG7)." The World Bank. The World Bank, 12 Aug. 2009. Web. 5 Oct. 2010.

<sup>10</sup> "Amazon Cooperation Treaty." ACTO. Amazon Cooperation Treaty Organization, 2015. Web. 24 Oct. 2015.

<sup>11</sup> Flinker, Raquel. "The Plata River Basin." University of Texas, 2012. Web. 24 Oct. 2015.

<sup>12</sup> "Profile: Mercosur - Common Market of the South." News BBC. BBC, 15 Feb. 2012. Web. 29 Sept. 2015.

<sup>13</sup> Brazilian Foreign Policy Handbook. Brasília: Fundação Alexandre De Gusmão, 2008. 348. Print.

<sup>14</sup> As stated by Mrs. Ribeiro Viotti, Ambassador of Brazil to Germany, 2012.<sup>6</sup>

its inability to achieve this without regional cooperation and wishes to promote sustainable economic development through which the LAC states can flourish as a great and a powerful union.