

Walking the talk of post-covid entrepreneurialism in Brazil

A Greek's journey.

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Υπεύθυνη Οικονομικής Ανάπτυξης του δήμου Novo Hamburgo στο Rio Grande do Sul της Βραζιλίας

Λέξεις κλειδιά: footwear and leather industry, entrepreneur, bridges of trust, diversification strategy, open innovation lab



The legendary singer, Frank Sinatra, in one of his songs proclaims that if he can make it in New York he can make it anywhere. I humbly disagree. After more than twenty-five years of living and working in Brazil, I can tell you that the most challenging environment for succeeding, is not New York but rather, here, in Brazil and that is not just me saying, take the [World Bank's word](#) for it, where Brazil is ranked 124th of the list of 190 economies.

You may think that you are not very familiar with Brazil and even more particularly with the city of [Novo Hamburgo](#), where I have the honor of serving as its municipal secretary of economic development for the last five years, but I can guarantee you it's not the case. It is very likely, that the leather shoes you wear or the handbags you carry, or at least, part of their components have been produced in Novo Hamburgo, as the city is one of the largest hubs of the footwear and leather industry in the world. Companies such as [BEIRA RIO](#), produce over 365 thousand pairs of shoes per day, exporting globally, while other brand conglomerates, such as [AREZZO](#), use predominantly the labor force of Novo Hamburgo for their footwear and apparel production. You may also be using chemical products from Novo Hamburgo industries, such as [Killing](#), a partner of the chemical giant Braskem.

Furthermore, it is most likely that the TV programs you are watching on the amazon region, have been produced by [Fish TV](#), the largest producer of independent audiovisual contents in the country, with HQ in Novo Hamburgo and last but not least, for those adept to sports, Alisson Becker, Liverpool's FC goalkeeper and member of the Brazilian soccer team, is a Novo Hamburgo child.

Despite the aforementioned credentials, historically, the tale of the city of Novo Hamburgo, is also the tale of most of the regions that relied heavily upon a single, highly polluting, largely informal production chain with low aggregate value, seeking short term financial returns at the expense of long-term sustainable strategies, facing strong international competition mainly from China, with devastating results. (The irony was that the craftsmen who taught the Chinese the production process, were from Novo Hamburgo. Today, the largest Brazilian community in China is still the one from our city). In the last few years, from almost 80% of the local GDP coming from the footwear and leather industries, today the sector represents a mere 12% in the region. The reasons for this decline are multifold with international competition being only one of the grievances, heavy taxation, bureaucracy, lack of infrastructure, logistics costs, limited access to finance, diminishing attractiveness of the traditional production chains to the younger labor

force, became additional dimensions that had to be addressed along with a culture of resistance to change triggered by bitter memories of a not-so-distant glorious past.

The concept of entrepreneur varies across countries and takes distinct connotations depending on the historical period, the level of economic development and culture among others. As there is no consensus on the precise skills and abilities that make a person an entrepreneur, the term has become more of a self-declaratory statement, you are one if you claim to be so. One common denominator, however, when seeking a definition as to what constitutes an entrepreneur is the presence of risk. An entrepreneur takes risks. These risks can be increased or contained depending on a set of determinants that span from the ability to identify opportunities, plan and implement a strategy, to dealing with constant uncertainty. When the pandemic hit, it put into test the exact nature of entrepreneurship and posed a hard question. How far can you deal with risk? In Brazil, during the last eighteen months, due to the massive unemployment waves, over 14 million of Brazilians who became entrepreneurs will have to reply that question.

This is where, public policies play a crucial role for the containment of risks and the creation of sustainable growth environments. The pandemic, apart from being an enormous challenge, it is also giving the opportunity for the construction of a new relationship between government and the entrepreneurial community based on clear communication, expectations management and technologically supported evidence-based strategies that foster resilience, agility, simplification, inclusiveness and green-oriented solutions, leaving no one behind.

In this process, the level of experience, capacity and agility of the local government as well as the creation of alliances represent major factors for

success. In Novo Hamburgo, even before the pandemic, we have been working for the creation of bridges of trust between the local government and the entrepreneurs, through concrete actions. Today, in partnership with the National Service for the Support of Small and Medium Enterprises we implement the largest economic recovery program of the State of Rio Grande do Sul that includes, online business registration, capacity building, training and education on distinct business segments, orientation on digital strategies, access to credit and support for insertion in new markets. It is during the pandemic that we consolidated our diversification strategy after having created the conditions for receiving investments in the health sector through the construction of three private [hospitals](#) with the possibility of offering over 4 thousand job positions, turning Novo Hamburgo into a health hub in the south of Brazil.

It was also due to the local administration's pre pandemic strategies to transform the city of Novo Hamburgo to an open innovation lab that the Santander Group, decided to centralize its Brazilian remote operations with us, offering over 5 thousand positions in the fintech area as we prepare for our next steps preparing even more opportunities in our Technological Innovation Center.

Brazil is not for beginners, however, if like Frankie, your "vagabond shoes" are also, "longing to stray" I would be happy to receive you in Novo Hamburgo.