

FA.VELA BRAZIL



23%

of Brazilians aged 15 to 29 are neither working nor studying.

300+

hours of on- and offline inclusive learning content on digital transformation, leadership, and entrepreneurship, will be made available by FA.VELA, free of charge.



Related UN Sustainable Development Goal
More information: un.org

Leveraging the entrepreneurial skills of underprivileged youth

FA.VELA — the Fundo de Aceleração para o Desenvolvimento Vela, or Vela Fund for Accelerated Development — is a civil society organisation that serves as an education and learning hub. It promotes diversity and socio-economic development through innovative, inclusive digital education for Brazilians in underprivileged groups and regions. Vela is Portuguese for sail: just as the sail harnesses wind to propel a boat, FA.VELA helps people harness skills, knowledge, and networks to propel themselves out of poverty.

FA.VELA was founded in 2015 in Morro do Papagaio, one of the largest favelas, or impoverished neighbourhoods, of Belo Horizonte, Brazil, by social entrepreneurs who are themselves from favelas. Through programming promoting entrepreneurialism, the organisation has helped 2300 people grow 300+ enterprises in 25 municipalities in the Brazilian states of Minas Gerais, Espírito Santo

and Pará. Nearly 70% of its beneficiaries are women, 80% are people of colour, 30% identify as LGBTQI+, 67% have a high school degree or less, and the overall majority are from households making < 335 CHF/month.

The Julius Baer Foundation supports FA.VELA's Escola Digital program to prepare underprivileged youth from these particularly vulnerable groups to navigate strategically in the digital economy. Young people and adults from diverse backgrounds develop entrepreneurial culture and skills such as business modelling and consolidation. Learning includes on- and offline lectures, workshops, benchmarking visits, creative labs, branding, service innovation assistance, and mentorship. Thus, the privileged and underprivileged work together to secure support and access to material, financial, and human resources required to model and manage resilient businesses. By 2023, Escola Digital will have directly benefited 780 people. Diverse socio-economic groups will learn



Julius Baer Foundation

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How you can contribute

Clients and employees of Julius Baer can support the Foundation.

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from each other; buy from each other; share traditional, empirical, scientific, and technical knowledge in hands-on sessions; and acquire in-depth understanding of social, economic, educational, and environmental realities that influence their combined efforts to build a fairer local economy.

Inclusive digital transformation

Escola Digital was launched in 2019 to reach those Brazilian youths whose survival often involves informal, unplanned, or illegal endeavours which connect to issues such as tax- and school evasion, increased crime, violence, and limited upward social mobility. COVID-19 prompted a redesign in 2020, to enable remote activities and digital learning content to be shared openly on social media, promoting inclusive digital transformation of:

- nano-businesses — informal or formal, run by an individual without income generation to other parties;
- micro-businesses — formal, managed by an individual making <13,500 CHF/year, with legal rights to hire 1 employee; and
- small businesses — formal, managed by an individual, making <60,700 CHF/year, with legal rights to hire up to 9 employees.

Facts and figures: Brazil

FA.VELA is based in metropolitan Belo Horizonte, Brazil's third-largest urban area. Its 34 municipalities are home to ~6 million people.¹ Its Gini coefficient is 0.60 and income per capita in the capital is 249 CHF/month.² Close to 2.5 million people live in Belo Horizonte proper; ~300,000 live in the city's 169 favelas.³ Nearly 25% of the 48 million Brazilians aged 15–29 are neither working nor studying.⁴ In 2019, FA.VELA received 549 applications from residents aged 18–35 throughout greater Belo Horizonte for its Corre Criativo project to teach entrepreneurship to underprivileged youth. Although

67% were already leading a micro business, only 20% had training in how to do so. COVID-19 deepened the impact of wealth inequality and further revealed the multidimensionality of poverty. A survey conducted with FA.VELA beneficiaries one month into social distancing revealed that:

- 72% saw income and family budget drop;
- 26% had to suspend business activities;
- 70% applied for federal emergency funds; and
- 40% noted poorer mental health.

In addition to limited access to basic necessities and quality education, the digital transformation expedited by the COVID-19 pandemic has only worsened marginalisation of entrepreneurs dwelling in favelas. While they must assert a digital presence to maintain their enterprises, most do not fully comprehend the implications — such as how the growth of digital business models and marketplaces will require them to rethink the logistics linking products/services to consumers, not least by moving sales processes online and managing potential changes in demand.

While digital connectivity has become critical to income growth, 20% of Brazilians (~50 million people) have no internet access.⁵ Wealth inequality is closely tied to this first step into the digital world. The average household income of those accessing internet only by mobile devices is 294 CHF/month, while that of tablet or computer owners is 517 CHF/month.

Wealth inequality in Brazil has colour, gender, age, and territory.

For more information about FA.VELA, please visit: www.favela.org.br | @maisfavelag

“Building a future based on diversity and inclusion should be everyone's commitment. Living in a less unequal world should be everyone's right.”

João Souza, co-founder and president of FA.VELA, Ashoka Fellow recognized as a Social Entrepreneur in the Science, Technology & Humanities category in Brazil.

¹ Source: Brazilian Census. 2010.

² Source: Ipea, FJP. 2010.

³ Source: IBGE. 2000.

⁴ Source: IBGE. 2018.

⁵ Source: PNAD/IBGE. 2018.