

Entrepreneurs Partner Up to Boost Economies. A Look at Latin America

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Entrepreneurship is growing in many regions around the world, and Latin America is no exception. As an alternative to stimulate the economy after the global financial crisis, many countries expressed their commitment to promote entrepreneurship initiatives as a growth strategy. This includes emerging economies like Brazil, Colombia and Chile.

Bogota, Rio de Janeiro, Montevideo and Santiago are some of the cities with growing tech hubs and cradles for new business models. Those initiatives moved up Latin America in innovation and entrepreneurship rankings.

Let's take a look at what strategies are being used to support startups and innovation.

From the public sector, countries like Colombia, Brazil and Chile have opened up their legal framework to make the process of registering a new company less time consuming and more accessible. In El Salvador, there is a governmental institution in charge of assisting entrepreneurs to start their companies from scratch, providing free training sessions and personalized consultancy services at a very low price. This price is even lower for women or youth living in at-risk neighborhoods.

In Brazil, the SOFTEX Program, already created in 1992, has the goal of promoting the country's international competitiveness in the software sector. Initially conceived to increase the export of software, it's now centered on strengthening entrepreneurship and business development in Brazil. It fosters partnerships between the public and private sector, giving participating companies access to industry contacts and events.

Another example is Chile. The government-led incubator, Start-up Chile, is out to transform Chile into the next innovative entrepreneurial hub. Since 2010, Start-up Chile selects 100 (from more than 68 countries) of the most promising and innovative business concepts. These "suppers" (as they call them), are granted a year's visa, office space, local support, US\$40,000 of seed capital, and six months to develop their company. In return, the selected entrepreneurs offer invaluable social capital — whether by holding workshops, mentoring local Chileans, organizing meet ups or teaching classes. The program also creates a strong network within the local startup community to share knowledge and contacts.

Due to the success of this initiative, now Peru and Argentina have set in place a similar program.

Some of the entrepreneurship initiatives come from the United States. An example is the adoption of Startup Weekend. It is currently taking place in more than 30 cities across Latin America.

Guatemala recently hosted an entrepreneurial fair in Antigua Guatemala, one of their most important cities, to attract companies, startups and potential investors from different countries.

Since over 60% of the Latin American population is under 30 years old, many of these efforts focus on creating opportunities for young people, especially on college students or disadvantaged youth. The

programs usually offer some type of public financing, and some offer other funds and placement opportunities at private companies as part of their Corporate Social Responsibility programs.

These partnerships are both local and global. Some big American corporations offer support to local entrepreneurship programs and assist local emerging companies with training, events, contests and seed capital.

Some programs focus on innovation; others award ideas that are not necessarily innovative but “profitable”. Colombia, Chile and Brazil have an international perspective. Many of their programs not only consider business structures and acceptance in the local market, but also the use of innovative technologies that could fulfill a need locally and abroad, just like it’s already happening in Asia and Europe.

The financial crisis has “forced” individuals and societies to become creative. It is like the popular saying “desperate times require desperate measures”, but in this case, “complex times require innovative measures”.