Contents

3 Preface
5 The meeting in numbers
6 News from São Paulo
8 Fostering responsible leadership and agile governance
14 Ensuring economic progress for all
22 Harnessing the potential of the Fourth Industrial Revolution
34 Meeting highlights
38 Acknowledgements
39 Digital update
39 Upcoming meetings
Preface

This year’s World Economic Forum on Latin America was held in São Paulo, Brazil – an important financial centre and a hub for entrepreneurship and innovation. The meeting took place under the theme “Latin America at a Turning Point: Shaping the New Narrative” at a decisive time for the region, as an intense electoral cycle ahead raises the prospect of far-reaching political and socio-economic change.

More than 750 global and regional leaders from business, government and civil society from more than 40 countries met to explore and debate some of the most pressing questions facing the region today. How can we shape a new narrative for the region? How can we shape a path that distances us from past dogmatic divisions and that places responsible leadership and people’s well-being at the centre of these efforts? How can we draw on Latin America’s human and natural resources for its long-term development? How can technology and innovation become key drivers to modernize the region’s economies, enhance productivity and governance, and advance economic progress for all?

Along with senior voices from government, business and international organizations, the meeting drew in a range of young talent from our Global Shapers community, representing the ideas and vision of the next generation; a select group of high-impact Latin American start-ups were also invited to take an active role in the meeting. The vast majority of these entrepreneurs are building their business models, products and services on new technologies and aim to improve the state of the world. They are pioneering a generational transformation to unlock Latin America’s potential and address some of the longstanding economic and social needs of the region. Their voice in the sessions added a fresh dimension to the discussions.

The meeting took place at a time when protectionism and political uncertainty at the regional and global levels are reverberating in Latin America. And yet, the region’s integration agenda is being reinvigorated, increasing the potential for domestic-led growth. At the same time, the region’s economies are showing signs of recovery; efforts to combat corruption are starting to yield tangible results; and policy-makers are continuing their efforts to implement further structural and institutional reforms. These changes herald a new narrative for Latin America.

The 13th World Economic Forum on Latin America aimed to help participants and their organizations navigate the economic, political and technological transformations to come. The meeting also examined how the technologies of the Fourth Industrial Revolution can help the region maximize its potential and foster its entrepreneurial spirit and thriving start-up ecosystem. In this context, we addressed strategic issues of national and regional significance under three pillars: Fostering Responsible Leadership and Agile Governance; Ensuring Economic Progress for All; and Harnessing the Potential of the Fourth Industrial Revolution.

Participants also explored the steps needed to create long-term value for society and overcome regional governance challenges, particularly associated with the dogmatic ideological divides of the past; ensure that structural reforms and investment – accompanied by industrial upgrades, diversification and human-capital development – serve to increase productivity and economic progress for all; and embrace technology and innovation to the benefit of society.

The meeting provided an opportunity for participants to hear about the progress being made in these areas through both the official and community programmes, and through the work that is being advanced through Forum Systems Initiatives and projects deployed in the region.

Our host country Brazil – the largest economy in the region and ninth-largest in the world – provided a perfect backdrop for the discussions, with its large domestic market, crucial role in sustainable development and track record of recent reforms, which are expected to drive economic efficiency and long-term stability. The challenge now for leaders in the region – and one which we encourage them to tackle with renewed determination – is how to use the wealth of its natural resources, entrepreneurial spirit and demographic bonus to shape a new narrative that is inclusive, pragmatic and human-centred as we stand on the cusp of the Fourth Industrial Revolution. I hope this report stimulates further thinking in this regard.

I would like to thank our Partners, Members and Co-Chairs for their leadership and guidance throughout the meeting, as well as the participants. We look forward to continuing our public-private collaboration for a prosperous Latin America.
Co-Chairs

Candido Botelho Bracher  
Chief Executive Officer  
Itaú Unibanco, Brazil

Alejandro Ramírez  
Chief Executive Officer  
Cinepolis, Mexico

Paul Bulcke  
Chairman of the Board  
Nestlé, Switzerland

Luiz Carlos Trabuco Cappi  
Chairman and Chief Executive Officer  
Banco Bradesco, Brazil

Maria Cristina Frias  
Member of the Board and Columnist  
Folha de São Paulo, Brazil

Luiza Helena Trajano  
Chairwoman of the Board of Directors  
Magazine Luiza, Brazil

Michael Gregoire  
Chief Executive Officer  
CA Technologies, USA

Ngaire Woods  
Dean, Blavatnik School of Government  
University of Oxford, United Kingdom

“Latin America is in a transformation phase, allowing the countries which undertake the necessary reforms to exploit their full potential.”

Klaus Schwab  
Founder and Executive Chairman, World Economic Forum
The meeting in numbers

- **700+ Participants** from 40 countries
- **430+ Business leaders**
- **150 Women leaders**
- **70+ Young leaders**
- **45 Public figures from 15 countries**
- **45 Official sessions**
- **20+ Academic leaders**
- **50 leading regional start-ups**
Gender parity task force launches in Peru

A fourth Gender Parity Task Force in Latin America was launched in a session that featured the Minister of Production of Peru Lieneke Maria Schol Calle, Vice-President Isabel Saint Malo de Alvarado of Panama, Luis Alberto Moreno, President of the IDB, one of the meeting’s Co-Chair Luiza Helena Trajano and Marisol Argueta de Barillas, Head of Regional Strategies – Latin America, World Economic Forum. The new task force aims to increase the number of women entering and progressing through the labour market. Following earlier announcements by Argentina, Chile and Panama, Peru is the latest country in the region to adopt the public-private collaboration model on economic gender parity developed by the World Economic Forum and applied in Latin America in partnership with the Inter-American Development Bank. With an average remaining gender gap of 29.8%, Latin America scores in the middle of the range of the Global Gap Index, behind Eastern Europe and Central Asia. Women throughout Latin America are less likely to enter the workforce and much less likely to be paid commensurately or to reach senior management roles. Recent advances in female education make Peru ideally placed to maximize women’s economic potential. It is this potential that Peru is committed to help maximize through country-level collaboration. Read the press release here

Pelé honoured with Global Citizen Award

The Forum presented its Global Citizen Award to Edson Arantes do Nascimento (Pelé), Director of Empresas Pelé, Brazil. The football legend is emblematic of the notion of “fair play”, said Klaus Schwab, Founder and Executive Chairman of the World Economic Forum. “What we need more than anything in global affairs is fair play,” Pelé added: “We’re talking about the future of Brazil … Today I can see how important football has been for Brazil. Football provides income and attracts business. Brazil has demonstrated this.” Watch the award ceremony here

Outstanding start-ups featured

The World Economic Forum and the International Finance Corporation (IFC) – a member of the World Bank Group – invited 50 outstanding start-ups from Latin America to the meeting to share their innovative thinking and visionary ideas with participants. They were selected based on factors such as impact, scalability, financial sustainability and the strength of technology-driven entrepreneurship in their home countries. Their input helped participants to explore how to strengthen technology-driven start-ups in Latin America and steps to overcome common obstacles faced by entrepreneurs in the region, such as securing funding and expanding across borders to scale up their businesses. They will also join the Forum’s UpLink initiative, a dedicated network and digital platform where start-ups can interact with investors, global peers, multinationals, governments and universities. The initiative aims to further integrate Latin America’s top start-up leaders into national and regional dialogues about the region’s most pressing challenges. More information here

Latin America Social Entrepreneur of the Year

Hilde Schwab, Chairperson and Co-Founder of the Schwab Foundation for Social Entrepreneurship, presented the Latin American Social Entrepreneur of the Year Award to Valdeci Ferreira, Executive Director of the Fraternity of Assistance to Convicts (FBAC). FBAC provides a “cost-effective alternative” to public prisons, while reducing rates of recidivism. Its aim is to humanize detention and give inmates their dignity back through a methodology focused on community participation, training, legal assistance, therapy and volunteering. Watch the opening plenary and awards ceremony here
Memorandum of Collaboration signed

Marisol Argueta de Barillas, Head of Regional Strategies - Latin America, World Economic Forum, and Marcos Jorge Lima, Minister of Industry, Foreign Trade and Services (MDIC) of Brazil, signed a Memorandum of Collaboration that sets the framework for a broader and more structured partnership in areas such as trade and investment, industry, innovation and competitiveness. Under this framework, MDIC will promote the participation of the different Brazilian federal government institutions on joint projects and initiatives. The Forum will provide technical and editorial work to the agreed joint endeavours.

Forum launches Tech for Integrity platform in anti-corruption drive

The World Economic Forum’s Partnering Against Corruption Initiative (PACI) has launched a Tech for Integrity platform to accelerate anti-corruption efforts and reduce the time needed to make tangible impact. This digital platform will leverage technology innovators and partnerships with stakeholders, including Citi, the Inter-American Development Bank, Transparency International and others to rebuild trust and integrity globally. The platform, emerging out of PACI’s Future of Trust and Integrity project, aims to provide technological solutions for stakeholders addressing corruption. More information here
Listening is key to driving change

With elections looming throughout the region, politicians need to listen to citizens and respond to their concerns with a bold vision and capacity to mobilize people to achieve it. Latin America must move forward with updated political institutions, social inclusion and technological advances.

Between March 2018 and the end of 2019, citizens in more than a dozen nations will cast their ballots for new leaders. Yet despite redemocratization and indicators that objectively measure gains in areas such as GDP per capita, infant mortality and life expectancy, voters in Latin America appear to be frustrated. Many people believe they are being left behind, particularly the young and the poor. A new middle class has emerged in many countries, but it is extremely vulnerable.

Confidence in political, business and union leaders is on the wane – along with faith in democracy itself. Polls show that Latin Americans believe that life was better 50 years ago, in contrast with Asians, who tend to think things are better. Alejandro Ramírez, Chief Executive Officer, Cinepolis, Mexico, ascribes much of this “cognitive dissonance” to the lack of the rule of law, including lack of security for average citizens. He noted that business and political leaders have focused too much on reforms designed to encourage economic growth and not enough on inclusiveness and equality. According to Michael Gregoire, Chief Executive Officer, CA Technologies, USA, “The biggest threat to the world, besides military threats, is the concentration of wealth.”

Business leadership could do a lot more to drive change in society. Luiza Helena Trajano said she’s campaigning with her fellow CEOs to get them more engaged in diversity and social issues. Business should not take the role of the government, but instead contribute with the government. She says we cannot accept that, in Brazil, over 60% of the population earns less than $600 per month. Leaders should be more aware of the issues affecting the least favoured people in their workforce. She also said she believes that this is starting to change and that business leaders are becoming more conscious of these issues and their responsibility. In a way, this is inevitable because society is changing, particularly

“We stand against protectionist measures; we are actually in favour of fully opening our market and we’re also looking for full openness from foreign markets.”

Michel Temer
President of Brazil
led by the younger generations, and companies that are not socially conscious will not have consumers.

Analysts such as Daniel Zovatto, Regional Director, Latin America and the Caribbean International Institute for Democracy and Electoral Assistance, predict that voters in most countries will elect “new faces”. Who will they be? Will the leadership vacuum be occupied by populists, with their appealing yet simplistic and unattainable promises? How should more serious contenders respond?

To address these concerns, Latin America must move boldly into the 21st century with updated political institutions, social inclusion and technological advances. “Left versus Right was the ideological debate of the First Industrial Revolution,” said Ricardo Villela Marino, Executive Vice-President and Member of the Board of Directors, Itaú Unibanco, Brazil. “The debate we need to have is about whether we are going forward or backward.”

Jorge Faurie, Minister of Foreign Affairs and Worship of Argentina, called for “a new narrative about the time we live in” that would be based on a set of values. That conceptual groundwork would help officials decide which institutions require the biggest overhauls and how to change them. On the whole, governments and many international organizations lag “far behind”, he added. “They have to adapt quickly and many structures are not adapting fast enough.”

“There’s this notion that things have deteriorated and this scenario means that people are willing to vote for outsiders, including some candidates with frightening strategies.”

Alejandro Ramírez
Chief Executive Officer, Cinepolis, Mexico

“There is no room for electoral con artists anymore ... Candidates need to listen.”

Maria Cristina Frías
Member of the Board and Columnist, Folha de São Paulo, Brazil
Four ‘I’s to tackle corruption

Once dismissed as endemic, chronic and intractable, the problem of corruption is starting to be addressed throughout Latin America. Investigations in Brazil have received most of the headlines, but once-powerful leaders face serious charges in several countries. To maintain and build momentum, institutions must be strengthened.

In the public realm, the rule of law must be reinforced, notably through independent judiciaries and prosecutors. In some countries, corruption is facilitated because of the concentration of power in the executive branch. Campaign finance reform is needed. Electoral commissions must have the power to suspend politicians and they need to use it. Voters should use the ballot box to elect and to hold politicians accountable. Society has different levels of corruption and the cycle will only be broken when the lowest level of corruption is no longer accepted. An independent, demanding, yet responsible press must not only be allowed to exist but also be encouraged. Loopholes that allow unethical but formally legal behaviour need to be closed. Delia Ferreira Rubio, Chair of Transparency International, Germany, condensed the concept into what she called the Four “I”s: “Information, Integrity, less Impunity and less Indifference in society.”

On some fronts, new modes of thinking are needed. Business leaders must recognize the economic costs of corruption and take action to reduce them. Of course, no single company can successfully combat corruption on its own; it must be a sector-wide effort.

New technologies can provide powerful tools. Paula Bellizia, General Manager of Microsoft Informática, Brazil, outlined four: Open data – since 2012, Brazil has had a freedom of information law, but much data is indigestible and could be made more accessible with appropriate applications; digital identification – using blockchain technology to ensure the secure identification of individuals; intelligent procurement – algorithms can identify things such as collusion before contracts are awarded; and traceable public spending – blockchain technology can create a transparent and unalterable record. Technology should not be used only as a control mechanism, increasing bureaucracy; it has the ability to improve the quality, speed and transparency of government transactions. More information here

Zero Tolerance: Wiping out harassment

Can harassment be so engrained in a culture that no one speaks against it? Whichever way you may have thought to answer this question, the answer is: “Time’s up”. This was the very clear outcome of a conversation on the issue at this year’s World Economic Forum on Latin America.

“There is a lot of confusion about what is moral [harassment] and what is sexual harassment. Many people can’t tell the difference,” said Luiza Helena Trajano, Chairwoman of the Board of Directors at Magazine Luiza, Brazil. According to Trajano, this confusion and the feeling of guilt are some of the reasons why so few incidents are reported. Business can help by raising these issues among leaders, creating reporting channels, and providing input to public policy. “This is an issue that touches everybody and it’s not just about a written code of conduct, which is very important, but it’s also about the attitude that leaders and employees must have,” said Ricardo Amaral, Vice-President, Global Money Transfer, Brazil, Latin America and Central America West Region, The Western Union Company.

Many women are not in a financially independent position where they might feel comfortable reporting domestic violence or harassment in the workplace. Or, if they do feel confident enough to report it, they don’t have the means to pursue their claims in court – if there is legal protection in place at all. Globally, 360 million women don’t have the right to legal recourse against harassment. Women in rural areas are particularly vulnerable – hence, the W20 is particularly focusing on this group, said Andrea Grobocopatel, Co-Chair of the W20 Argentina. Yet, laws alone are not enough.

Grobocopatel elaborated: “We have to talk about power and what power meant before. As of today, we’re saying ‘power’ in a different way – we need to talk about networks and what is sexual harassment. Many people can’t tell the differences; it speaks against it? Whichever way you may have thought to answer this question, the answer is: “Time’s up”. This was the very clear outcome of a conversation on the issue at this year’s World Economic Forum on Latin America.

Wiping out harassment is not just a legal or an economic issue; it is one that requires social and individual beliefs to be changed, starting with early education. It is also an issue that requires a serious conversation between men and women, as “Patriarchy is a joint burden we need to both liberate each other from,” said Pablo Jenkins, Founder and President, Ideas en Acción, Costa Rica, a Young Global Leader. The rate of change may still be slow, but the cultural change is underway.

“The foundation for a healthy private sector is healthy competition, and corruption destroys competition.”

Torquato Jardim
Minister of Justice of Brazil

“Society is mobilizing to say that we don’t want any more corruption”

Delia Ferreira Rubio
Chair of Transparency International
Latin America at a Turning Point: Shaping the New Narrative

Old concepts that must be discarded include what Alicia Bárcena Ibarra, Executive Secretary, United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Santiago, called a “culture of privilege” whereby elites garner the lion’s share of society’s benefits.

One way to address these concerns is for leaders to listen. Comparing the politician-citizen link to customer relationships in business, Candido Botelho Bracher, Chief Executive Officer, Itaú Unibanco, Brazil, suggested that political leaders pay more attention to the problems of their constituents. “Good leaders are able to listen and understand the pain points that people have when they are looking for services in education, health or transportation,” he said.

Ngaire Woods, Dean, Blavatnik School of Government, University of Oxford, United Kingdom, stressed that leaders need to communicate better. “Learn to take the time to communicate clearly,” she advised. Clear messages help citizens hold officials accountable. Leaders also need to transmit a “transformational message,” Woods noted. Talk about “balancing the budget is sensible but it is not transformative.”

Despite the challenges, the mood in the region is upbeat. Optimism radiated from the Brazilian leaders at the opening plenary: Michel Temer, President of Brazil; Geraldo Alckmin Filho, Governor of the State of São Paulo; and João Doria, Mayor of São Paulo. Each spoke of programmes and reforms designed to improve well-being in their respective jurisdictions. Some of these reforms have already taken place at the federal level, such as fiscal reform, education reform and the modernization of the labour law. These reforms have had a positive effect on inflation and interest rates.

According to Brazilian President Michel Temer, the pension reform could still be passed within this calendar year if the intervention in the city of Rio de Janeiro ends by September and the simplification of the tax system is an ongoing effort of his government. He added that his government has also focused on the evolution of social responsibility, creating programmes such as Plano Progressir, which creates jobs for the young generation from households benefiting from Bolsa Família and investing in communication technology, providing 4G connectivity to distant areas of Brazil.

The city of São Paulo is aligned with the national government’s strategy of supporting entrepreneurs, providing microcredit and reducing bureaucracy to catapult the country into the Fourth Industrial Revolution.

Geraldo Alckmin Filho, Governor of the State of São Paulo, pointed out that protectionism is one of the challenges for the region along with income inequality and safety. While some countries are increasing protectionism, Latin America should open its economy, increase trade and focus on competitiveness and regional integration, he said.

Football legend Edson Arantes do Nascimento, Director, Empresas Pelé, stressed the role of the sport in generating income and attracting business. “Brazil has demonstrated this,” he said.

Yet, the focus remains on the job ahead. Villela perhaps summed it up best: “We need government and business working on long-term ideas. We need to come up with new kinds of politicians who go into government to serve and put their ideas into practice.”
01: Geraldo Alckmin Filho, Governor of the State of São Paulo, Brazil
02: Ildefonso Guajardo Villarreal, Secretary of the Economy of Mexico
03: Isabel de Saint Malo de Alvarado, Vice-President and Minister of Foreign Affairs of Panama
04: João Doria, Mayor of São Paulo, Brazil
05: Jorge Faurie, Minister of Foreign Affairs and Worship of Argentina
06: Ana Paula Assis, General Manager, Latin America, IBM Corporation, Brazil
Latin America at a Turning Point: Shaping the New Narrative

01: Roberto Azevêdo, Director-General, World Trade Organization (WTO), Geneva
02: Luis Alberto Moreno, President, Inter-American Development Bank, Washington DC
03: Elsa Galarza Contreras, Minister of Environment of Peru
04: Henrique Meirelles, Minister of Finance of Brazil
05: Amiram Appelbaum, Chief Scientist and Chairman, Israel Innovation Authority
06: Mauricio Cardenas, Minister of Finance and Public Credit of Colombia
07: Alicia Bárcena Ibarra, Executive Secretary, United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Santiago
08: Gilberto Kassab, Minister of Science, Technology, Innovation and Communications of Brazil
A stronger, promising outlook

Regional trade, reforms and technology are boosting Latin America’s prospects. Businesses have much to gain as they adopt sustainable policies.

Latin America is well poised to benefit from the current increase in global growth, while pursuing reforms and increasing productivity to ensure progress for all. The International Monetary Fund recently raised the region’s global growth forecast to 3.9% in 2018-2019, and Latin American economies are gaining momentum again after a period of stagnation or even recession in some of the largest economies in the region.

While an increase in interest rates in developed countries remains a key risk, ensuring economic and institutional stability are among the top priorities in the region, according to the World Economic Forum’s Global Risks Report. Arguably, without resolving its economic and fiscal problems, Latin America will not be prepared for other global challenges such as climate change, social instability or cyber-attacks. The Forum’s Head of Future of Economic Progress, Margareta Drzeniek, led participants through the an interactive tool developed for the report with Global Risks Advisory Board Members Eugênio Paschoal, Country Head of Marsh (MMC), Brazil, and Edson Franco, Chief Executive Officer, Brazil, Zurich Insurance Group.

Argentina is gearing up to play a bridging role in incorporating Latin America’s critical issues in the global agenda as it steers the G20 presidency. It is engaging the public and private sectors to address issues such as food security, long-term investment in infrastructure, skills and gender, and corruption.

Trade and reforms are two key areas that can boost Latin America’s performance. In the longer term, despite current protectionist threats, trade will remain a powerful instrument to develop and diversify Latin American economies. Regional integration is gaining momentum. While a key trade agreement between Mercosur (Argentina, Brazil, Paraguay and Uruguay) and the European Union is in

““The biggest threat to the world, besides military threats, is the concentration of wealth.”

Michael Gregoire
Chief Executive Officer, CA Technologies, USA
the final stages of negotiations, Mercosur and the Pacific Alliance (Chile, Colombia, Mexico and Peru) are also converging.

In addition, several Latin American countries are signatories of the recent Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which gathers 11 countries of the Pacific Rim. “There is a surge in integration, which shows that there is an appetite to move forward,” said Ricardo Meléndez-Ortiz, Chief Executive, International Centre for Trade and Sustainable Development (ICTSD), Switzerland. All these new agreements are innovative since they include chapters on sustainability.

Equally, the mobility of talent and the proper regulation of intellectual property need to move to the forefront of integration efforts, argued Alejandro Ramirez, Chief Executive Officer, Cinepolis, Mexico, particularly if companies want to expand across the region. This is particularly important as, even though global trade is often blamed, some 80% of job losses are not the result of immigration or company relocations, but of new technology. According to experts, two-thirds of today’s young children will end up in jobs that do not currently exist. “Jobs are being created faster than ever, but they are not going to the same people,” said Roberto Azevêdo, Director-General of the World Trade Organization (WTO), Geneva.

“A company cannot be successful over time if it doesn’t link up with society positively in all that it does.”

Paul Bulcke
Chairman of the Board, Nestlé, Switzerland
New ways to tackle inequality

Latin America has achieved some progress in addressing inequality since the early 2000s through successful policies that include conditional cash transfers to tackle poverty, although inequality has remained stubbornly high. Key factors to address the issue in an efficient way include bridging aspirations and effective actions, and creating a new economic model that places people and their living standards at the centre of policy-making. This approach should not measure economic success only based on GDP; new metrics also need to be developed to measure economic growth with social inclusion. The metrics should consider income, employment opportunities, economic security and living standards, improvements to education and skills, the strengthening of the rule of law, and use of technology. Technology can be used to help the unbanked and underbanked gain access to credit and strengthen entrepreneurship. Benchmarks are also helping companies measure their progress on the Sustainable Development Goals, furthering inclusive growth. Research and policy-making could also become more effective as companies undertake “data philanthropy” if legal considerations including privacy concerns can be addressed.

Meanwhile, women entrepreneurs across the region have helped to close the gender gap in several countries. Solutions to overcome the traditional barriers to female entrepreneurship include programmes that teach entrepreneurship to girls to let them experiment with starting a business and learn what it feels like. Technology can also be the means to provide more flexibility to women in the workplace such as mobile working, said Lieneke María Schol Calle, Minister of Production of Peru. In Latin America, concerted action has seen outcomes that are more favourable than the global average, according to the World Economic Forum’s Global Gender Gap Report 2017. The gap has narrowed rather than widening over the past year and the long-term trend points to a 7% narrowing over the past 12 years. With an average remaining gender gap of 29.8%, the Latin America and Caribbean region scores in the middle of the range of the Global Gender Gap Index. Of the 24 countries in the region that are covered by the latest Index, 18 have improved their overall score compared to last year, while six have regressed, including Brazil and Mexico.

Treating the issue of women’s participation in the economy as an economic issue rather than a rights or justice cause is the right way to go because it is good for business, it is good for the country and for the economy, said Isabel de Saint Malo de Alvarado, Vice-President and Minister of Foreign Affairs of Panama.

Luis Alberto Moreno, President of the Inter-American Development Bank, said in the “Driving Gender Parity in Latin America” press conference that Latin America is the region that could benefit most from increasing the participation of women in the workplace with an opportunity of $1 trillion. He added that publicly traded companies that have a higher participation of women also have higher economic returns.

“We need to promote the idea of a broader purpose, a more collective purpose... To really reduce poverty you need the participation not just of government but the whole of society... I think business has a lot to do with it.”

Esteban Bullrich
Senator from Buenos Aires, Argentina
Brazil and Argentina have also intensified trade links with Mexico, although some issues have yet to be resolved. For instance, Mexico has recently decided to explore the possibility of importing corn from Southern Cone countries to reduce its dependence on US imports. But it has discovered that South American corn is 15% more expensive and takes 30 times longer to clear Mexican ports than US corn, largely reflecting poor infrastructure and complex red tape at customs.

According to Ildefonso Guajardo Villareal, Secretary of the Economy of Mexico, the current trade talks between Argentina, Brazil and Mexico must centre not only on export and import items but also on issues related to domestic public policy guidelines. Moreover, non-tariff barriers to trade still account for 20% of the cost of trading in the region, according to Alicia Bárcena Ibarra, Executive Secretary at the United Nations Economic Commission for Latin America and the Caribbean (ECLAC).

Latin American countries also need to prepare themselves for the Fourth Industrial Revolution, which is changing not only industry but also the way the world trades. Digitalization and data transactions are indeed transforming the way trade is being conducted, which requires adaptation. As Azevêdo put it: “The volume is growing so fast, so quickly ... In 2015, we had $22 trillion in e-commerce. In just that two-year period, from 2013 to 2015, it grew by 38%. That rate of expansion is keeping up. If we don’t do anything, if we just let things go by their own devices, the small and medium-sized enterprises will be left behind.”

Reforms are also helping Latin America to gain productivity and manage its transition to a more sustainable economic model in the energy sector, for instance. Brazil is currently going through a new round of privatizations, while Mexico implemented energy reforms four years ago. Argentina also started to reorganize its energy sector two years ago and reduce subsidies. In the meantime, these countries have

“What does it take to bring infrastructure investment to a country? It needs a plan and that plan needs to be set forth by the government ... for localization, innovation and economic development.”

Joe Kaeser
President and Chief Executive Officer, Siemens, Germany

“There is a global response to send signals that we must continue with the commitment to globalization and free trade ... We cannot make the mistake of thinking that commercial policy is a substitute for public policy. Openness is a condition for growth, but it is not the only instrument to promote development and inclusion.”

Ildefonso Guajardo Villarreal
Secretary of the Economy of Mexico
increased the share of renewable sources of energy in their matrix. However, progress towards digitalization has remained limited.

Although the region is lagging in terms of technology, the proliferation of start-ups (and the success of some of them) is an encouraging sign. In agriculture, technology innovations may also help small-scale farmers, who provide 80% of food in Latin America, to link them to global markets, which is not common at present.

“The unicorn question is interesting, but it is the end of the story. The beginning of the story is that you need an ecosystem based on its culture and situation to succeed. First and foremost the government has to understand that in order to develop prosperity and innovation … regulation, supporting academia, etc., these need to happen. Then you need the funds – the mechanism for private investors – and to remove bureaucracy and innovation. Then you need start-ups, and ideally ones that people wouldn’t invest in,” said Marco Crespo, Head, Latin America, Gympass, Brazil.

The threat posed by climate change and the adoption of the UN’s Sustainability Development Goals are also changing ways business is being conducted. But, at present, business models that focus on sustainability are not yet seen as profitable and investors have to be convinced that sustainability is not opposition to profit. Indeed, the business community needs a totally different mindset. Companies in Latin America are being encouraged to include social and environmental goals in their core mission.

There is already evidence that companies that institute sustainable policies to motivate their workers are more successful. Such policies not only help attract and retain talent in companies but also clear the road to conquer new customers, including millennials who value a company that has social and environmental standards more than ones that don’t.

“Jobs are being created faster than ever, but they are not going to the same people.”

Roberto Azevêdo
Director-General, World Trade Organization (WTO), Geneva

Learning journey: Fábrica de Cultura

Participants took a learning journey to “Fábrica de Cultura”, a project run by São Paulo’s state government and other partners, to explore how cultural engagement, training and professional opportunities can help mitigate poverty and foster cohesion. The project offers over 2,000 places per semester in various courses – theatre, music and circus, computing, reading and other subjects – as after-school activities that provide children with a safe and fruitful environment. World Economic Forum participants joined kids in a capoeira class and watched a live urban-dance performance by a professional dance group composed of ex-students from the “Fábrica”.

Roberto Azevêdo
Director-General, World Trade Organization (WTO), Geneva
Businesses that institute sustainable policies and/or try to implement policies to motivate their workers are more successful. According to a study by Bain & Company, an engaged worker in a company is 45% more productive than satisfied, while an inspired worker in the same company is 255% more productive.

On a similar note, it makes a difference for workers when companies engage in social or environmental programmes, making their commitment to their employers more significant. However, there is still a debate about how far companies should go in implementing social and environmental policies or, to further blur the lines with the growing trend of B corporations, to declare a purpose. Such policies not only help attract and keep needed talent, but they also clear the road to conquer new customers among resource-conscious consumers and millennials, who value a company that has social and environmental standards more than ones that don’t.

But the change in the business community is not as deep as such rationale suggests and the main source of conflict for a company is still the historic pressure for them to report short-term results, which often do not recognize social and environmental impacts. “We need to change this culture,” said Gonzalo Muñoz, Co-Founder and Chief Executive Officer, TriCiclos, Brazil, South America’s first B corporation that offers a solution for collecting and recycling waste.

For Muñoz it’s easy to work with a purpose or implement social and environmental corporate policies since his company was born with those ideals: B corporations by definition are for-profit organizations that also have other social or environmental standards. He suggested that the way forward for more traditional companies would be to try to implement indicators to measure impacts and even include in their bylaws the UN Sustainable Development Goals.

Long-term positioning, however, is beginning to be valued by investors because it allows companies to be able to maximize returns and, at the same time, implement social and environmental values. “Value maximizations and societal purposes are not mutually exclusive,” said Karina Saade, Chief Operating Officer, Latin America and Iberia Region, BlackRock. Such alignment with society should be natural to companies because corporations are part of society and ultimately should have the same long-term outlook.

Luiza Helena Trajano, Chairwoman of the Board of Directors, Magazine Luiza, said that her company’s purpose is not just profit. It was created 60 years ago as a family business that aimed to create a livelihood for family members. Today, said Trajano, her aim still is to keep the company in the global list of best places to work, which means that benefits for workers are part of the business.

Collective purpose is not only about business purpose. The public and private sectors must collaborate to create the right long-term incentives for societal purpose to emerge and to institutionalize them so they can withstand the test of time and transcend any individual leader.

More information here
01: John Hewko, General Secretary, Rotary International, USA
02: Paulo Sotero, Director, Brazil Institute, Woodrow Wilson International Center for Scholars, USA
03: Education for Tomorrow session
04: Ricardo Villela Marino, Executive Vice-President and Member of the Board of Directors, Itaú Unibanco, Brazil
05: Yuhyun Park, Founder and Chief Executive Officer, DQ Institute, Singapore
06: Alejandro Ismael Murat Hinojosa, Governor of the State of Oaxaca, Mexico
07: Vahan Agopyan, President, University of São Paulo, Brazil
08: Daniel Zovatto, Regional Director, Latin America and the Caribbean, International Institute for Democracy and Electoral Assistance, Chile
“Business leaders in the country need to be more attentive to social issues.”

Luiza Helena Trajano
Chairwoman of the Board of Directors, Magazine Luiza, Brazil
Harnessing the potential of the Fourth Industrial Revolution

Getting ready to join the revolution

The Fourth Industrial Revolution is already starting to help Latin America overcome developmental challenges. But policy-makers, business leaders and civil society have work to do before the region is truly ready to fulfil its potential.

The Fourth Industrial Revolution isn’t just the future. It’s the present. Whether it’s blockchain to distribute government services transparently, machine learning to connect job seekers to job openings, precision medicine to improve healthcare outcomes, or internet-of-things (IoT) sensors to use water more efficiently, the technology is ready to help Latin America achieve sustainable development.

Latin American cities are starting to deploy smart street and traffic lights for greater energy efficiency and better flows of traffic. Soon these lights will connect to a smart grid through IoT sensors, cameras and wireless infrastructure, and be able to fight crime, identify parking spaces, improve internet access and more.

Technology is improving healthcare and making it more accessible and affordable.

Countries must move quickly to be prepared to use the latest technologies even as they ponder issues surrounding individual privacy.

Financial institutions are looking at new technologies to spread financial inclusion. Artificial intelligence joined with advanced data analytics enables banks to offer free, user-friendly services to underserved communities – and still make a profit by monetizing the data they gather.

Satellite data, combined with advanced analytics and mobile apps, is helping governments across the region build resilience and plan effective responses to natural disasters. To prepare Latin America’s workforce for the future, businesses, governments and NGOs are starting to deploy AI-powered courses, games and apps to empower workers to retrain themselves.

Latin America isn’t just deploying new technology. It’s inventing it. Start-ups in the region have received more than $2 billion in financing over the past five years, according to some estimates. When Royal DSM held its Bright

“The backlog of infrastructure is a problem but it can be a bonus to the country if we transform it into a real opportunity to work with private investment.”

Luiz Carlos Trabuco Cappi
Chairman and Chief Executive Officer, Banco Bradesco, Brazil
Latin America at a Turning Point: Shaping the New Narrative

“The ability to be an entrepreneur isn’t as great here as in Silicon Valley, but we’re getting there, we’re moving forward quickly in Latin America,” said Fabio Coelho, Google’s Country Director for Brazil.

Yet the region needs to do much more to fully take advantage of technological advances. Laying the basis for innovation is critical, since success or failure in the Fourth Industrial Revolution may mean success or failure for Latin America’s development goals.

“We are living through a technological revolution that will affect all of us at the same time,” said Jorge Faurie, Minister of Foreign Affairs and Worship of Argentina. “We do not need a new deal on globalization. We need to deal with the technological revolution.”

To accelerate innovation, government should support the private sector and academia with consistent funding for scientific research. Government, business and civil society must work together to create more ecosystems for innovation. Successful ecosystems bring together not just raw scientific talent but also applied engineering and business know-how.

Universities must build more partnerships with the private sector, not just to get funding but also to get their researchers’ Minds Challenge in 2017 to find the most promising solar and energy storage solutions, two of the top three solutions worldwide came from teams in Latin America.

“We defend trade, we defend trade liberalization, which benefits society with competitiveness, productivity and opportunities. We cannot agree to protectionist measures.”

Geraldo Alckmin Filho
Governor of the State of São Paulo, Brazil

“Leaders need to do two things, and do them very well: create a vision and mobilize people around it.”

Ngaire Woods
Dean, Blavatnik School of Government, University of Oxford, United Kingdom

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ideas into the marketplace. Governments may have to change legislation and university leaders may have to change mindsets to enable such collaboration.

Government agencies have vast troves of data that they could better utilize; policy-makers often don’t realize how much data they have, or all the ways in which that data could drive efficiency and transparency. Whether for disaster relief or allocating public services, the private sector and civil society can help governments turn data into information that improves people’s lives.

The region has to move quickly to defend against the greatest threat that the Fourth Industrial Revolution poses: cyber-attacks. “If the Fourth Industrial Revolution is the answer, cybersecurity is the question,” said Ronaldo Lemos, Director of the Institute for Technology and Society in Rio de Janeiro.

Cyber threats are growing, as many countries are connecting rubbish collection, agricultural tools, electoral processes and more to the internet – but core infrastructure and security processes are often outdated. Many individuals in the region are using older, less-secure mobile devices.

Global best practices for cybersecurity exist that can guide Latin America, if government and business leaders make it a priority. The region suffers from a shortage of cybersecurity specialists, but businesses are starting to collaborate with universities to train cybersecurity talent and place them in jobs.

Yet the biggest challenge of the Fourth Industrial Revolution in Latin America isn’t the technology itself, the talent, or even the money. It’s the legal and regulatory framework.

In many countries, a simple patent approval can take years and wind up in litigation. Bureaucracy often keeps the public and private sectors from collaborating on innovation. Protectionism may make it hard for local companies to access the latest technologies. Different government agencies, including ones meant to foster scientific research, often fail to coordinate with each other.

The right policies can ease all these difficulties. Brazil recently passed legislation to facilitate public-private and international collaboration; to simplify import procedures for R&D tools and materials; and to offer new financial incentives for research, among other measures.

If Latin American countries can advance further towards a pro-innovation policy framework, the region will thrive as the Fourth Industrial Revolution transforms the globe. In order to scale up, this framework will inevitably have to involve collaboration between various sectors of the economy and of government. “It is not old fashioned industrial policy that will work. It’s the dense interaction between university, entrepreneurs, government facilitation and financing,” said Ngaire Woods, Dean, Blavatnik School of Government, University of Oxford, United Kingdom.

Education for tomorrow’s workforce

Latin America’s labour markets are being challenged by technological disruption, demographic change and shifting business models. The region continues to perform in the lower middle range of the World Economic Forum Global Human Capital Index, held back by persistent underperformance in secondary and tertiary education, along with gaps in achieving universal basic education. Latin America also has one of the highest rates of youth not in employment, education or training. Among those looking for employment in the 15 to 24 age group, 17% are unemployed. Two sessions in the programme explored innovative and proactive pathways to meet emerging talent needs and provide reskilling, upskilling and job transition support to workers across the region. Education of Tomorrow examined how the region can equip students with needed skills, whereas Preparing Youth for the Future of Work identified actions to unlock Latin American talent and provide the skills needed for the future workforce.
Visiting the spirits through virtual reality

A woman in the Yawanawá tribe, deep in the Amazon, breaks an age-old taboo to become the tribe’s first female shaman. With the help of the medicine called “uni”, Hushahu Yawanawá speaks with the spirits and sees the inner truth of the forest.

Having mapped this forest using 3D sensing technology, the Australian artist and Emmy Award winner Lynette Wallworth created the immersive Awavena experience, allowing us to travel with Hushahu Yawanawá to see these spirits and this truth through virtual-reality goggles.

Awavena also recreates her successful struggle to become a female shaman. “It shows how societies can change to accommodate gender parity,” the film’s producer Nicole Newnham said, “and how things that seem really stuck have the capacity to shift.”

““When I saw it, I felt as if I were inside the medicine and, as if a dream were coming true, that I was inside the visions and dreams that I’ve wanted to share with other people.”

Hushahu Yawanawá
Shaman of the Yawanawá, Brazil

Behind the scenes: The filmmakers used multiple cameras and scanners with cutting-edge technology to capture 300,000 points of data per second to accurately reproduce the beauty of the rainforest in minute detail. With the help of virtual and augmented reality (VR/AR), the viewer sees and feels that the forest is alive. The Yawanawá community learned about VR/AR and decided to embrace it as a tool to touch people’s hearts. They wanted to share what they know about nature and biodiversity so others would also love and preserve the forest. “People are not going to respect what they don’t know,” said Tashka Yawanawá, Chief of the Yawanawá, Amazon Rainforest, Brazil.

More information here
01: Torquato Jardim, Minister of Justice of Brazil
02: Marcos Jorge Lima, Minister of Industry, Foreign Trade and Services (MDIC) of Brazil; Idelfonso Guajardo Villarreal, Secretary of the Economy of Mexico
03: Interactive sessions
04: Hans-Paul Bürkner, Chairman, Boston Consulting Group, Germany
05: Denise Dresser, Political Analyst, Instituto Tecnológico Autónomo de México (ITAM), Mexico
06: Andrés Velasco, Professor of International Practice in International Development, Columbia University, Chile; Candido Botelho Bracher, Chief Executive Officer, Itaú Unibanco, Brazil; Paul Bulcke, Chairman of the Board, Nestlé, Switzerland; María Cristina Frias, Member of the Board and Columnist, Folha de São Paulo, Brazil; Alejandro Ramírez, Chief Executive Officer, Cinepolis, Mexico; Luiza Helena Trajano, Chairwoman of the Board of Directors, Magazine Luiza, Brazil; Ngaire Woods, Dean, Blavatnik School of Government, University of Oxford, United Kingdom
Latin America at a Turning Point: Shaping the New Narrative

01: João Doria, Mayor of São Paulo, Brazil; Aloysio Nunes Ferreira Filho, Minister of External Relations of Brazil
02: Patricia Vitela Marino, Founder and President, Humanitas 360, Brazil
03: Svein Tore Holsether, President and Chief Executive Officer, Yara International, Norway
04: Brian Gallagher, President and Chief Executive Officer, United Way Worldwide, USA
05: Andrea Grobocopatel, Co-Chair, W20 Argentina
06: Lourdes Casanova, Senior Lecturer of Management, Director, Emerging Markets Institute, Samuel Curtis Johnson Graduate School of Management, Cornell University, USA
07: Manuel A. González Sanz, Minister of Foreign Affairs of Costa Rica
08: Joe Kaeser, President and Chief Executive Officer, Siemens, Germany
09: Izabella Teixeira, Co-Chair of the International Resource Panel, France

Source: Ascom MDIC
Tackling regional challenges with start-ups

Entrepreneurs play a key role in addressing development issues in Latin America as they are already disrupting highly concentrated and inefficient markets and using innovative processes and technology-based solutions to tackle three of the region’s challenges: inequality, low productivity and low regional integration.

Participants explored how to strengthen technology-driven start-ups in Latin America and steps to overcome common obstacles faced by entrepreneurs, such as expanding across borders to scale up their businesses; funding needs and alternatives; and finding, developing and keeping talent inside start-ups and in the region. The programme was a first step to a more integrated and cooperative start-up ecosystem in Latin America, through both the interaction with global and regional leaders and the cross-fertilization among the start-ups themselves.

Moreover, the initiative brought these entrepreneurs much-needed visibility – to media, large corporations and policy-makers – on the highlighted challenges, which is essential for nourishing a broader discussion on accelerating digital transformation within the region.

**Afluenta**: The first and only pan-regional, Latin American marketplace lending company.
**AgroSmart**: Generates market intelligence and creates agronomic models based on seed genetics, soil type and microclimate.
**Ásas**: Provides cash management and collection application for individual entrepreneurs, small businesses and individuals.
**Athon Energia**: Pioneering start-up investing in the development of solutions in Distributed Energy Generation (DEG).
**Avante**: A financial solutions company for micro and small entrepreneurs in low-income regions, mainly in north-eastern Brazilian.
**CargoX**: Marketplace and freight broker connecting freight owners and shipping companies with independent truckers through its web and mobile applications.
**CERC**: Start-up that helps to evaluate, register and monitor receivables used as collateral in credit and securitization transactions.
**Chazki**: Package delivery platform for e-commerce and retail operators in Latin America.
**Chipsafer**: Tracks and detects early anomalies in cattle behaviour, remotely and autonomously.

**Clinicas Del Azucar**: Largest private provider of low-cost diabetes care in Mexico.
**Contabilizei**: Provides tax report and accounting software as a service (SaaS) for small and medium-sized businesses in Brazil.
**Creditas**: Digital lending platform focused on secured lending.
**Digital House**: Trains coders and digital professionals using intensive and face-to-face courses.
**eduK**: Provides better opportunities for those most in need using high-quality online courses in partnership with the best teachers and experts in the region.
**Ezimol Trading**: A lending vehicle enabling farmers to finance their input purchases.
**Fazgame**: EdTech start-up that has created gamified solutions for schools.
**Geru**: A Brazilian lending marketplace, created in 2013, offering personal, unsecured term loans for individuals and small business owners.
**GuiaBolso**: Provides a free online personal financial management service.
**Gympass**: Promotes physical activity through gyms, studios, boot camps, swimming pools etc.
**HolaCode**: Provides access to high-demand employment for returning migrants and refugees in Mexico through education in technology.
Intelipost: A cloud-based platform for managing and optimizing logistics (a “Shipper TMS”).

Já Entendi Tecnologia: Online platform focused on qualifications for “base of the pyramid” workers.

Kingo Energy: A start-up that provides distributed renewable electricity services.

Konfío: Online lending platform designed specifically for small businesses in Mexico, using alternative data for rapid credit assessment.

Lab4U: Aims to democratize science and change the way in which science is taught by transforming smartphones and tablets into scientific instruments.

Laboratoria: Provides digital skills-building in Latin America for talented young women and the leadership of major corporations.

Linked Store (Nuvem Shop/Tienda Nube): A start-up that helps entrepreneurs and small and medium-sized businesses to set up, manage and promote an online business.

Liv Up: Produces healthy and tasty meals, which are sent direct to the consumer.

Loggi: By leveraging independent drivers and selected assets this start-up has revolutionized last-mile logistics.

Mandae Technologies: A digital platform that organizes the parcel supply chain for small and medium-sized businesses in Brazil.

Medlogic: A platform specializing in elderly healthcare, which is helping recover the autonomy and independence of elderly people and drastically reduce assistance costs.

Movired: This start-up aims to reduce inequality by providing access to financial services to the underserved or unserved.

Myleus Food Safety: Offers innovative food safety and quality solutions for the food market.

Nagro: A platform that connects farmers to credit sources for agribusiness.

NotCo: This start-up uses machine learning technology to make delicious foods faster, better and more accurately.

Nubank: Provides a no-fee credit card fully managed by a mobile app.

Origê Energia: A solar photovoltaic company focused on the development of distributed generation systems (up to 5 MWac of capacity) in Brazil.

Payjoy: Brings consumer finance to people who could not otherwise afford a smartphone.

Pecsa: Management firm in Brazil, which aims to transform cattle ranching in the Amazon into a sustainable business.

Platzi: Online education company focused on preparing the next generation of professionals and entrepreneurs in careers related to the digital economy.

Quero Educação: Marketplace that helps students in Brazil enrol in college at a lower cost as a result of partnerships with local colleges offering scholarships.

Quero Quitar: For customers negotiating debt, this start-up automates the process without the need for human intervention.

S4 Holdings: Offers risk management solutions to ensure better world food production.

Statu4: Promotes the conscious use of key resources by cities and industries, contributing to greater sustainability.

Tbit Tecnologia: This start-up classifies and analysesagrabusiness, replacing manual or chemical tests with automated processes using computer vision and artificial intelligence.

Technisys: Helps financial institutions differentiate local open application processing interfaces (APIs).

Tera: Trains the Brazilian workforce in the most in-demand digital skills.

The Biz Nation: Social enterprise focused on empowering youth through productive education.

Tienda Pago: Small credit finance line (average of $450) to small retailers in the traditional channel.

Tríciclos: Seeks and provides solutions to reduce the generation of waste, making a more sustainable management of the product life cycle.

Zolvers: Online marketplace for hiring domestic workers in a transparent and easy way.

Zumpy: Smartphone app for Android and iOS that aims to reduce the number of cars on the streets of big cities.

99: Urban transport app that offers car booking services for personal and business purposes.
01: Andrés Velasco, Professor of International Practice in International Development, Columbia University, Chile
02: Georgina Baker, Vice-President, Latin America and the Caribbean, and Europe and Central Asia, International Finance Corporation, Washington DC
“We will only have peace in this continent if we have job creation, generation of opportunities and economic development ... There is no more space for dictatorships from the right nor from the left in our continent; there is space for liberal governments that believe in citizens, in new generations and in the true value of democracy.”

João Doria
Mayor of São Paulo, Brazil
SHAPE Latin America

The SHAPE Latin America meeting in São Paulo included more than 200 Global Shapers from 24 countries. They started the week with a Social Entrepreneur programme, hosted by Folha de São Paulo, the Schwab Foundation partner for the Brazil selection. The half-day programme examined hybrid models for social entrepreneurship in Latin America. It was followed by a learning journey, led by social entrepreneur Roberto Kikawa, President and Founder of CIES Global, to visit his enterprise’s mobile clinics.

On 13 March, the Global Shapers took part in a YGL-led programme focused on entrepreneurship in the private and public sectors, and looked into the role of the YGL community in fostering innovation and inclusion in Brazil.

A Meet the Leader session with Klaus Schwab, Founder and Executive Chairman of the World Economic Forum, provided an opportunity for Global Shapers to discuss the factors holding Latin America back and the region’s challenges, and explore how Latin America can use its full potential at all levels by taking into account the technologies of the Fourth Industrial Revolution.

On 14 March, two community sessions took place, one for the Global Shapers and one for the Social Entrepreneurs:

- **Social Entrepreneurs** shared their achievements, the impact of the Schwab Foundation on their work, and the challenges they are still facing. In addition, Hilde Schwab, Chairperson and Co-Founder of the Schwab Foundation for Social Entrepreneurship, presented the Latin American Social Entrepreneur of the Year Award to Valdeci Ferreira, Executive Director of the Fraternity of Assistance to Convicts (FBAC). FBAC provides a “cost-effective alternative” to public prisons, while reducing rates of recidivism.

- **Global Shapers** had an opportunity to preview the programme and prepare for the World Economic Forum on Latin America. They shared their projects, the impact they are having in their communities and expressed the importance of listening to the voice of youth when shaping the agenda for the region.

In addition, the Global Shapers met with Mukhisa Kituyi, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD). He listened to their concerns and discussed how better to involve young people in the UN system. Kituyi acknowledged the role of the Forum in bringing different stakeholders together and said he appreciated the opportunity to meet with young people to take into account their feedback.

The three communities – Global Shapers, Social Entrepreneurs and Young Global Leaders – brought a different perspective to the official sessions of the World Economic Forum on Latin America. Many of them brought narratives of local action and shared some of their
solutions. For example, YGL David Hertz used the 150 kg surplus from the 3,000 meals cooked every day for participants to provide outstanding meals, demonstrating how creative food preparation can reduce waste and contribute to sustainability. Martin Burt, Founder and Chief Executive Officer of Fundación Paraguaya, a Social Entrepreneur, had 12 speaking roles in the official programme – a record for the meeting.

On 15 March, the São Paulo Hub hosted four learning journeys:

1. **Fourth Industrial Revolution vs Lack of Access**: Global Shaper Emerson Ferreira created a virtual reality tool to address the challenges that inmates face in Brazilian prisons. Global Shapers learned about the challenges and proposed actions that he will implement.

2. **Opportunities vs Marginalization**: Global Shapers visited several schools to assess their methodology and looked at the correlation between education and future of work.

3. **Representation and Democracy**: This session, held in the Parliament of São Paulo, was a simulation exercise on how to form coalitions, pass laws and get involved in the public sector. Global Shaper Alumna Janaina Lima, Coordinator, Government of the State of São Paulo, gave her perspective as an elected official and explained the work she is trying to do. The simulation came up with some concrete projects, which she agreed to implement in São Paulo, potentially improving the lives of more than 12 million people.

4. **Recycling in Latin America**: Global Shapers visited a recycling cooperative working to address garbage-collection issues in São Paulo (1.5 kg per person is thrown away in São Paulo with a population of more than 25 million; 500,000 people work in the garbage collection in Brazil in a very tough environment.)

On the final day, all 200+ Global Shapers went to a favela to refurbish a school and its surrounding environment. Projects such as this can have a lasting impact on the lives of an entire neighbourhood, and demonstrate how youth can be a force for positive action. The entire community joined in the work to provide support. The final result of their efforts brought tears to the eyes of children, their parents and the school director and reflected what young people can do in just one day.
Meeting highlights

Some key outcomes from this year’s World Economic Forum on Latin America:

– With the changing nature of work, the meeting focused on solutions for human capital development, particularly for youth. *Closing the Skills Gap 2020* was launched at the World Economic Forum Annual Meeting 2018 in January and was expanded to Latin America. The Adecco Group, Barclays, EY, SAP, Mercer and Nestlé announced founding commitments. The project calls on businesses to lead training, reskilling and upskilling initiatives for 10 million people by 2020.

– The way energy is produced, distributed and consumed is changing dramatically. This complex transformation requires smart policy plans and updated business models. As governments and companies in Latin America take action on the energy transition, the Forum project, *Fostering Effective Energy Transition*, is providing a global framework to support national and regional policy reforms. At the meeting, the Forum released its *Energy Transition Index 2018*, which ranks 114 countries on how well they are able to balance energy security and access with environmental sustainability and affordability.

– The Brazilian Ministry of Industry, Foreign Trade and Services (MDIC) and the Global Alliance for Trade Facilitation announced a new partnership aimed at increasing Brazil’s competitiveness in international trade and boosting economic development. The partnership will see the Alliance, the Brazilian government and the local and international private sector work together to develop and implement targeted trade facilitation reforms.

– The Forum’s *New Vision for Agriculture* initiative brought ministers of agriculture and senior leaders of Brazil, Colombia, Mexico and Paraguay together with global and regional CEOs, technology innovators, civil society and regional organizations to define new strategies to accelerate large-scale impact. Country and regional partners committed to action on raising productivity, improving environmental sustainability and land use, boosting efficient value chains and shaping consumer demand as part of a systems agenda to realize Latin America’s role as the breadbasket of the world.

– An outcome of a session hosted by the Forum’s *Partnering Against Corruption Initiative* was the agreement with the Chair of B20 Argentina to co-curate a joint meeting between G20/B20/C20 stakeholders to accelerate the adoption of leading practices and policies in addressing corruption in the private sector. The meeting will be hosted after the Summit of the Americas in Buenos Aires in late April 2018.
Siemens signed a memorandum of understanding with Apex Brasil aiming to support potential economic growth in Brazil. Siemens plans to triple its investments in Brazil over the next five years to $1 billion. It expects this commitment to catalyse a new cycle of sustainable growth, with an impact equivalent to 3.1% of GDP and the creation of up to 1.2 million jobs.

Ericsson, Vivo and the Brazilian Government, represented by Marcos Jorge de Lima, Minister of Industry, Foreign Trade and Services of Brazil, announced the Connectivity and Digital Inclusion Project during the meeting. This joint project was designed to support the thousands of Venezuelan immigrants, who arrive in the Brazilian state of Roraima every day due to the severe economic crisis in their home country. The project will promote the improvement of local infrastructure including the implementation of 3G and 4G technologies.

ECLAC, Nokia and Siemens highlighted the need to ensure that Latin America’s significant resources are used to generate local socio-economic growth. They agreed to partner in strengthening the lithium and copper value chains – which are crucial to power the Fourth Industrial Revolution – geared not only towards exports but also to create jobs and products in the region.

While Brazil’s economy is on a path to recovery, the Brazil Competitiveness and Inclusive Growth Lab Report finds that over-reliance on its large domestic market and commodities exports has led to it falling behind other large emerging markets in productivity growth. Data from the Forum’s Global Competitiveness Report 2017-2018 suggests that important reasons for this are the high cost of doing business, challenges for effective innovation and relatively poor integration into global value chains of Brazil’s economy, which imports and exports considerably less than regional peers Mexico.

Transformation Maps define and highlight the region’s issues

The Forum worked with the Inter-American Development Bank to create a number of Transformation Maps that delve into the dynamics shaping Latin America, such as the economic impact of corruption, productivity hurdles, issues of social inclusion and youth unemployment, and environmental sustainability. Participants had the opportunity to explore these and many other issues affecting the region in the Transformation Maps space and during sessions organized in the Transformation Hub. By taking part in a live survey, they were also able to assess which socio-economic, political and technological transformations they thought would have the most impact and provide input to keep the maps up to date with the latest developments.
and Colombia and all the other BRICS economies. The recommendations of the multistakeholder group include: Integration to global value chains, innovation, public-sector efficiency and reforming the business environment.

– Brazil’s federal government launched a package of incentives for the modernization of the Brazilian industrial park to stimulate the “industry 4.0”. The programme aims to allocate up to R$ 8.6 billion by 2020 in financing to companies and zero the import rate of robots. After nine months of discussion with more than 50 entities, the federal government concluded that incentives are needed to help companies accelerate the adoption of technologies to increase productivity and efficiency. Marcos Jorge Lima, Minister of Industry, Foreign Trade and Services of Brazil, stated during the press conference that it is “urgent” to modernize the industry. “Less than 5% of Brazilian companies can be considered as 4.0, which requires government support. Our goal is to increase this ratio to at least 15% in up to eight years,” he said. The programme is based on similar steps taken in Germany, Unites States, China and Portugal.

– The Forum convened key ministers from the Pacific Alliance and Mercosur countries, along with international organizations, economists and regional CEOs for a Regional Strategy Group meeting to advance dialogue between the two regional blocs. These leaders reaffirmed the importance of a common agenda for convergence, using the new international context to reshape the region’s integration architecture and identify instruments that add value to the integration process. Besides identifying key areas of opportunity with input from the private sector, an important objective discussed was the need to aim for regional accumulation of origin between the two groups. The Inter-American Development Bank and the Forum are jointly serving as platforms to support this process.

– An inventive concept for zero-waste in the kitchen was introduced to the meeting’s catered food and beverages. Gastromotiva led by YGL Chef David Hertz, a Schwab Foundation Social Entrepreneur, featured its innovation lab, which recovered more than 150 kg of food, and was able to create a circular concept along with the social purpose of empowering students from underprivileged conditions. Food security is a key issue for Latin America. By 2050, the region’s population will grow by 35% and demand 80% more food. Already a highly productive region, Latin America has the potential to help meet regional and global agricultural demand.

– The Portuguese version of Shaping the Fourth Industrial Revolution was released during the meeting. Written by World Economic Forum Founder and Executive Chairman Klaus Schwab and drawing on contributions by more than 200 of the world’s leading experts, the book presents a practical guide for citizens, business leaders, social influencers and policy-makers to actively shape an inclusive and sustainable future. It dives into 12 sets of emerging technologies that are key to the future of humanity and provides perspective on the rules, norms, institutions and values that shape their development and use. The book is a sequel to Schwab’s bestselling 2016 book, The Fourth Industrial Revolution. More information on the book here.
Acknowledgements

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The Inter-American Development Bank
Petroleo Brasileiro SA – PETROBRAS

Forum Member Adviser
Grupo Mega

Host Broadcasters
Folha De S. Paulo
TV Cultura - Fundação Padre Anchieta
Digital update

The event page of the World Economic Forum on Latin America provides more information from the meeting, including photographs, press releases, social media and webcasts of selected sessions.

This report is also available to download: http://www3.weforum.org/docs/WEF_LA18_Report.pdf

Contributors

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Upcoming meetings

**Industry Strategy Meeting 2018**  
San Francisco, USA 6-7 June

This meeting convenes top executives responsible for developing corporate strategies to help their companies shift from managing disruption to pioneering new models of responsible business in the Fourth Industrial Revolution. This year’s meeting will focus on Transforming Business in a Fractured World and explore how industry, bereft of traditional borders in a digital age, can rise above geo-economic and societal divides and lead industry transformation in the face of technological disruption.

**World Economic Forum on ASEAN**  
Ha Noi, Viet Nam 11-13 September 2018

Join us in Ha Noi to shape the path forward through ASEAN’s big transitions. During the meeting, participants will connect not only with the region’s political, business, academic and civil society leaders but also with a group of 100 hand-picked start-ups. This group of early-stage companies represents the very best of ASEAN’s dynamism and entrepreneurship.

**Annual Meeting of the New Champions 2018**  
Tianjin, People’s Republic of China 18-20 September

The foremost global meeting on innovation, science and technology gathers innovators, entrepreneurs and decision-makers from business and civil society from more than 90 countries to focus on shaping human-centred innovation in the context of rapid technological transformation. This year’s meeting will feature the launch of the Fourth Industrial Revolution Councils, the Centre for Entrepreneurship and Innovation (UpLink), activities of the new Global Centre for Cybersecurity, and the continued growth of the Community of Forum Members.

**Sustainable Development Impact Summit 2018**  
New York, USA 23-25 September

Delivering on the ambitions of the 2030 Agenda for Sustainable Development and the Paris climate agreement will require accelerating public-private cooperation and deploying new technological solutions. The summit aims to advance both by providing a multistakeholder platform for concerted action.

For a full list of upcoming meetings, visit the World Economic Forum’s website: www.weforum.org
The World Economic Forum, committed to improving the state of the world, is the International Organization for Public-Private Cooperation.

The Forum engages the foremost political, business and other leaders of society to shape global, regional and industry agendas.