

Interview – Pedro Frizo

Written by E-International Relations

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This interview is part of a series of interviews with academics and practitioners at an early stage of their career. The interviews discuss current research and projects, as well as advice for other early career scholars.

Pedro Frizo currently works as coordinator of the community-based enterprises advisory program at Instituto Conexões Sustentáveis – Conexsus. He has a BA in economics from the University of São Paulo (ESALQ-USP, 2013) and an MSc in Sociology at Universidade Federal do Rio Grande do Sul (UFRGS, 2018). He was awarded best dissertation by the Brazilian Society of Rural Economics and Sociology (SOBER) in 2018. He was a consultant at the UNDP (United Nations Development Program, 2018) and a researcher and consultant on climate change at IDESAM (Amazon Conservation and Sustainable Development Institute, 2014). He is a columnist for the international website Project Syndicate and a reviewer for sociological journals in Brazil. Pedro was a guest member of the Swiss Impact Investing Association (SIIA) for the year 2019. He has published a number of scientific articles in the area of economic development and economic sociology, as well as a book associated with the governance of the commons in the Amazon.

What (or who) prompted the most significant shifts in your thinking or encouraged you to pursue your area of research?

It is possible to say that two major events had an important influence on my decision to dedicate my career to the theme of sustainable development and governance of the commons. The first of these was a theoretical motivation. I was 21 years old when I was invited by Professor Werner Baer to stay a semester at the University of Illinois at Urbana-Champaign, in order to complete my monograph under his guidance. At that university, I had the opportunity to study some subjects that were outside the predominant themes that I had come across in the Faculty of Economics at ESALQ-USP. One of them was the discipline of Climate and Society, lectured by Professor Jesse Ribot. We shared deep knowledge and had exciting discussions about the impact of human action on nature, but also about how communities and societies reinvent themselves to obtain a more sustainable use of natural resources. I shared that space with students from all over the planet, coming from Senegal, Indonesia, Cameroon and many other countries. Everything that was said in that space completely revolutionized my way of thinking about our current reality and our condition of life in society on a planet undergoing intense climate change. I can say that I came back from that experience trying to give a completely new meaning to my way of facing and working with the themes of the economic sphere.

The second transformative event was a practical one. Driven by the themes and learnings above, I looked for a job at the end of my undergraduate studies that could throw me into the world of environmental conservation and there was nothing more opportune and meaningful for me as a young graduate than heading to the Amazon. My first job was to conduct research on the possibilities of reducing deforestation caused by cattle raising in the southern part of the state of Amazonas, which meant living in the region. It was a short period, but powerful enough to blunt my prior convictions, as everything I saw and experienced in this territory resembled almost nothing I had ever seen and felt in my entire life so far. At first, the experience left me reflective: at the same time that deforestation and the precarious living conditions in that region frightened and saddened us, the exuberance of the remaining nature and the possibilities for transformation were intoxicating and addictive. Since then, I have never stopped dedicating myself to

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the theme of the conservation of Brazilian biomes and the improvement of life for the people who inhabit them.

You have worked with Amazonian communities as part of the United Nations Development Program (UNDP) to strengthen Amazonian communities. What was the key focus of the UNDP and how do you evaluate these approaches?

The volume of capital required annually for the development of impact-based businesses (enterprises with a business model based on generating a positive social, environmental or economic impact) in emerging countries is extremely high. When looking specifically at the Brazilian Amazon, there are a number of small and medium impact businesses that could amplify the positive impacts generated by its operating model, but they fail to do so due to the scarcity of proper financial instruments for their organizational stage. This project under the UNDP Equator Initiative looked to resolve this through the development of a toolkit to measure the demand of capital and the readiness of impact businesses in accessing non reimbursable finance. My opinion is that we have advanced as an ecosystem of social entrepreneurs and support institutions since then. We still have a lot to do in terms of developing business models of rural and forestry cooperatives and other community-based enterprises, in such a way that access to capital can always be directed and based on an economically viable entrepreneurial line of action. Unfortunately, a number of impact businesses in the Amazon and other Brazilian biomes are far from being in an ideal state of economic and financial viability and sustainability. It is important for us to reach this place, developing the skills and abilities of entrepreneurs at the frontline of their businesses, as well as the organizational structures necessary for better governance of the enterprises. At the same time, there is still a lot to be done with regard to the development of products and financial solutions suited to the risk profile and return on investments that impact businesses present.

You currently work with non-governmental institutions such as Conexsus, that helps Amazonian communities to develop their businesses. What are the unique challenges to business development in this region?

A good part of the challenges faced by impact businesses in the Amazon are the same ones that projects in other Brazilian biomes face. There are universal attributes to almost the entire rural and forestry reality in Brazil, which point to the enormous size of the challenges we have for the effective structuring of a low carbon economy. A key challenge has been the interruption of the positive institutional trajectory that Brazil was tracing until the middle of the last decade. It is important to emphasize that institutions, through standardization and regulation of social and economic realms, delimits the incentives available to actors in value chains and society as a whole. In this sense, between the 2000s and 2017, we had a gradual construction of national and regional institutions that induced the insertion of sustainable rural and forestry production of family farmers, extractivists, indigenous populations, quilombolas and other traditional social groups in the markets. These institutions also motivated the flourishing and development of community organizations that represent these peoples – which are central to the conservation of biomes. However, since 2017 we have interrupted this positive institutional trajectory, favoring public policies and legislation that encourage environmentally predatory practices, such as the significant increase in deforestation rates in the Amazon.

On a more local scale, more associated with what I understand as a “micro-institutional” level, there are significant spaces for advancement in the organizational structures of impact businesses, especially in the countless cooperatives and associations that bring together hundreds of thousands of inhabitants in rural areas. Such organizations are the first instance of governance and collective action organized around the natural and forest resources found in their places of origin. Therefore, strengthening the interest of its members with the activities carried out by cooperatives and associations, as well as the social cohesion between them, is a fundamental action. I understand that the initiatives supporting these ventures must serve the purpose of organizational adaptation as most of these businesses are increasingly fragile due to the macro-institutional context found in Brazil today. In this sense, the diversification of markets and the adoption of management practices that encourage an effective shared management of these projects are essential to maintain a cohesive social base committed to the sustainable development of communities.

Could you explain how the bioeconomy can help the process of protecting the Amazon?

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I understand the theme of “bioeconomy” as a concept that it is still under construction, at least with regard to its applicability in the Brazilian case and, especially, in the Amazon context. Several of its elements were already present in movements and programs of previous decades, especially the view to develop the economy through productive activities that preserve the forest. In the past, the issue of applicable technology to the millenary activities that peoples and communities carry out in the Amazon was not so strong, but is present in the concept in the bioeconomy concept. In this sense, research and development applied to the Amazon context presents the inherent potential of technology for any mode of production in any economic realm to increase productivity, develop new products, add value to production, optimize working time, among others changes of an economic and social nature. My biggest concern regarding this issue is how effectively the technology will establish itself in local productive processes with autonomy, in addition to being able to democratize its diffusion throughout the Amazon region. There are many lessons we can draw from past historical processes regarding the diffusion of innovations, as they traditionally operated based on asymmetry of access and inequality of benefits. My personal opinion on the subject is very similar to the above argument regarding access to capital by enterprises and communities: it is necessary to establish solid organizational structures, with viable economic performance and effective cohesion and mutual commitment between them. It is only with this foundation that technologies and capital can reinforce a positive trajectory for the development of impact businesses.

What are you currently working on?

My current job at Conexsus aims to strengthen community-based enterprises that simultaneously seek to generate income and conserve natural and forest resources in their territories. We understand cooperatives and associations as key elements in this process, so we are fully dedicated to the development of these organizations. We do so through technical assistance and business models development, as well as through the development of commercial services that contribute to the reduction of impact businesses’ entry costs to strategic markets. At the same time, we try to fill the capital shortage of these businesses by preparing them to access financial resources of a hybrid nature (part of the money is returned in credit and microcredit operations and part of the money remains with the communities). At Conexsus, I have dedicated myself to this theme especially for community projects located in the Amazon and the Cerrado, although we also work in other biomes and regions of Brazil.

Personally, I am working on a scientific article about organizational adaptation strategies, specifically how organizations forge cooperation networks in order to secure critical resources for their survival. My biggest motivation for dedicating myself to this research topic emerged after I closely followed the numerous actions (the vast majority of them effective!) taken by cooperatives and associations in face of Covid-19 pandemic and the suspension of commercial activities in their main markets. I am still in the elaboration phase, although I have already tested the concept in some sociology congresses. Finally, I’ve been physically preparing myself for the next semester to explore the sea crossing channel from Cananeia/SP to Guaraqueçaba/PR with my brother – one of the most preserved and untouched parts of the Atlantic Rainforest.

What is the most important advice you could give to young scholars?

It is a great responsibility to give any kind of advice to a young scholar, so I will share something that I think was extremely important to me: seize creative freedom as much as possible. Get rid of certainties and try to carry out the most varied activities that you have any sort of interest in, even if at first sight it is difficult to establish a logical thread between them. Only such variety will allow you to obtain minimal knowledge about life’s possibilities. The worst thing to do as a young scholar is to be readily caught up in narratives and imagined futures that were not previously imagined by you!