



Louçilde Mendes de Barros is a seamstress for Toque de Mão, a group supported by Asta  
Photo: Sara Mously

## Country information\*

### Country name

Brazil

### Capital

Brasilia

### Population

202 million (July 2014 est.)

### Population below the poverty line

21.4%

### Languages

Portuguese (official and most widely spoken language); less common languages include Spanish (border areas and schools), German, Italian, Japanese, English, and a large number of minor Amerindian languages

### Main export products

Transport equipment, iron ore, soybeans, footwear, coffee, automotive parts

\*Source: CIA factbook



# Rio's fashion forward approach

**In Brazil's Rio de Janeiro, fashion is the third largest industry, valued at over US\$ 60 billion per year. Each day tourists and affluent Brazilians flock to its famous stores that cater to an international and fashion-forward client-base. However, behind Rio's glitz and glamour is another side to the fashion industry, which is slowly growing in prominence across the city.**

In the old centre of Rio, small stores selling mostly up-cycled clothing and accessories are popping up. As most of these stores are small start-ups, many have had to take

out loans to meet the financial demands of the fashion industry. With many banks not interested in supporting such small enterprises, microfinance

institutions like Sociedade de Crédito ao Microempreendedor SA (SOCIALCRED) have stepped in. SOCIALCRED aims to generate employment by providing micro and small entrepreneurs and businesses with access to finance. Edson Pinto, director of marketing and founder of SOCIALCRED, says fashion is a focus area for the microfinance institution as the industry can benefit a wide range of people as well as encouraging entrepreneurship. "For an enterprise to receive a loan from SOCIALCRED, it must demonstrate a solid ►



Asta's production group coordinator Angela Marja Krugel dos Santos (left) with Asta's designer Joanna Friques (right)  
Photo: Opmeer Reports

## More information

### Oikocredit and SOCIALCRED

SOCIALCRED has been a partner of Oikocredit since 2009, receiving two loans totalling US\$ 1.5 million to grow its loan portfolio. Fashion, health, education and sectors that contribute to environmental conservation are where the majority of SOCIALCRED's clients do business.

### Oikocredit's approach

Oikocredit is a worldwide cooperative and financial institution that promotes sustainable development by providing loans, capital and technical support to microfinance institutions, cooperatives, fair trade organizations and small to medium enterprises. As a social investor, Oikocredit's work is guided by the principle of empowering people to improve their livelihoods.

Oikocredit offers a dual return to its investors: social and financial. In addition to earning modest financial returns, investors are secure in the knowledge that their money is being used to improve livelihoods, promote fair trade and respect the planet's natural resources.

- ▶ business model that has been in place for at least one year," Edson said. "They must also be located in the state of Rio de Janeiro, pursue social goals and work in one of the industries that SOCIALCRED supports," added Edson.

### Supporting social enterprises

As part of its fashion focus, SOCIALCRED supports Asta, a cooperative that helps train women in designing and making clothing and accessories whilst providing a sales channel to sell them. Members of Asta are also taught how to increase production and grow their businesses. A few years ago, Asta needed working capital to pay the women up-front for their products. Initially, foundations and charities helped Asta to develop as regular banks were not interested because the amount of working capital was too low. That's when SOCIALCRED stepped in and provided Asta with a loan so it could pay the women for their products. With financing from SOCIALCRED, Asta now provides a market and income for almost 60 production groups and in total around 700 women.

### Focus on women's empowerment

One of Asta's 60 groups is Toque de Mão, which literally means 'touched by the hand'. The group was set up in 2005 and consists of 10 young mothers who produce bags, accessories and colourful cushions that are made entirely from used materials. These items are sold in boutiques, designer shops and furniture stores all across Rio. For many of the women, a group like Toque de Mão provides a steady income and the chance to learn a trade and how to run a business. Loucileide Mendes de Barros (Lucy), one of the seamstresses of the group explains that without Toque de Mão, she would probably have had to work as a cleaner and constantly worry about how to pay for her son's education. Now, Lucy loves her job, saying, "it makes me proud when I'm walking in the city and spot one of our bags in a store."

By providing capital to organizations like Asta, SOCIALCRED contributes to changing the lives of women with little to no income. The microfinance institution also provides long-term mentoring, support and training. As Edson explained, "when we provide a loan, we look carefully at the person behind the business - personality and drive are also important." Edson said he's proud of SOCIALCRED's work. "When walking through Rio's shopping streets, I often think how much I like my job, because I see that I can help people," added Edson. With backing from Oikocredit, SOCIALCRED disbursed € 4 million in loans in the past year, supporting more than 600 clients across the state of Rio de Janeiro.



Asta products in a store  
Photo: Opmeer Reports