

Doing Business in Brazil | Brazilian Social and Business Culture

A Brazilian Culture Overview

Fact File

- **Official Name** – Federative Republic of Brazil
- **Population** – 205,716,890*
- **Official Language** – Portuguese
- **Currency** – Brazilian real (BRL)
- **Capital City** – Brasilia
- **GDP** – purchasing power parity \$2.3 trillion*
- **GDP Per Capita** – purchasing power parity \$11,600*



Overview

Brazil is a country greatly shaped by its diverse culture and geography. The largest country in South America in both population and area, Brazil has long been the source of important natural resources such as timber, sugar and coffee. The culture is a thriving fusion of Portuguese, African and indigenous Indian influences, all of which have left their mark on Brazilian society resulting in a rich, distinct culture. Brazilian culture is known for its hospitality, openness and colourful and rhythmic events such as Carnival. As Catholicism is the predominant religion in Brazil, many of these events have a strong Catholic influence. The diversity of Brazilian society is further emphasised by the prevalent class differences which permeate almost every aspect of society. Understanding the diversity of Brazilian society and the unique values and attitudes of its citizens will help you develop better relationships and do business more successfully with your Brazilian colleagues.

Key Concepts

Family – Brazil is a collectivist society which places family at the centre of its social structure. Families in Brazil tend to be large and close-knit, providing members security and connections. The importance of family is also evident in Brazilian business culture where often family members will often be found working for the same company, either family owned or otherwise.

Relationships – Similar to the importance placed on family, Brazilians depend heavily on relationships with others. It is essential therefore to spend the time getting to know your Brazilian counterparts, both personally and professionally. Knowing the right people will also help minimise any frustrations you might experience doing business in Brazil.

Time – Time in Brazil is approached in a very relaxed and flexible manner. Punctuality and precise plans are not common. Brazilians tend to live life at a slower pace, and this carries over into business which can result in negotiations taking much longer than you are used to. Meetings are also often delayed or cancelled without any prior warning.

Doing Business in Brazil

Brazil's unique cultural heritage has been influenced by a variety of diverse populations and cultures. First inhabited by indigenous tribes over 8,000 years ago, Brazil became a Portuguese colony in the 16th century after it was discovered by Europeans. In 1822 Brazil gained its independence and has since seen an exponential increase in its population as people from around the world settled there. Traditionally a very agriculturally based economy, Brazil is known for its production of sugar, coffee, soy beans, orange juice and beef. Brazil also has very strong service and industry sectors which have fuelled its economy over the last century.

The last decade has seen Brazil open up its economy to foreign markets and investment making it the fifth largest economy in the world. Recognised as the largest economy in Latin America, Brazil also benefits from its position as the gateway to the lucrative Mercosur market. A strong diversified economy and unique culture make doing business in Brazil an exciting but often challenging endeavour. Understanding Brazilian business culture and etiquette is therefore essential for successfully doing business in Brazil.

Brazil Business Part 1 - Working in Brazil (Pre-departure)

○ Working Practices in Brazil

- In most Brazilian cities, working hours are 8:30 am to 5.00pm with an hour or two in the middle for lunch. Businesses are usually open from 9:00am to 7:00pm Monday-Friday and 9:00-1:00pm on Saturday. Larger businesses and most in Sao Paulo may be open longer hours.
- It is important to schedule business appointments at least two to three weeks in advance and confirm them once you have arrived in Brazil. Also try to leave a few hours in between them should they go on longer than anticipated.
- Brazilians love socialising and spending time with each other. This is often done over lunches or mid morning coffee breaks which can go on for several hours. Often coffee is served before or during a meeting.
- Although Brazilian culture tends to be relatively informal, Brazilians are quite fashion conscious. It is important therefore to dress smartly and conservatively.

○ Structure and Hierarchy in Brazilian Companies

- Brazilian companies tend to have vertical hierarchies where managers at the top make most of the decisions. These positions tend to be dominated by men, but women are slowly gaining employment in executive roles.
- Differences in class are still very prevalent in Brazilian society and business culture. Class is mostly determined by economic status and is reflected in the salaries people receive resulting in large disparities of pay and status. There are laws against discrimination, and most class differences in business are subtle.

Working Relationships in Brazil

- Relationships are one of the most important elements in Brazilian business culture. By cultivating close personal relationships and building trust, you will have a greater chance of successfully doing business in Brazil.
- The strong importance placed on family relations in Brazil means that often you will find a number of family members working for the same company. This is especially reinforced since Brazilians prefer to do business with those they know and trust.

Brazil Business Part 2 - Doing Business in Brazil

o Business Practices in Brazil

- Handshakes are the most common form of greeting between business colleagues. In more informal situations, men and women will tend to greet each other with one or two kisses on the cheek or briefly embrace each other.
- When you meet someone for the first time, it is polite to say 'muito prazer' ('my pleasure'). Expressions such as 'como vai' and 'tudo bem' are common forms of saying hello once you know someone and can show you are making an effort to know them.
- The use of titles and first names vary across Brazilian society. It is polite to address your Brazilian counterpart with their title and surname at the first meeting or when writing to them. Once you know them, it is common to use just first names, or else their title followed by their first name.
- An extensive system of regulations combined with a relaxed attitude to time often results in lengthy business interactions. It is imperative not to rush this process however and spend the time to continue developing relationships for negotiations to be successful.
- It is common practise in Brazil to hire a *despachante*, or middleman, to help you in your business dealings. A *despachante* will help you navigate Brazilian bureaucracy for a nominal fee.

o Brazilian Business Etiquette (Do's and Don'ts)

- ✓ DO schedule extra time in between meetings to allow for any additional time needed since they are often delayed or cancelled without warning. As a foreigner, try to always be on time however as this will be expected of you.
- ✓ DO expect to spend a lot of time getting to know your Brazilian business counterparts before any business takes place.
- ✓ DO make eye contact as this shows you are paying attention, interested and honest.
- ✓ DO expect a meal to take longer as it is always like a celebration.

- ✓ DO accept food or drinks that you are offered during social or business occasions
- ✓ DO expect to be interrupted. The Brazilian method of communication usually entails a lot of overlapping speech and people are not afraid to say what they think.
- ✗ DON'T rush business dealings with your Brazilian colleagues and avoid pressing for final decisions.
- ✗ DON'T show feelings of frustration or impatience as this will reflect poorly on you as an individual. Brazilians pride themselves on their ability to be in control, so acting in a similar fashion will improve your relationship and interactions with your Brazilian counterparts.
- ✗ DON'T bring up topics of conversation such as corruption or deforestation as these are sensitive issues at the moment.
- ✗ DON'T publicly criticise your Brazilian counterparts. If you need to tell them something negative, do so in private so they do not lose face or their pride in front of others.

Brazilian Culture Quiz – True or False

1. There are two official languages in Brazil.
2. Brazilians tend to keep a large distance when speaking to each other.
3. Brazilians tend to place the individual before the company.
4. When eating, Brazilians will typically use a knife and fork even when eating chicken or other food many Westerners will eat with their hands.
5. There is little red tape or bureaucracy in Brazil.

Cultural Quiz - Answers

1. False. While some indigenous languages are still spoken, Portuguese is the only official language of Brazil, spoken by almost 100% of the population.
2. False. Brazilians tend to stand close together when they communicate and are not afraid to touch each other.
3. True.
4. True.
5. False. There is a fair amount of 'red tape' and bureaucracy in Brazil but Brazilians have mastered a way to 'bend the rules' without breaking them which they refer to as *jeitinho*.

* Source: CIA World Factbook 2012

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