



## **Brazil in the 1990's<sup>1</sup>**

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A profound change in the pattern of government policies directed to the agricultural sector ("agro-agri") began in the mid-1990s, mainly with the launching of the National Program of Strengthening Family Agriculture (Pronaf) in 1995. But the real dimension of this fact only can be evaluated in comparison with the historical obsession of the controlling elites with traditional top-down forms of production, and its radical prejudice against any form of family agriculture.

It is not necessary to recall the characteristics of the European expansion of the 15<sup>th</sup> and 16<sup>th</sup> centuries and its evolution in the two following centuries. It is enough to say that the basic reference is the 19<sup>th</sup> century, when the economies that would be the more "developed" in the 20<sup>th</sup> century were shaped. Thus, in the middle of the 19<sup>th</sup> century, when the political elites of the United States, after 70 years of hesitation, clearly opted for the family form of agriculture, essentially with the adoption of the Homestead Act of 1862, the Brazilian political elites went in a diametrically opposite direction, confirming their "Law of the Lands" of 1850. Instead of favoring a democratic way of occupation of the territory, this law established that the transference of land from the public to the private domain could only be made in large pieces of land and through cash payments.

This option did not cause catastrophic social and economic damage as long as the major factor of scarcity was the lack of workers. Whether slaves or migrants, the workers in the fields of sugar cane, coffee or even rubber extraction, used to pass their lives in unacceptable circumstances in capitalist terms, but which at that moment formed part of the political economy of the possible. However, from the 1930s, when the situation was reversed and growing numbers of workers began to constitute this immense excess which today is called "excluded", the lack of work opportunities in the midst of an abundance of natural resources began to be absolutely irrational, from any point of view.

It was an example of institutional inertia. Although in 1930 there had been a political about-face classified as a "revolution", nothing changed in the way that those "on top" had become accustomed to treat those "on the bottom". The contradiction between the abundance of available natural resources and the lack of opportunities to earn a living through productive work reached boiling point at the beginning of the 1960s, with the manifestation in various parts of the country of incipient social movements that could be understood in general as "peasants' revolts". The National Confederation of Workers in Agriculture (CONTAG) and its state federations appeared in this context. This organization has always represented, with unchangeable ambiguity, a social kaleidoscope, from segments of the property-owning middle class – such as, for example, a good part of the family farmers of the South – to miserable migrants searching for any way to survive, and including many types of landowners and employees.

However, one of the main intentions of the military dictatorship which took power in Brazil in 1964 was to push to the limit the historically preferential option of the controlling elites for top-down forms of agricultural production, thus generating one of the biggest agricultural exoduses in the history of humanity. Twenty years later, when democracy returned, nobody was sure if there still existed social forces capable of raising again, with tenacity, the old flag of agrarian reform, considered communist by the social segments that had supported the military regime. Events had shown that these forces had not been entirely destroyed, but that they would now need to act in a total different context. The agricultural sector had left to have the decisive importance that it had during the decade of 1960, and the possibility for a family to make a living as owner of 20 or 30

hectares of land became heavily dependent on an amount of human capital that normally they did not have. Apart from lack of access to land ownership, the 'disinherited' were also denied access to education and health.

Perhaps this is enough to explain the hesitations and zigzags of the "agro-agri" public policies during the period 1985-1992, that is, of the "New Republic" and the brief but disastrous Collor government. In these years there was a very confused mixture of some concessions to those "on the bottom", principally in the area of social policies, with options for the most conservative in the area of productive policies, both for the agricultural sector proper and (perhaps mainly) in the industries with direct impacts on agriculture.

The fact is that in 1994, when the country started to visualize a new way of development – but in the new context of accelerated globalization – its dead weight of "agro-agri" could only seem obsolete and anachronistic. The programme line of the social democratic party (PSDB) of President Fernando Henrique Cardoso (FHC), was totally contrary to the realization of any type of agrarian reform, and did not even mention the existence of a phenomenon being characterized in academic and trade union circles as "family agriculture". Meanwhile, the main opposition party – the Worker's Party (PT), led by Lula – who would be victorious eight years later, kept aloft the old flag of agrarian reform, but simultaneously began to assimilate a thesis still considered exotic: the strategic importance of a policy for the strengthening of the family farmers who, despite everything, had managed to resist. From this point of view, a policy for the promotion of settlements could be understood as a complement extremely favorable to the expansion of this category, even if it was not seen to be what was historically understood as agrarian reform. And the essence of this strategy appeared in 1995, with Pronaf, already created by decree during the first FHC government, as a response to the strong pressure exerted mainly by CONTAG, at that time directed by a member of the national directorate of the PSDB.

Although it has prevailed for the last three governments (two of FHC and the first of Lula), the change in emphasis was still not assimilated by most of the social forces involved, starting with the 'Landless Movement' (Movimento dos Sem-Terra - MST). A change in which the strengthening and expansion of family agriculture begins to be one of the main objectives of the "agro-agri" policies, and the action of INCRA (National Institute of Colonization and Agrarian Reformation) became one of many ways of attaining this change. The same can be said regarding the mentality of most of the technical staff involved.

Moreover, the historical context of this change would be very incomplete if it we did not also remember the parallel emergence of two new and different approaches: the "agribusiness" and the "territorial". During the last decade, groups of researchers from the most important Brazilian universities overcame in two ways their previous schemes of analysis regarding "agro-agri" phenomena. On the one hand, the strong influence of American ideas about "agribusiness", as a system or complex of productive chains, contributed to the fact that the elites who called themselves "ruralists" were gradually abandoning a vision of agriculture which was restricted only to the primary sector of the economy. They were gradually attracted by a conception which remains sectoral, but which brings together all the systemic links which exist from the supply of inputs to farmers, fishermen, foresters, etc., to the various innovative forms of consumption of food, such as fibred and energetic products.

On the other hand, the influence of European ideas on rural development, and particularly on its role in the generation of employment, was helping those organizations more linked with the so-called "labor world" to start a similar movement that would have them break with any kind of "sectoral measures", in favor of a more current concept of urban-rural relations. This movement would have to lead to a necessary increase in the social bases of the organizations that had previously only looked to represent those that work in the primary sector of the rural agricultural, instead of acting in favor of the development of rural regions, which necessarily demands harmonization among public, private and social entrepreneurs in the fields of industry, commerce and services.

The researchers who had produced the analyses and the normative scope of these two new visions – "agribusiness" and "territorial" – could not have imagined that this adoption would suffer so many distortions, imposed, clearly, by unforeseen evolutions in the political dynamic. But also, and very much so, by the mental resistance and inevitable institutional inertia of the old visions of landowners and workers in "agro-agri".

The first FHC government started with a serious crisis in the agriculture sector, provoked by a perverse indebtedness of many producers, mainly big landlords. An insolvency rate of more than 30% was resolved by the cooperation of the "ruralist" group in the National Congress. More than this, after some hesitation, the Ministry of Agriculture was simply handed over to the staff who were beginning to assimilate the new "agribusiness" approach, and a few years later the situation had been reversed, with agribusiness becoming the main factor in the dynamism of the Brazilian economy.

In parallel, in the treatment of what the Brazilians had accustomed themselves to understand as "social conflict in the countryside", two horrific massacres were necessary: Corumbiara (RO) and Eldorado of the Carajás (Pará). Only in this way, the political leaders of the support base concluded that the specific agrarian problem could no longer remain in the hands of obscure engineer's unable to obtain from the Congress, from the "Civil House" and from the ministries related to the economic area the indispensable means to fulfill at least the promises that had been made during the elections in 1994.

This context was what produced the about-turn, that today may be measured by the performance of the very new Ministry for Agrarian Development on at least two essential fronts: a) the strengthening of family agriculturists, principally thanks to the availability of credit, but also, little by little, increasing through capacity building, assistance, infrastructure and commercialization; b) the expansion of this category by various types of settlements for the rural poor: ex-landless, ex-proprietors, ex-leaseholders, ex-small producers, etc., unfortunately almost always suffering with bad conditions of life.

This double success "agri-agro", a legacy of the so-called "FHC era", could have been expanded if the first Lula government had adopted a platform created with the participation of a vast multi-party group of researchers, employees, trade unionists, NGO workers, associations of mayors and representatives of the micro and small companies: a "National Plan for the Sustainable Development of Rural Brazil" (PNDRS), elaborated in partnership with specialists of at least ten international organizations: BID, Bird, FAO, FIDA, PNUD, UNESCO, CEPAL, LICA, UE and USAID. To sum up, this plan indicated that, apart from a profound study of the two programs

consolidated in the years 1990s - Pronaf and Settlements— it would be also indispensable that the subsequent government adopt two more programmes that would be considered absolutely decisive for the progress of rural Brazil: renewal of education and economic diversification. With these minimal conditions, both for agribusiness and for confronting these social questions in the rural areas, it is necessary now to start to think in terms of rural development, which is much more than only agricultural growth.

By the end of 2002, the country was mature enough to surpass the clumsy sectoral vision that continued imprisoning the responsibilities initially conferred upon the Ministry for Agrarian Development (which was originally created as the Ministry for the Rural Development, a title rejected by the “ruralista” group in Congress). The real mission of this portfolio should be the promotion of micro-regional development, a mission that demands a closer relation with the Ministry of National Integration. To such a point, that a politico-administrative rationalization would promote the fusion of these two ministries in a single "Ministry of Territorial Development". Unfortunately, the first Lula government preferred not to dare so much. They preferred to give the Ministry of Agriculture to the main leader of agribusiness and to divide the Ministry of Agrarian Development in parcels that were offered to tendencies of the Worker's Party (PT). The result was "more of the same". Instead of surpassing the legacy "agro-agri" of FHC, what is evident in February of 2007 is that the first government of Lula gave more money to the existing programs, but without innovation or creativity.

Regarding access to land, the last fifteen years have shown it to be feasible to settle almost 100,000 families per year, without affecting the historical concentration of landed property. But this period showed, above all, that there is still an immense potential to be freed for the most effective support to family farmers that already exist, mainly in terms of access for their children to an educational environment that guarantees them a minimum chance to acquire competitive capacity in the circumstances of the current stage of globalization. This trump card certainly has to pass for the emphasis in new strategies of local development of the rural micro-regions in a moment when the tripod formed by the conservation of biodiversity, the economic exploitation of natural amenities, and the exploration of new and renewed types of energy seems more and more attractive.