

STATE-SOCIETY RELATIONS ON THE AGRICULTURAL FRONTIER: THE STRUGGLE FOR
CREDIT IN THE TRANSAMAZÔNICA REGION

By

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This is a study about peasant mobilization in the Brazilian Amazonia and the relationship between the peasant movement and the State. In the early 1970s the federal government promoted the colonization of a vast area in the state of Pará. A few years later the government withdrew its support to the settlers. In the late 1970s the peasantry started organizing in Catholic communities. This movement grew and the rural workers engaged in a successful struggle to democratize labor unions in the countryside. As the regime became more democratic, the organized peasants fought for more political participation. This struggle culminated in the creation of a unique credit policy designed to support poor farmers who do not have title to their lands. This credit was channeled through peasant associations and cooperatives, as a means to strengthen the labor movement.

In this work I analyzed the factors that allowed the rural workers to mobilize, as well as to adapt their mobilization strategies to a changing political environment. Also I

looked at the opportunities that the state provided for the peasantry to mobilize, and how it responded to their demands. To do that I used archival research, as well qualitative interviews with key informants. I also surveyed 60 beneficiaries of this credit policy.

Different factors were crucial to the success of the movement at different points in time. Catholic identity allowed peasants to start organizing. Later, strategic alliances with other sectors of civil society became more important. Constructing the image of the peasantry as environmentally responsible farmers was crucial to gain access to subsidized credit. The outcomes of this credit policy however, challenged this identity. Credit recipients invested the money in cattle and cleared forest for pasture. Another unforeseen consequence of this policy was the appearance of hundreds of new peasant associations in the region. Rather than strengthening the peasant movement, these associations served the interests of local bosses, state officials, and large ranchers, who gained political and economic power using public money. This association between state officials and private actors challenges the concept of state autonomy in policy making.

INTRODUCTION

This study is about the implementation of a rural credit policy by the Brazilian federal government, designed to serve colonists in Amazonia who did not have title to their lands and could not provide collateral for loans. Unionized rural workers demanded this credit (FNO-e), with some help from other sectors of civil society. The struggle for access to credit required a tremendous effort of collective action, for the workers had to gather in local, regional, and national levels to discuss their needs and to press state officials to attend to their demands. In this study I try to answer 3 simple questions: 1- Why did the workers mobilized when they mobilized? 2- What factors allowed them to succeed? 3- How has this credit policy affected the rural workers movements?

The creation of this credit policy was a significant accomplishment for the peasantry because it challenged a development model implemented by the military government between 1964-85. This model sought to promote capitalist accumulation on the agricultural frontiers with little regard for the livelihood of poor peasants. During the authoritarian period, and even after the transitions to democracy, the Brazilian government and international agencies, such as the World Bank financed large scale development programs in this region. Most of these programs were aimed at promoting ranching, mining, energy production, and timber extraction.

The implementation of this model required foreign loans that contributed to a gigantic Brazilian debt. Moreover, its social and economic benefits were minimal, whereas

their negative ecological consequences were overwhelming. Subsidies to cattle ranching rank among the most detrimental development policies adopted by the Brazilian government. Cheap credit precipitated not only a violent struggle for land between settlers and big ranchers, but also spurred deforestation, due to the low carrying capacity of the land.

The organizations and institutions that the military government created to implement this development model in Amazonia are still functioning and command large amounts of resources. In this context, the achievements of the rural workers are all the more spectacular. The collective effort of the rural workers meant the possibility of improving their lives by gaining access to public resources that traditionally has been beyond their reach. Moreover, the struggle for the creation of FNO-e also meant an unprecedented participation of the grassroots in policy making, which is a valuable contribution to the consolidation of democracy in Brazil. Questions one and two are directly related to this relative success of the movements. In this work I will try to explain how the workers beat the odds and successfully engaged in collective action. My hypothesis (hypothesis I) is that although several factors contributed to the success of the movement, one in particular stood out: the way they framed their struggle against the state. By opposing the development model implemented by the military and constructing the image of the peasant as a sustainable alternative to this model, the rural workers were able to attract societal support and powerful allies to their cause.

In spite of these positive aspects of the struggle for access to rural credit, the introduction of FNO-e may have created serious problems for the rural movement in the long run, for two main reasons. First, the rural workers demanded that the FNO-e be

channeled through rural unions or peasant associations. In their view, this requirement would strengthen the labor movement. After a few rounds of negotiation, state officials agreed to channel the loan through associations, but not through unions, which would be illegal. As the rural workers could not control which associations would receive the loans, their expectations to increase grassroots participation did not come true. Concerning this problem, which is related to the third question asked above, my hypothesis (II) is that the introduction of FNO-e created new opportunities for clientelism and patronage through the peasants associations.

Second, the introduction of FNO-e did not have the positive economic and ecological impact that the leaders of the movements anticipated. It is my hypothesis (III) that this credit line promoted a sharp increase in cattle herds, particularly in the Transamazônica region¹, in the state of Pará, where a large number of loans was released. Due to the low carrying capacity of the lands in this region, credit recipients had to aggressively clear forest for pasture. If this was really the case, it mayh undermine the workers' framing of their struggle and, thus, their ability to attract certain types of allies and supporters.

The theoretical framework to answer the questions that underlie this study, particularly questions one and two, comes from the field of social movements studies. Scholars in this field have pointed out the role of strains in triggering mobilization – the “classical approach” (Korhauser, 1959, Davies; 1969; Gurr, 1970). Supporters of the “resource mobilization” approach argue that people mobilize when they accumulate

¹ This is the central and West portions of Pará State, South of the Amazonas river, crossed by the Transamazônica highway.

resources, or enter alliances with stronger actors who give them resources to mobilize (McCarthy and Zald, 1973; McAdam, 1982; Jenkins and Perrow, 1977). Other scholars stress the importance of political opportunities that emerge due to structural and conjunctural changes in the social and political environment (Tilly, 1978; Tarrow, 1994, 1998). Followers of a fourth model of mobilization emphasize the role of social movements in establishing new group identities and fighting for their rights (Melucci, 1989; Calderon et al., 1992; Escobar, 1992; Alvarez et al., 1998). In contrast to the other approaches, these authors argue that society, rather than the state is the main locus of political struggle for social movements.

The literature on the state also helps answer these two first questions, particularly the literature that addresses the issues of state autonomy. The state is an important component of the political opportunity and the resource mobilization approaches to social movements. Most movements either press their demands on the state (which is certainly the case of the rural workers in Amazonia) or reap the opportunities to mobilize that arise when the state faces trouble, or do both. Yet, most students of social movements do not pay enough attention to theoretical perspectives on the state. It is likely that some characteristics of any given state will affect the emergence of social movements. State autonomy is one important characteristic. The degree of autonomy from society that a state has and the way it uses this autonomy will very likely affect the emergence of social movements, as well as its organization and agenda. Whether a state represents the interests of a specific class or acts as a neutral arbitrator of competition between groups also affects social mobilization.

Using these two theoretical approaches, I analyzed the history of the rural workers movement in Pará, which culminated in the creation of FNO-e. To reconstitute the main points of the history of this movement and to answer the first two questions (hypothesis I) I used a few bibliographical references available, and archival material kindly made available by the Federation of Rural Workers Unions of Pará and Amapá – FETAGRI. Most of the data, however, came from qualitative semi-structured interviews with key informants (a complete list of interviewees is presented in Appendix B).

To answer the third question (how the introduction of FNO-e has affected the workers movement) I used the qualitative interviews, data on agricultural output for the *Município*² of Uruará and the Transamazônica region³, and two surveys. The first one is a survey of FNO beneficiaries, that I conducted in 1997. The other one is a survey on land use that was carried out in the summer of 1996, also in Uruará. The qualitative interviews and the survey were particularly useful to address the effects of credit on social organization of the peasantry (hypothesis II). The IBGE data and the surveys were particularly useful in addressing the effects of credit on land use (hypothesis III).

The first survey was carried out in the town of Uruará, where I spent two months and interviewed 60 colonists, using a structured questionnaire. All the interviewees were recipients of FNO-e and were randomly selected from a list of credit recipients provided by the association through which they get access to this credit. A copy of the questionnaire used in the survey is presented in Appendix C. The second one is a survey of

² *Município* is the smallest administrative and political independent unity of the state.

³ These data were collected and processed by the Brazilian Institute for Geography and Statistics (Instituto Brasileiro de Geografia e Estatística (IBGE)).

241 farmers, conducted in the summer of 1996, also in Uruará. Although the latter survey was not aimed at collecting data on the FNO-e, it contained valuable information on land use and credit in the *município*. BASA also supplied limited (due to legal constraints) information on FNO-e disbursements. The qualitative interviews and archival research were conducted between October 1997 and March 1998, in Uruará, Altamira, and Belém.

My findings show that hypothesis I was correct. The way in which the rural workers framed their cause – an alternative to the unsustainable development model implemented by the military – was crucial for them to broaden their alliances. However, this explanation alone does not account for the whole history of social mobilization in rural Pará. A fundamental factor that allowed peasants to mobilize in the first place was the assistance that they received from progressive sectors of the Catholic Church. Catholic priests provided the peasantry with fundamental human and material resources without which the movement probably would never have taken off.

Opportunities were also important for the success of the movement. The very democratization of the country contributed to the success of the rural workers movement. By the time they mobilized, urban workers had already engaged in a struggle to break the shackles of the corporatist structure of labor representation. The example of urban workers and the support of the Catholic Church guided the rural workers in their very first task: to gain control of the labor unions that already existed in the region.

Two other opportunities made the movement stronger in terms of participation and cohesion. The first was a strike that broke out in an alcohol mill, in 1984, when the state police beat up protesters and members of the clergy. The second opportunity was the murder of a union leader, in 1991. After these two events, angry workers took to the

streets to protest, gained new allies, and dispatched representatives to the state and federal capital cities to pressure state officials.

I start this work with a discussion of the main approaches to social movements in the literature: classical approaches, resource mobilization, and identity-oriented approaches. I discuss the weaknesses and strengths of each of these approaches in chapter I. Rather than selecting any specific model, I try to combine those aspects of each one that can contribute most to the analysis of my case study.

Chapter 2 is a review and discussion of the main approaches to the state: Marxism, Pluralism/Neopluralism, and Corporatism. In this discussion I pay special attention to the issue of autonomy. In simple terms, I define autonomy as the capacity of the state to transform its preferences into policy, or conversely, to prevent societal groups to turn their preferences into policies. As said earlier, the Brazilian Authoritarian State established most of the state structure that social movements in Amazonia dealt with during a period of exceptionally high degree of autonomy.

With the onset of military rule in 1964, the state sought to promote the occupation of Amazonia. The state established a vast network of bureaucratic agencies in the region, brought legions of landless peasants to colonize the region, and usurped power from municipal and state governments. During this period the state shifted emphasis from public colonization to large scale private enterprises. This change meant the abandonment not only of the colonization plans, but also of the colonizers, or so they perceived latter. I discuss the history of the recent state-led occupation of Amazonia in Chapter 3. This chapter provides historical evidence to the theories of state discussed in Chapter 2.

Moreover, it describes the background against which the social movements in the rural areas of Amazonia emerged.

In Chapter 4, I examine the social movements that fought for the creation of the FNO-e. I begin with a historical account of the movement since its early days, when Catholic priests started organizing their communities. In the following section I stress the struggle to take over the corporatist structure of unionism and the organization, which was the main objective in the first cycle of mobilization. The following section is an analysis of the workers' annual protests in Belém that started in 1991, the *Gritos*. In the last section of this chapter, I use the theories of social movements presented in chapter two to explain the mobilization of the peasantry on the Transamazônica region.

Finally, in Chapter 5, I present and discuss the data on the outcomes of the FNO-e. Most of the quantitative data in this work is presented here. In the first part of the chapter I showed that the FNO-e helped create a large number of associations in Uruará. Some of these associations were linked to the rural unions and other were created or controlled by opportunistic leaders. Using quantitative data from the surveys I discuss some differences in the relationship between leaders and rank and file in these two types of associations. In the following section I explore the technical aspects of this credit policy. In other words, I try to explain what the peasants did with the money they got from the bank. I also discuss the economic results and the impact that the activities financed by this credit line may have had on land use.

Before proceeding with the analysis of the case, it is necessary to explain the use of the terms peasant, rural worker, and colonist in this work, for I use all of them interchangeably, although they have different meanings. The majority of the small farmers

who live in the Transamazônica are colonists. The state brought most of them to this region and gave them land, which they cleared and cultivated. Even those who did not receive land from the government consider themselves colonists, at least in Uruará. The social movement behind the creation of the FNO-e, however, represents diverse groups spread throughout Amazonia, and many of those groups are not colonists. As the movement is organized around the rural workers unions, and the leaders and active members of the movement identify themselves as rural workers, in many instances I used this term as well. Yet, some groups that were affected by this movement and by the creation of FNO-e are neither colonists nor rural workers, therefore I also used the term peasant.

The very definition of peasant is a contested domain in the social sciences and engaging in this discussion would be beyond the scope of this dissertation. I simply adopt the term peasant as a synonym of a rural poor person. Any elaboration of this term would be based solely on my limited field experience and would not fairly represent the diversity of groups represented by the rural workers movement in the past 25 years.

CHAPTER 1 THEORIES OF SOCIAL MOVEMENTS

A vigorous wave of studies of social movements is now celebrating its third decade. This wave was ignited by spectacular instances of mobilization and collective action that swept the United States and Europe (and Latin America, to a lesser extent) in the late 1960s. This renewed academic interest was equally evident on both sides of the Atlantic. Besides the appeal of the social events unfolding before their eyes, social scientists also found academic motivation to address the phenomenon: the weakness of existing social movements theories.

Despite their common empirical roots, the schools that emerged in Europe and the United States were completely different, and, unfortunately, for more than a decade there was little cross fertilization between these schools. In the late 1980s, Latin American scholars engaged in social movement research. This was a delayed response, since substantial social mobilization on the continent started in the 1970s and early 1980s. Also, Latin American scholars were unable to capture the strengths and to weed out the weakness of each model. Rather they adopted some concepts of the European literature that were inappropriate for the local context. The recent literature in Latin America, Europe, and in the United States, however, points to an integration of these approaches, which apparently has reinvigorated the field.

In this chapter, I review the trajectory of social movements studies in the last thirty years. First, I review the so called “classical model” of social movements, which

dominated the field until the emergence of challenging models in the 1970s. Next, I discuss the two variants of the current American approach that substituted for the classical model: resource mobilization and political process. After that I present the European approach – the identity oriented model. Following a chronological sequence, I present the Latin American interpretation of identity, developed in the 1980s upon the European model. After introducing each approach, I discuss how the recent literature is coming to common ground. Finally, drawing on this literature, I present some variables or parameters that deserve attention in case studies of social movements.

Classical Theories of Social Movements

The classical approach, which dominated the field of social movements until the 1970s, followed the social-psychological tradition of the Chicago school, according to which, social strains cause psychological changes and abnormal behavior. Rather than presenting a single theory, however, this tradition encompassed several distinct approaches that shared the following assumptions:

(1) Political action is either institutional-conventional or non-institutional-collective.¹

(2) Non-institutional collective behavior is not guided by existing social structures and emerges to meet undefined or unstructured situations.

(3) These kinds of situation occur during periods of structural changes in society and when the organs of social control break down.

¹ Simply put, institutional political behavior is action according to the rules of the game: voting, joining political parties, filing lawsuits, etc. Non-institutional action is political participation by other means (rebellions, protests, terrorism, etc.).

(4) The resulting strain, distress, frustration, and discontent lead individuals to engage in non-institutional collective action.

(5) Non-institutional action follows cycles that move from spontaneous crowd action to the formation of social movements.

(6) The emergence of these social movements within these cycles occurs through “crude modes of communication,” as contagion, rumor, circular reaction, diffusion, etc.

In sum, this early approach considered social movements abnormal behavior that emerged due to structural changes in society and the psychological strains they cause. As a result, an “epidemic” of irrationality broke out and people started resorting to “non acceptable” forms of participation (non-institutional action). Social mobilization is one of these forms. According to McAdam (1982), under the umbrella of classical theory there are five main models of collective action that seek a similar explanation of social movements: mass society, collective behavior, status inconsistency, rising expectations, relative deprivation, and Davies’ J-curve.

Collective behavior theory explains social movements in terms of responses to the normative ambiguities that structural changes cause. The causes of these structural changes may be industrialization, urbanization, rapid rise in unemployment, technological changes, migration, and others. This approach is the most general of all classical models. Supporters of collective behavior do not consider any particular kind of structural change as the underlying cause of social movements. Rather, they speak in terms of general changes (Smelser, 1962; Gusfield, 1970). These changes have the power to disrupt the normative order of a given society. The breakdown of this order raises the anxiety and hostility that lead people to participate in social movements (McAdam, 1982)

According to supporters of mass-society theory, such as Kornhauser (1959), the main cause of structural strains is the absence of an extensive structure of intermediate groups through which people can integrate into social and political life. This lack of intermediate structures isolates individuals who feel alienated and anxious. In these situations, violence and irrational behavior are escape valves for the strained individuals (McAdam, 1982). This model follows Durkheim's idea of anomie, according to which modernization breaks down community solidarity and impels humans to seek new roles and identities by joining new collectivities (Tarrow, 1998).

Proponents of status inconsistency (Broom, 1959; Lenski, 1954; Gerschwender, 1964) argue that a discrepancy between a person's ranking on a variety of status dimensions (education, incomes, occupation, etc.) produces some degree of cognitive dissonance, which is upsetting and leads the individual to collective action (McAdam, 1982).

Similarly, theories of relative deprivation explain collective action in terms of frustrated expectations of individuals or groups who are not satisfied with their material or status condition relative to others. In Ted Gurr's words: "The social-psychological potential for collective violence is a diffuse disposition toward aggressive action, a primary variable whose immediate determinants in a collectivity are the intensity and scope of Relative Deprivation" (1970: 321).

In his famous *Political Order in Changing Societies*, Samuel Huntington advances an argument similar to Durkheim's. In his view, societies that undergo rapid modernization are prone to a breakdown of political order. As societies change due to industrialization and urbanization, people seek new forms of participation to maintain a

high level of community. These changes demand new, stronger, and more complex political institutions, which usually develop more slowly than political participation. Increased mobilization undermines the old and anachronistic institutions and leads to confrontation (Huntington, 1968).

The J-curve theory is a variation of the relative deprivation theory. It tries to reconcile Marx's and Tocqueville's views on revolution. According to Marx, revolutions erupt when the misery of the proletariat increases relative to the economic situation of the bourgeoisie. Tocqueville considered revolutions as the product of liberalization of previously oppressive regimes. Drawing on these two conflicting ideas, J. Davies (1969) built a model according to which revolutions are likely to erupt when a prolonged period of economic and social growth is followed by a short period of sharp reversal. During the period of prosperity people develop expectations of "continued ability to satisfy needs—which continue to rise – and, during the latter [period of economic decline] a mental state of anxiety and frustration when manifest reality breaks away from anticipated reality" (Miller et al., 1977).

All the different variations of classical theory have a few common points. First, they stress the reactive nature of collective action. Structural strains cause tensions that trigger social insurgency when they reach a certain threshold. Second, although addressing collective action, these approaches focus on the psychological effects of social strains on individuals, whose reactions are the proximate cause of movement emergency. Finally, the need to resolve those psychological strains, rather than to achieve political goals is a common feature of all these approaches.

The wave of social movements that swept the United States and Western Europe during the 1960s helped discredit the classical theory of social movements. For one, as Cohen (1985) notes, the development of well-organized movements in democratic pluralist systems did not show any sign of irrationality and deviance. Most groups engaged in the confrontational politics of the 1960s had very objective and clear goals as well as strategies to reach them. Also, the actors engaged in the protests and mobilization during those years did not resemble the anomic, isolated, and alienated individuals depicted in the classical approaches.

As far as deprivation goes, it is hard to correlate all contentious groups with feelings of psychological strain due to relative deprivation, considering that many movements cut across class, gender, and race divisions. Even amidst the more socially and economically fragile subordinate classes it is hard to identify instances of particularly accentuated strain. The work by Jenkins and Perrow (1977) is exemplary in this sense. In their study of farm worker insurgencies, they claim that there is no reason to believe that workers' discontent during the 1960s was greater than during the previous decade, when there were no strikes or movement activity whatsoever. In the 1960s, they argue, wages were at their highest and the government had already extended at least a few welfare benefits to farm workers. Even more significant was the fact that linguistic and cultural cleavages were less pronounced in the mid-1960s, when Mexican descendants were finally settling and establishing their communities.

Strains are a constant in the lives of the subordinate. Nonetheless, reality shows that revolutions, riots, protests, and confrontation do not happen all the time. It is easy to associate social change and social disruption *post hoc*. However, as society is constantly

changing, it is difficult to predict the emergence of social movements based on structural changes. As McAdam (1982) notes, system strain may be, at best, a necessary, but insufficient cause of social movements.

Another critique of the classical approach targets its emphasis on individual discontent as the proximate cause of social movements. As classical theorists would have it, movement participants differ from the average citizen due to their abnormal psychological profile. McAdam (1982) suggests that this characterization of rebels may serve to discredit insurgents but has little, if any, explanatory power. In any event, classical theorists fail to explain how crowds of individuals characterized by severe psychological traits get together and engage in collective action. Moreover, as McAdam points out, “impressive evidence exists that seriously challenges the assumption of individual malintegration. Especially significant are the many studies that have actually found movement participants to be better integrated into their communities than ‘nonparticipants’ ” (1982: 13). Even more important is the fact that proponents of the classical theory failed to provide evidence to support the claim that social strain is the main cause of social movements. If social change causes psychological strain, which in turn causes mobilization, they should have compared psychological strains among participants and nonparticipants. Accordingly, an analysis of social strain over time would be crucial to prove this point; however, what theorists provide are snapshots of a given situation during the eruption of social movements.

The most frustrating flaw in the classical approach is that it denies a direct link between social problems and political action. The characterization of participants as psychologically ill individuals seeking relief ignores their obvious political engagement.

The roots of this denial, as McAdam (1982) suggests, lay in an uncritical acceptance of pluralist state theory by students of social movements. The logic here is simple: If the (American) political system is really open, democratic, and responsive, those who choose not to use the institutionalized channels of politics do not behave rationally. “If, however, one rejects the pluralist model, in favor of either an elite or a Marxist view of power in America, the distinction between rational politics and social movements disappears” (1982: 19).

The critiques of classical theory outlined above are the best starting point to understanding the paradigm that substituted for classical theory as the dominant one in the US in the 1970s: resource mobilization. As we shall see, this paradigm has evolved from an initial narrow focus on the availability of resources to a broader one, which, besides the availability of resources, considers the effects of political opportunities on collective action. Some authors treat these two approaches (resource mobilization and political process) as the same thing (Cohen, 1985); others classify them separately (Mayer, 1991). The literature shows that they emerged from the same intellectual roots. Nonetheless, for the sake of clarity, I will discuss them in separate sections.

Resource Mobilization

Pluralist theories and their limited conception of the state became discredited during the 1960s and 1970s. Not coincidentally, during this same period social movements mushroomed in the United States. As noted above, pluralist approaches to the state considered the American political system open and responsive. But the classical

interpretation of social movements as anomalies operating within a fair political system did not convince most students of politics. Instead, many students started looking at the pluralist theory of the state as an anomaly. Soon critiques emerged. The idea that interest groups have equal power and similar chances of success when competing in a pluralist system came under attack. It became clear that some groups are stronger, better organized, and, therefore, more effective than others. These differences may reflect the political and organizational skills of each competing group. More important, though, is that they reflect the imbalances in the distribution of resources among competing groups. As McAdam puts it: “There may exist a political arena in America, but it is not the teeming convention hall depicted by the pluralists, but rather a restricted club reserved for the wealthy and powerful. Only those with sufficient political capital need apply” (1982, 20).

When citizens operate in a system that is not completely open and unbiased, resorting to mobilization and confrontation, rather than to the institutionalized means of politics, does not seem to be irrational in any sense. To face the challenge of competing against powerful interest groups, powerless groups or classes have to create new strategies to mobilize resources that can give them some political leverage.

Although McCarthy and Zald (1973) were the first to use the term “resource mobilization,” many other authors have used a similar approach, despite some significant differences in their works. Cohen (1985), contrasting this paradigm with the classical, identifies 8 common trends in these works:

- (1) Social movements must be understood in terms of a conflict model of collective action.

(2) There is no fundamental difference between institutional and noninstitutional collective action.

(3) Both entail conflicts of interest built into institutionalized power relations.

(4) Collective action involves the rational pursuit of interests by groups.

(5) Goals and grievances are permanent products of power relations and cannot account for the formation of movements.

(6) Collective action depends on changes in resources, organization, and opportunities for collective action.

(7) Success is evidenced by the recognition of the group as a political actor or by increased material benefits.

(8) Mobilization involves large-scale, special-purpose, bureaucratic, formal organizations.

McAdam (1982) summarizes the resource mobilization approach in a simple way: It is the study of the relationship between constant discontent over time and the increase in resources, which allow groups to mobilize (the interplay of factors 5 and 6 above). Again, the relation between resource mobilization theory and neopluralist, or elite theory is very clear. Elite theorists depict society as characterized by a sharp disparity in power between some societal elites and the masses. The effect of this imbalance is the exclusion of most segments of society from any meaningful role in the exercise of political power. As a consequence, proponents of resource mobilization shift the focus of the studies from the masses to the elite, i.e., from the resource-poor to the resource-rich. (McAdam, 1982)

In a theoretical work that outlines the principal elements of resource mobilization theory, McCarthy and Zald (1977) state the importance of elites for social movements.

According to them, “social movements tend to be very limited in their control of discretionary resources. It is only when resources can be garnered from conscience adherents that viable social movement organizations (SMOs)² can be fielded to shape and represent the preferences of such collectivities” (1977: 1226). Discretionary resources, they explain, are time and money. By conscience adherents they mean individuals and groups who are part of the social movement but do not stand to benefit directly from SMO goal accomplishment. In other words, if social movements are to take off, they need the active support of an outside elite. As will become clear in Chapter 4, the Catholic Church played the role of a conscience adherent in the case of peasant mobilization in Amazonia. The work of Jenkins and Perrow (1977) on the insurgency of farm workers is a good example of applied resource mobilization theory. They concluded that the powerless rural workers were able to check the elite bias of policy makers by allying with some sectors of the elite. In their words: “Sponsors then serve as protectors, insuring that the political elite remains neutral to the challenge” (1977: 266).

This approach was a direct reaction against classical theories, which considered social movements as the aggregate manifestation of irrational individuals. Also, considering that in the 1970s rational choice theory was gaining momentum in the social sciences, it comes as no surprise that students of resource mobilization embraced strategic rationality in their models.

² *Social Movements Organizations* (SMOs) are organizations that mobilize their constituency for collective action guided by political goals, that is, to obtain some collective good. Together, all the SMOs of a given social movement form the *Social Movement Infrastructure* (SMI). The SMIs of all social movements in a society form the *Social Movement Sector* (SMS) (Kriesi, 1996: 153-4). McCarthy and Zald (1977) propose

The first task resource mobilization theorists faced, therefore, was explaining how social movements overcome the dilemma of collective action (Tarrow, 1994, 1998; Foweraker, 1995). According to Mancur Olson, self-interested rational individuals will not join large groups that produce public goods. Instead s(he) calculates that others will do that and s(he) will reap the benefits anyway:

Just as it was not rational for a particular producer to restrict his output in order that there might be a higher price for the product of his industry, so it would not be rational for him to sacrifice his time and money to support a lobbying organization to obtain government assistance for the industry. In neither case would it be in the interest of the individual producer to assume any of the costs himself. A lobbying organization, or indeed a labor union or any other organization, working in the interest of a large group of firms or workers in some industry, would get no assistance from the rational, self-interested individual in that industry. (1965: 11)

For Olson (1965), the only way to overcome this “free-rider” problem is by offering selective incentives to would be members or, conversely, by imposing sanctions on those who do not cooperate. McCarthy and Zald (1977) acknowledge this problem and see the solution in organizational terms. They argue that the real task for social movement organizations is to aggregate resources and to translate these resources into action: “The resource mobilization task is primarily that of converting adherents into constituents and maintaining constituents involvement” (1977: 1221). In other words, the challenge is to make people contribute to the movement with time and money. Indeed, they agree with Olson’s idea that selective incentives can affect someone’s decision of whether or not to join a social movement. Using rational choice language, they explain that selective incentives play an important role in altering someone’s perceptions of the costs and

a similar categorization, however, they refer to all organization within a social movement

benefits of participation. Also, a gradual professionalization of social movement organizations would offset the problem of collective action.

As the early resource mobilization theorists worked within a rational choice framework, they precluded the very possibility that people may act according to their beliefs and ideologies, rather than according to strategic rationality. Participation in social movements and other forms of collective action may be a reward per se, disregarding selective incentives and social sanctions (Hirschman, 1982).

Having outlined some important aspects of the resource mobilization approach, it is possible now to discuss some of its strengths and weaknesses. Of course, the most important thing about the approach is that it rejected the stigmatization of social movements that underlay the classical theories. Instead of psychologically disturbed actors, resource mobilization considered the members of movements as rational individuals. These individuals join social movements to advance substantive political demands, rather than to alleviate their strains by joining uncontrollable mobs.

A second important departure is the recognition that social movements need and do have some degree of organization. Resource mobilization theorists introduced several analytical categories that help understand mobilization, like social movements, social movement organizations, and social movement sector. Moreover, they discuss how social movement organizations interact among themselves and with their environment. This is important not only because it reveals important organizational aspects of social movements, but also because it sheds light on the problem of collective action. Olson (1965) stressed that the free rider problem is a distinctive feature of large groups. Students

as *Social Movement Industry* (SMI), rather than infrastructure.

of resource mobilization, however, made an important point in showing that social movements are not necessarily large organized collectivities, but usually webs of smaller organizations and solidarity groups working together to achieve common goals.

The interaction between social movements and their environment (allies and opponents), McAdam (1982) points out, is important because it accounts for the effect of external groups on the social movements. In his words: “According to most resource mobilization theorists, these opportunities and costs are, in large measure, structured by groups external to the movement. Accordingly, these groups command far more research attention in this perspective than in the classical model” (1982: 23).

Resource mobilization as depicted above makes a valuable contribution to the study of social movements. Nevertheless, it has a strong bias toward neopluralist interpretations of the state. On the one hand, classical theorists considered social movements irrational outbursts of collective action due to the participants’ refusal to engage in institutionalized politics. Supporters of resource mobilization, on the other hand, treat social mobilization as simple attempts by organized groups to break the barriers to participation that exist in a system marked by elite politics. According to McAdam:

What is needed are several theories specifically tailored to particular categories of action. Resource mobilization is such a theory: defensible when applied to a certain class of collective actions, inadequate as a general explanation of insurgency. The limits of the model’s applicability stem from the failure of its proponents to adequately differentiate organized change efforts generated by excluded groups and by established polity members. (1982: 24)

Political Process

As a response to the pitfalls of traditional resource mobilization theory, a new approach, currently known as the political process model, emerged during the late 1970s and 1980s. This model is more concerned with strategic interactions between social movements and their environment. Also, it stresses the political and social context, rather than the utilitarian logic of individual actors and elite participation. Yet, some students of social movements, as Cohen (1985), classify it as part of resource mobilization theory³. Particularly important for students of political process is the reason why social movements emerge. The resource mobilization theorists somehow neglected this basic question to focus on how social movements mobilize.

To a certain extent, followers of political process pay more attention to a variable whose importance classical theory pointed out, namely, structural changes in society. Of course the political process model does not have any of the “psychologism” present in classical theory. However, it does acknowledge that changes in society may cause changes in the interests and opportunities for subordinate groups to mobilize, as well as in the ways these groups defend their interests. The works of Charles Tilly are central to this approach.

In his *From Mobilization to Revolution* Tilly (1978) stresses how the spread of capitalism and the establishment of nation-states changed modes of social control, and,

³ Some critics of this approach refer to this division as a split within the approach, rather than a development. As a result of this split, two competing perspectives emerged. RM I “conceives of the social movement sector in free competition with other sectors of society on an open market place of groups and ideas. RM II “is more concerned with the structure of political opportunities and with the degree of organization within the deprived social groups” (Mayer, 1991).

therefore, of social resistance. Although he does not propose any linear and deterministic model of evolution of social mobilization, he outlines some general trends in changes of modes of resistance. Tilly classifies collective action in three main categories, according to the claims that mobilizing groups assert: competitive, reactive, and proactive. Competitive claims are those involving groups that compete for the same resources. Reactive collective action involves groups that try to maintain or regain established claims when an outsider challenges them. Proactive collective actions assert group claims that have not been previously exercised.

Although Tilly warns against viewing these three modes as stages in an evolutionary process, he does suggest that there is a long-term shift from competitive and reactive modes to the proactive one (Cohen, 1985). As the nation-states appeared and capitalism spread throughout the world, traditional modes and targets of protests changed, and new challenges, as well as opportunities, emerged. In the language of supporters of the political process model, these changes provided political opportunities for people to organize and mobilize.

Political opportunities, however, do not appear only when major structural changes occur, as in the case of the emergence of nation-states. They are also present in less spectacular events that states face periodically. As Tarrow (1994) puts it: “Not only when reform is pending, but when institutional access opens, when alignments shift, when conflicts emerge among elites and when allies become available, will challengers find favorable opportunities.” (1994: 81). In a more recent and refined definition, Tarrow (1998) explains that “by the concept of political opportunity, I mean consistent – but not necessarily formal or permanent – dimensions of the political environment that provide

incentives for collective action by affecting peoples' expectations for success or failure" (1998: 76-77).

Tarrow (1998) identifies five main dimensions of political opportunities: (1) the liberalization of the political system, which means increasing opportunities for participation; (2) the evidence of political realignment within the system; (3) the appearance of strong allies; (4) divisions among the elites; and (5) a decline in the state's capacity to repress dissent. All these dimensions shifted in Brazil during the transition to democracy, and certainly contributed to the emergence of the social movements studied here. I will return to this point in Chapter 4.

When challengers seize the political opportunities to mobilize, they may expand these opportunities to other groups or social movements by giving them an example to follow and by exposing the weaknesses of those they challenge. When other groups follow suit, simple mobilization may become a longer cycle of protests, one in which less mobilized and resourceful groups also resort to confrontational politics. Usually, these cycles are geographically broad, even crossing state boundaries, as occurred in the United States and Europe in the 1960s.

In many instances, social and particularly technological change worked not only to instigate mobilization, but also to provide new forms of communication and coordination (Tarrow, 1994, 1998). Particularly important, in Tarrow's view, was the popularization of the printing press in the eighteenth century. Coupled with the new forms of civic association that became popular in this same period, it provided an unprecedented opportunity for individuals and groups to organize and ally. In this sense, the connection with the resource mobilization paradigm is clear here: New technologies and new forms of

association are resources that became available to discontented groups and individuals.

The novelty in this approach, however, is that these resources are prior to mobilization.

They worked as a catalyst of individual discontent, rather than as a lever to increase some group's power.

Political opportunity provides a powerful explanation for waves of mobilization and revolutions and also for single cases of mobilization, but one must be careful in using it. It may be too easy for any researcher to find changing structures of opportunity behind a given social movement and use them to explain the case *a posteriori*. In other words, political opportunity takes the risk of explaining nothing due to its power to explain everything. In the case analyzed here, it is clear that democratization created opportunities for mobilization, but was not the causal mechanism of peasant protests.

This risk of explaining everything may lie with the very assumption that grievances are a constant in society. Resource mobilization theorists in general believe that these grievances will cause mobilization when aggrieved groups accumulate enough resources or when windows of opportunity open. However, Buechler (1993) shows that new grievances reshaped and revamped contemporary women's movements in the United States. Women who experienced discrimination within the context of other social movements led the formation of the women's liberation movement (a faction of the women's movement). He argues that grievances can be as important as access to resources and opportunities in explaining social movements. Indeed, new grievances may function in a similar way as opportunities in generating mobilization, but they are analytically distinct categories. The emergence of new grievances does not necessarily involve shifting alliances, splits within elites, and increasing opportunities for participation.

Later in this chapter we will see that social groups may construct new grievances by changing the way people interpret old ones.

Another important distinction between the resource mobilization and political process approaches concerns the role of elites in mobilization. Whereas followers of resource mobilization consider elite support a key aspect of mobilization, those working within the political process approach see elites as enemies rather than allies of insurgents.

According to McAdam:

Proponents of the resource mobilization model depict segments of the elite as being willing, at times even aggressive, sponsors of social insurgency. By contrast, the political process model is based on the notion that political action by established polity members reflects an abiding conservatism. [T]hey work against admission to the polity of groups whose interests conflict significantly with their own. (1982: 38)

It comes as no surprise, therefore, that McAdam (1982) considers elements of Marxist theory more compatible with the political process model than pluralist theory. For Marxists, the power disparity between elites and the subordinate classes is huge, but not immutable. They consider the subjective transformation of consciousness as a crucial process in the generation of insurgency, an idea that McAdam considers part of the political process model, as he proposes it, too⁴. As this new model of political process incorporates some aspects of the identity-oriented paradigm, we need to present the latter before proceeding.

⁴ Whether elites are potential allies or enemies of social movements may depend on the very definition of elites. In the case of rural workers mobilization, an economic elite (ranchers) were clearly the enemies of the rural workers. However, these workers found reliable allies in other actors, such as researchers, intellectuals and members of the clergy, who are also elites.

Identity

The mushrooming of social movements during the 1960s and 1970s did not occur solely in the United States. Europe experienced a similar phenomenon, which did not escape the attention of local social scientists. As we have seen, theories of social movements in the United States have been shaped by epistemological and theoretical developments in the social sciences during the 1970s. Europe experienced a similar process. However, whereas in the United States students of social movements built their theories upon, or responding to pluralism and economic rationality, in Europe the major influences were Marxism and structuralism (Cohen, 1985; Escobar and Alvarez, 1992; Tarrow 1994, 1998; Foweraker, 1995).

An interesting and very obvious departure from Marxism lies at the very foundations of the European approaches to social movements (to which Cohen later attached the label “identity-oriented”). Social scientists acknowledge that these movements did not emerge following traditional class cleavages. Environmentalism, feminism, civil rights movements, gay rights, and other interests were, for the first time in history, at the core of social mobilization. Due to this change in the nature of claims, some authors designated these movements as the *new social movements*.

Another distinction between the identity approach and the traditional Marxist approach is the rejection of the state as the central locus of struggle for mobilizing groups. “They [new social movements] target the social domain of ‘civil society’ rather than the economy or the state, raising issues concerned with the democratization of structures of everyday life and focusing on forms of communication and collective identity” (Cohen,

1985: 667). Alberto Melucci (1989), a leading scholar within the identity approach claims that contemporary conflicts develop in areas where both symbolic investments and pressures to conform are heaviest. In Gramscian terms, new social movements engage in a war of position in the realm of civil society, rather than in direct confrontations against the state.⁵ In Melucci's words, "contemporary movements operate as signs, in the sense that they translate their actions into symbolic challenges to the dominant codes"(1989: 12).

The associations and groups through which individuals organize are not simply the means to achieve mobilization in large scale and the consequent political gains. Rather, organization in new groups is an end by itself. The assertion of group identity means the legitimization of the group in society at large. Democratization, according to this perspective is beyond the realm of the state. It has to reach state, market, and society (Cohen, 1985).

This new form of social organization, according to French thinker Alain Touraine (1985), is exclusive to modern post-industrial, or "programmed" societies (1985: 781). This new kind of society is the result of a complex set of actions that society performs in itself. In other words, society establishes new values, rules, and cultural meanings, which cause groups to mobilize to control these new symbols and meanings, or to produce new ones. This "reflexivity" of actors and the new arenas of struggle, rather than new repertoires of contention, are the factors that make new social movements new. Also, this reflexivity emerges from the arenas opened up by postindustrial society (Touraine, 1985). As Cohen points out, the circularity of the argument is obvious for, by definition,

⁵ In advanced industrial societies, society is strong and sustains the state. In this case, a "war of movement" to conquer the state is useless. The task for the revolutionaries is to

postindustrial society is defined as such because it generates new forms of collective action (Cohen, 1985).

At this point, Melucci and Tourraine are at odds. Melucci (1989) argues that both supporters and critics of the new social movements approach share a common epistemological limitation: They tend to regard the phenomenon of social movements as a unified empirical object. By doing so, supporters try to stress its novelty, whereas critics identify historical continuities with old movements. Melucci argues that the novelty of these movements is exactly what both sides of the debate missed; the “different relationships and meanings” of these movements (1989: 43).

This debate has had at least one positive consequence: It has stressed the plurality and diversity of social movements concerning their objectives, constituency, targets, strategies, and meanings. The diversity of social movements demands a diversity of methodological tools in the box of social researchers. Students within the resource mobilization framework, according to Melucci (1989), fail to recognize this need for methodological and epistemological diversity. They focus on the “visible” aspects of social mobilization and collective action, and by doing so commit the mistake of “political reductionism.” By political reductionism he means the limitation of analysis to the aspects of social movements that are clearly political, like protesting to confront authority. By focusing on these visible aspects of social movements, resource mobilization theorists make all movements that do not target the polity directly irrelevant, or “invisible,” as Mayer puts it (1991: 175).

take control of civil society, in a “war of position”(Gruppi, 1978).

Even if new social movements are not so new, this approach has made a great contribution to the study of social movements by stressing the importance of identity, a factor neglected by other approaches. The main problem in this approach is certainly its neglect of political struggle, particularly struggle against or within the realm of the state, which is a fundamental of most social movements, traditional or “new.” Also, as Foweraker notes, identity is a slippery concept. Individuals must come together to form collective identities, but how and why they get together in the first place is a crucial question that the identity-oriented approach does not address adequately⁶.

Social Movements in Latin America

Social sciences in Latin America were also affected by the revival of social movement studies in the first world. The identity-oriented approach had a significant impact on the continent, initially in a somewhat naïve way, which produced a wave of “romanticized” studies of social movements (Roberts, 1997). Most students rejected the emphasis on resources and strategies that characterize the resource mobilization approach, but many scholars paid due attention to the political opportunities, particularly state crises, that facilitated the emergence of movements throughout the region. The idea of identity developed within the new social movements approach was particularly well received by Latin Americans and students of social movements in the region.

⁶ Although Hirschman (1982) did not engage in this debate, he considers participation in collective action as a means to achieve personal satisfaction and to alleviate the frustrations of consumerism and rational individualism, which are common features of modern society.

Latin American scholars did not uncritically import Touraine's idea of reflexivity in postindustrial societies. According to Escobar (1992) and Calderón et al. (1992), they rather adapted and reshaped it in a syncretical way. According to these authors, Latin American scholars have a tradition of syncretism that has already produced powerful research approaches, such as dependency and some versions of modernization theory.

In Latin America, it was precisely the crisis of the state that triggered the new phase of social protests (Calderón et al, 1992; Escobar, 1992; Escobar and Alvarez, 1992). The failures of the developmentalist/populist state in the Southern Cone and of the oligarchic state in Central America, and a general crisis of mechanisms of representation are particularly important components of this crisis. As opposed to the post-industrialism of European society, Escobar (1992) argues, Latin America was experiencing an "organic" crisis of modernity. Under these conditions, Latin America was not getting past a crossing of a modern era. Rather, it was skipping modernity altogether:

Social polarization, heterogeneity, and exclusion have reached unprecedented proportions in the development era. The erosion of modernity is evident in everyday life, in the concrete behavior of people, in the economic crisis, and in the disenchantment with the modern projects of nation-building, politics, and development. What is hanging in the balance is not only politics, progress, and democracy, but also a whole civilizational design based on modern reason. (1992: 68)

What is clear in the studies of social movements in Latin America, however, is the rejection of the crudest versions of the resource mobilization approach. For one, this rejection is grounded on empirical and epistemological aspects of resource mobilization, particularly the inappropriateness of the pluralist theory of the state in the Latin American context. For some critics, the resource mobilization model is a blueprint for the inclusion

of middle-class movements into the American political system, a process marked by bargains and alliances, and, above all, a peaceful process. Disparity of power and income, as well as the undemocratic and repressive character of most regimes in Latin America, make normal politics difficult. What is significant, as Foweraker (1995) notes, is that, despite these (true) aspects of Latin American society and politics, most social movements in the region are peaceful and “seek democratic changes through strategic calculation” (1995: 26). It is his opinion, therefore, that Latin American theorists should not discard resource mobilization altogether.

Another critique of resource mobilization concerns epistemological aspects of this approach. Latin Americans reject the quasi teleological aspects of the approach implied in the model of economic rationality. Feminist theorists have been very critical of this model. In their view, it ignores class, gender, and race specificities that render the concept of a rational actor useless. For those feminists, the selfish rational actor is the white middle class male of western advanced societies, and has little, if anything to inform research outside this context (see Foweraker, 1995). This critique of both rational choice and grand theory is strong within postmodern academic circles. In Escobar’s words:

Poststructuralist and postmodernist insights of various kinds inform social movements theory in different parts of the world, especially in Western Europe and Latin America. More clearly in Latin America than elsewhere, the move toward a grand “theory of social movements” is actively resisted. (1992: 62)

In general, Latin American social scientists rejected the American approach on the ground of its context specificity. Some scholars criticized the American paradigm for

failing to account for differences in the nature of the state and, therefore, of the political struggle here and there. Paradoxically, they embraced a theoretical approach that virtually ignores the importance of the state as a contender, as an arena, and as the arbitrator of politics:

But we cannot overlook the fact that the social movements of twenty-five years ago had strong state/political orientations and that, in contrast, many of today's actors are searching for their own cultural identities and spaces for social expression, political or otherwise. (Calderon et al., 1992: 23)

By recognizing that transitions to democracy and a general crisis of representation contributed to the emergence of social movements in the region, Latin American scholars recently accepted some insights of the resource mobilization approach, particularly the idea of political opportunities, as we shall see in the next section. Nonetheless, the main focus of the Latin American scholarship during the 1980s and early 1990s was society, rather than the state. In other words, scholarship in the region chose the “invisible” side of social movements, to the detriment of the more “visible” political struggle.

The fact that scholars from distinct schools of social science have been able to identify and conceptualize different factors that affect social movements is a very significant contribution to understanding collective action. Nevertheless, the refusal to accept the insights of other approaches has hindered the studies of both social movements and collective action. The idea of competitive paradigms fits well the situation in the field of social movements during the 1980s and early 1990s. Fortunately, a new generation of studies is using the existing approaches in a complementary, rather than competitive way. The next section is a discussion of this tentative synthesis.

New Trends in the Studies of Social Movements: Toward a Synthesis

In a review of recent books on social movements in Latin America, Roberts (1997) criticizes the ideological side, as well as the optimism around the studies of social movements in the region during the 1970s and 1980s:

For a generation of left-wing academics and political activists disillusioned by the repression of vanguard parties, the defeat of guerrilla movements, and the political weakness and vicissitudes of organized labor, new social movements were a godsend: a new form of popular subjectivity that aimed at a radically egalitarian and participatory sociopolitical order and thus restored faith in the progressive march of history. (1997: 138)

The course of events, according to him, dismissed the high expectation implicit in this romanticized view of popular movements. Scholars responded to this dissonance between facts and expectations by adopting a “more sober tone.” According to him, the best of recent literature is not merely praising the emergence of grassroots organizations or the opening of new spaces for social expression. This literature is “making a serious effort to understand how social movements engage the formal arenas of institutional politics and try to influence public policy”(Roberts, 1997: 139).

One important aspect of Latin American politics that greatly affects the emergence and disappearance of social movements is the very opening of the political systems and the subsequent democratization that most countries in the region have experienced. Of course, the political process model offers useful insights to the analysis of the relationship between regime transition and social mobilization. An example of this new approach to social movements in Latin America is Oxhorn’s study of shantytown organizations in Chile. While stressing the importance of creating and maintaining a collective popular identity within the popular sectors, he also scrutinizes how these popular movements translated

such a collective identity into action. The idea of political opportunity is central to his thesis that under certain circumstances, the resumption of significant base-level organizational activity is not only possible under an authoritarian regime, but also a “direct result of the authoritarian experience itself”(Oxhorn, 1995: 6). By repressing traditional modes of political participation, the authoritarian state may offer new opportunities for reorganization of society along new lines, like territorially-based urban movements.

Oxhorn explores the modes and strategies of organization and mobilization of these social movements too. He acknowledges the importance of “umbrella organizations” in protecting base-level organizations against state repression during authoritarianism. In the case of Chile, and in Latin America in general, the Catholic Church has been able to provide such protection due to two main factors. First, grass-roots movements consider the Church a trustworthy ally. Second, the Church is relatively immune from the state repressive apparatus, due to its popular support and to the Christian values embedded (at least rhetorically) in the state ideology. My study partially corroborates Oxhorn’s view. The Catholic Church was certainly a trustworthy ally for the peasantry, although it was not always immune from state repression.

Another important study following these lines is Stokes’ analysis of the relationship between social movements and the state in Peru (Stokes, 1995). She identifies the advent of the corporatist State in Peru as a factor that enabled the formation of new identities among the poor:

The rise of the “classist” labor movement, the injection of the “critical idea” of Peruvian history and society into public school curricula, the arrival in the shantytowns of legions of outside organizers with new messages about the source of poverty and possibilities for change – all of these, direct or indirect

results of the military government policies, transformed the worldviews of large segments of the Urban poor. (1995: 116)

The central focus in Stokes' work was the role of popular culture in the emergence of social movements, but she did not limit her study to vague concepts of identity. Rather, she discussed how different political cultures lead to different strategies of organization, mobilization, and confrontation (or to the decision of not mobilizing at all). These strategies are based on normative aspects that tell the actor what kind of political action is right and what is inappropriate.

Another work that stressed the importance of culture was provided by Alvarez et al. (1998) who claim that social scientists have neglected the linkages between culture and politics. There is, according to the authors, a need to go beyond the textuality and forms of representation to understand what social movements really mean:

Culture is political because meanings are constitutive of processes that, implicitly or explicitly, seek to redefine social power. That is, when movements deploy alternative conceptions of woman, nature, race, democracy, or citizenship that unsettle dominant cultural meanings, they enact a cultural politics. (1998:7)

It is important to emphasize the fact that in Latin America today all social movements enact a cultural politics. It would be tempting to restrict the concept of cultural politics to those movements that are more clearly cultural. Alvarez et al. (1998) argue that in the 1980s, this dichotomization resulted in a useless division between "new" and "old" social movements. The new movements were indigenous, ecological, women's, gay, and human rights movements. The old movements were peasants, labor, and neighborhood movements involved in more traditional forms of struggle. They rejected

this differentiation between new and old, and along with it, the antagonism between identity and strategy that once existed in the field:

In their continuous struggles against the dominant projects of nation building, development, and repression, popular actors mobilize collectively on the grounds of very different meanings and stakes. For all social movements, then, collective identities and strategies are inevitably bound up with culture. (Alvarez et al., 1998: 6)

The authors also recognize the importance of the webs of social movements. These webs, in their view, connect, in an informal and sometimes chaotic way, a plethora of social movement organizations, individuals, churches, NGOs, sympathizers, party members and even state officials. These webs help social movements achieve their goals, particularly by deploying their “discourses and demands in and against dominant political cultures and institutions” (Alvarez et al., 1998:16) – an argument very close to Melucci’s idea that new social movements “operate as signs, in the sense that they translate their actions into symbolic challenges to the dominant codes” (1989: 12). When one examines the success of social movements, therefore, he or she needs to consider to what extent these alternatives, discourses, demands, and practices have penetrated society through the ramifications of these webs.

This cultural dimension of power has its roots in the ideas of Italian thinker Antonio Gramsci, who criticized the materialist reductionism of European Marxists. The Latin American left committed the same mistake by interpreting the state as a “thing” that can be seized and controlled. This perspective ignores the roles of ideas and culture in producing and reproducing unequal relations of power. Recently, the Latin American left incorporated a Gramscian approach which, according to Dagnino (1998):

[S]tresses the confluence of three different tendencies: a renovative critique of traditional Marxism, an emphasis on the building of democracy with its correlated strengthening of civil society, and, in the interstices of these two, a new approach to the relationship between culture and politics. (1998: 39-40)

As state and society are not separate pieces according to the Gramscian approach, but rather a continuum, political changes have to encompass both. This organic relation between state and society is key to understanding the idea of cultural politics and how it relates to social movements. Social movements have been able to overcome limited conceptions of democracy by targeting society in general, rather than only the “political institutions as traditionally conceived” (Dagnino, 1998: 47). In a hierarchical society whose members are ranked along gender, race, class, sexual orientation, social movements have to press for changes in attitudes as well as in political practices. The struggle to change citizens’ rights goes hand in hand with the struggle to assert their rights to rights before society. In other words, the demise of state authoritarianism will be complete and real only when, and if, “social authoritarianism” is eliminated (Dagnino, 1998).

These recent changes in the intellectual orientation of social movement studies in Latin America have produced some insights that should be seriously considered by any student of social movements. Contrary to the early studies that focused on identity in a narrow way, this new approach does not exclude the main focus of other approaches. Nonetheless, it still overemphasizes struggles over meanings and symbols to the detriment of confrontation in the political arena.

Clearly the theory developed within the tradition of identity has refined its concepts and incorporated some ideas of other paradigms. It is legitimate now to ask how the proponents of the other paradigms have dealt with identity and culture.

In his introduction to a recent edited volume on social movements, McAdam (1982) praises the increasing recognition in the field of social movements of the three main factors that affect collective action. These factors are (1) the structure of political opportunities and constraints; (2) the forms of organization available to insurgents; and (3) the collective processes of interpretation, attribution, and social construction that mediate between opportunity and action. It is worth noting that McAdam et al. (1996) did not adopt the term identity, but rather “framing process.” Both terms, however, have a similar meaning. What is significant is the central position of the framing process in McAdam’s model. According to him, framing is a *sine qua non* condition for mobilization:

If the combination of political opportunities and mobilizing structures affords groups a certain structural potential for action, they remain, in the absence of other factors, insufficient to account for collective action. Mediating between opportunity, organizations, and action are the shared meanings and definitions that people bring to their situation. At least people need to feel both aggrieved about some aspect of their lives and optimistic that, acting collectively they can redress the problem. Lacking either one or both of these perceptions, it is highly unlikely that people will mobilize even when afforded to do so. (McAdam et al., 1996: 5)

The lag between the emergence of identity as a factor in the study of social movements and its adoption by followers of both resource mobilization and political process has two reasons. First, as McAdam et al. (1996) stress, the conceptual imprecision of the term *identity* has scared scholars away from it. Recent writings, they argue, “have equated the concept [cultural framing] with any and all cultural dimensions of social

movements” (1996: 6). The early works on identity in Latin America, as we have seen before, certainly contributed to this problem. Second, culture traditionally has been perceived as structural characteristics of societies and communities, which does not fit the more dynamic model of political process. This view has been replaced by “conceiving of culture and framing as strategically produced,” which has made it more attractive to students of political process (Zald, 1996: 261). This new view of cultural framing emerged from several distinct branches of social sciences, particularly from cultural anthropology, social psychology, and dramatic and rhetorical analysis. It was also a development within the field of studies of social movements, particularly the analysis of culture as repertoires of action (Zald, 1996).

Latin American theorists have stressed the importance of cultural politics in creating counter-hegemony in authoritarian state-society systems. Scholars coming from the political process and resource mobilization tradition point to a related although distinct issue: competing groups. For them, social movements contest not only authorities and society in general, but also other organized groups. These opposed groups compete in mobilization contests, flexing their muscles to show who can rally more support and resources. More important, though, is the competition around meanings, aimed at establishing legitimacy and showing the rightness of their causes to society and state (Zald, 1996).

Starting in the late 1980s, American and, to some extent, European literature on social movements increasingly combined studies of political opportunities and analysis of organizational strategies of social movements with very good results (McAdam et al., 1996; Tarrow, 1994, 1998). Recently, the idea of identity and cultural politics has started

diffusing among supporters of these two approaches. The opposite is also true; proponents of identity and cultural politics are more and more accepting of insights from the other paradigms. This is good news for the study of social movements. However, empirical studies are just beginning and the development of the field will demand a lot of case studies and cross comparisons that integrate culture, strategies and opportunities.

The words of McAdam are a good starting point for new studies of social movements:

Ultimately, however, the analytic utility of these three models [classic, resource mobilization, and political process] will be determined not on their abstract theoretic merits but on the basis of how well each accounts for particular social movements. Thus, my final objective will be, wherever possible, to assess the degree of “fit” between the empirical implications of these three perspectives and the data.(1982: 03)

I do agree that neither of the main approaches to social movements is theoretically superior to the others. However, the literature provides us with some clues on how to guide empirical research. There are significant differences between the “new social movements” and the “traditional” ones. Supporters of the identity-oriented approach convincingly argue that some forms of movements are targeted at society and fight in the realm of symbols and meanings, whereas other forms of movements struggle in the more traditional realm of politics. Nevertheless, a dichotomous classification of social movements along the lines of old/new or visible/invisible is neither analytically accurate nor useful. Instead, it seems more appropriate to think of the nature of social movements as a continuous between a theoretical “pure” society-oriented and its opposite: a pure polity-oriented form. Also, there is no reason to believe that some movements cannot, or actually do not, fight to change both subjective meanings and the more objective political

reality. Or yet, social movements may change their very nature during their lifetime or even keep switching their locus of action back and forth from society to the polity.

The very nature of a given social movement is, therefore, an empirical question that demands research. The case I study in this work, however, is close to the polity-oriented spectrum of social movements that I suggested above. Rural workers directly confronted the state to increase their access to state resources and to policy making. Therefore, resource mobilization and political opportunity approaches are more useful in guiding the analysis of the case.

Conclusions

The case of peasant mobilization in Transamazônica is simple: the movement targeted the state which, according to one movement leader, “brought us to the middle of nowhere and, all of a sudden, abandoned us leaving all their promises unfulfilled.” Their struggle was aimed at gaining access to tangible state resources, such as schools, health care, transportation infrastructure, and rural credit. The underlying idea of resource mobilization – that social movements are an extension of politics by other means – is extremely relevant in this case. Peasants who live in the frontier, in a very delicate ecosystem, are among the least enfranchised groups in Brazil. Their capacity to mobilize and disrupt normal politics is one of their greatest assets, and the strategies they use to deploy it are key to understand their struggle. Also, although the focus of the movement was not cultural, but rather materialistic, the peasants engaged in a struggle to establish their rights and importance as a social group. By working on their image of food producers, environmentally friendly farmers, they attracted new allies and social

supporters to their cause. In other words, identity may have played an important role in this movement, but in a rather strategic way. For these reasons, the resource mobilization/political opportunity approach provides an adequate framework for the case studies here.

Rucht (1996) claims that external factors profoundly affect not only the emergence, but also the very organization of social movements. Simply put, he considers that both mobilization and organization are dependent variables, whereas political opportunity is the independent variable. Moreover, he advocates the use of structures as the independent variable, for they are more stable and comparable than simple opportunities.

Structure has three contextual aspects: cultural, social, and political. The cultural context refers to the attitudes, values, and behavior of individuals who may or may not support the movement (or, using Rucht's words, be consonant or dissonant with the movement). The social context is the embedding of the social movement in its social environment. The environment may facilitate or restrict the formation of collective identities, the establishment of support networks, and even the socialization of potential movement supporters. Finally, the political context deeply affects the overall likelihood and nature of political opportunities. The main variables of the political context, which can facilitate the formation of collective identities are: (1) *access to participation*; including both formal and informal channels to influence political decisions (2) *the policy implementation capacity of authorities*; (3) *alliance structure*; and (4) *the conflict structure*, which is the constellation of adversaries of the social movements. To these variables Tarrow (1998) adds (5) *the repressive capacity of the state*.

A study of social movements should pay attention to how these structural aspects, under normal conditions, facilitate or constrain the emergence of social movements, as Rucht (1996) argues. As the structural context affects the organizational structure of social movements, the five aforementioned variables will determine the type of movements that will likely emerge under certain circumstances.

The case studied here is complex because the political structure underwent profound changes during the period analyzed. In fact, these changes represented opportunities for the rural workers to mobilize. To make the analysis clearer, I discuss at length the political environment within which the movement operated in Chapter 3. In Chapter 4, I discuss some of the other structural variables (cultural and social) while reconstructing the history of the movement.

Kriesi (1996) proposes a model for analyzing the evolution of social movements. In this model he stresses four parameters of organizational development: (1) *organizational growth and decline*– the changes in size of the social movement sector, and the variation of resources within a given social movement organization (SMO); (2) *internal structuration* – as an immediate consequence of the resource flow, a SMO can experience formalization, professionalization, internal differentiation and integration; (3) *external structuration* – refers to the integration of the SMO with its constituency, allies, and authorities; and (4) *goal orientation and action repertoire* – as a SMO evolves, it tends to change its goals. Many times, the very maintenance of the organization becomes its main goal, which implies a conservative accommodation of the movement.

Variations in these variables can lead a SMO to four different evolutionary paths:

- (1) *Institutionalization* - a SMO becomes institutionalized when it stabilizes its resource flow, the development of its internal structure, its relations with external actors, its goals, and repertoire of action. At this point, the SMO resembles a party or an interest group.
- (2) *Commercialization* is the transformation of a SMO into a service organization. This may occur on purpose, or as an intended consequence of an increased emphasis on the use of selective incentives to maintain and increase membership.
- (3) *Involution* is a change toward an exclusive emphasis on social incentives, like mutual help and solidarity. In this case the SMO becomes something resembling a club, self-help group, or voluntary association.
- (4) Finally, the SMO may reinvigorate mobilization to achieve its goals, undergoing a process of *radicalization*.

To the four paths suggested by Kriese, one could add *co-optation* by establishing or reinforcing existing patron-client relations. Stokes (1995) stresses the importance of this path in her study of social movements in Peru. She defines clientelism as

[A] dyadic relation between two unequal actors in which the superior actor trades goods and services for other valued goods (political support, labor) from the inferior actor. Although the exchange is beneficial to both parties in some limited ways, it does not enhance the power of the inferior actor. Clientelism is thus a strategy for dominant groups to retain their position of superiority. (1995: 112)

These patron-client relations may develop between movement leaders and rank and file, between movement leaders and state authorities, or between movement leaders and power brokers that mediate the relationship between the movement and the state. State officials may seek to promote patron-client relations either as a way to sabotage a social

movement or as a rent seeking strategy. As will become clear in Chapter 4 and Chapter 5, the introduction of rural credit created new opportunities for patronage and clientelism; however, it would not be fair to say that the movement was co-opted. We shall return to this point later.

It is important to stress that the evolution of social movements is not unilinear or unidirectional. It can take many paths and shift back and forth from one path to another. The rural workers movement in Pará experienced periods of radicalization followed by institutionalization, and then back to radicalization. At the time of this research the movement was at a crossroads, due to the ambiguous outcomes of its most recent achievement: access to rural credit. Therefore, it is important to assess the outcomes of social movements. Relative success or failure of a movement has to be measured against the formal goals of the movement, as well as the expectations of its constituency. The very evolution of a social movement may be linked to its performance. As Hirschman points out, frustration with public participation may lead individuals to exit collective action and to shift their attention and energy back to their private lives. Conversely, the fulfillment of a movement's demands may demobilize its members and kill the movement, or lead it to a path of commercialization or involution, as described above.

The discussion of theories of social movements suggests that, at least in cases like the one studied here, the state has an overwhelming effect upon the emergence, durability, and achievements of social movements. Yet, the approaches presented here fall short of providing acceptable accounts of the relationship between the state and social movements. This relationship between state and social movements is a major gap in the political science and sociology literature. State theorists, on the one hand, "have largely focused on

those who hold and wield power rather than studying their challengers. Social movements scholars have focused primarily on those who are contesting power rather than their relations with the powerful” (Jenkins, 1995: 15).

The common critique that the resource mobilization approach is based on a narrow US-centered neopluralist interpretation of the state has its merits. As much as social movement theory, state theory is a contested field of political science, and a state-centered view of social movements must account for the very nature of the state. I do not have the ambition to bridge this gap here, but a study of peasant mobilization in the Transamazônica region does require some theoretical as well as empirical study of the state. The relationship between the peasantry and the state was central to every aspect of this case, and an uncritical acceptance of the neopluralist assumptions implicit in the resource mobilization approach would cripple this study. In the next chapter, I outline the major points of the debate on the state. Chapter 3 is a historical analysis of contemporary state action in the Brazilian Amazon.

CHAPTER 2 APPROACHES TO THE STATE AND STATE AUTONOMY

Popular mobilization does not occur in an institutional vacuum. As soon as social movements arise, they must deal with the state, which regulates acceptable forms of mobilization, and has discretionary power to repress societal elements that threaten its authority. Moreover, movements aimed at gaining access to the state policy-making structure and state resources, like the one I study here, must adapt themselves to the very structure they deal with. The state, therefore affects social movements during their interaction, and, in extreme cases, the outcomes of popular mobilization may depend on the state as much as on the attributes of the social movement itself.

As we have seen in the previous chapter, the approach that accounts best for the relation between state and social movements – resource mobilization and its variations – entails some problematic assumptions about the state. The nature of the state can account for the opportunities and constraints that social movements face, and, therefore, for the diversity of strategies they deploy in distinct contexts. More important, however, is the fact that states vary in their capacity and willingness to implement or to resist implementing policies once a compromise is reached. The pluralist and elitist assumptions embedded in the resource mobilization approach fail to capture this “supply side” of policy making. Even though recent works recognize the importance of structural and institutional factors (Rucht, 1996; Tarrow, 1998), the literature on social movements largely ignores the academic debate on the state, which is crucial to understanding the emergence and

evolution of social movements, as well as the outcomes of the policies they demand. This chapter presents a discussion on the main theories of the state and the issue of state autonomy and how they relate to social movements. I begin with the pluralist and elitist approaches to the state, which are not only the bases of the resource mobilization model, but also the very focus of the debate on state autonomy. After that, I review the literature on Marxist approaches to the state, and discuss how it relates to both this debate and to the theories of social movements. Finally, I do a similar analysis of the corporatist model of the state.

Pluralism, Elitism, and State Autonomy

Until the early 1980s, the state would rarely appear in academic works as a meaningful independent actor or an organizational structure, much less as an independent variable in the studies of politics. Nettl (1968) argues that the state vanished as a conceptual variable due to epistemological as well as ideological and geographic factors. From an epistemological perspective, the concept of the state, as it is commonly used in studies of international relations, proved to be problematic. The idea of sovereignty, which is in the core of the definition of the modern state, came under attack and was pushed to the margin of political science by Frederick Watkins, who said it was a “limiting concept - an ideal-typical situation that had to be qualified in all sorts of ways” (Nettl, 1968:560). For him, in the late 1960s, the problem of sovereignty was, for social scientists, a “dead duck.” Even more problematic was the very idea of nation-state. Although there were exceptions to the idea of one nation corresponding to one state (like Switzerland), the exceptions almost became the rule recently. In Nettl’s words: “If the entry of the third

world onto the stage of modern socio-scientific consciousness has had one immediate result or should have had, it is the snapping of the link between state and nation” (1968: 560).

The geographical and ideological factors that Nettl referred to are the shift of the epicenter of social science research from Europe to the United States. As Almond (1988), drawing upon Garson’s work (Garson, 1974), points out, “[P]olitical science grows largely reactively [...], rather than through the self-conscious testing of analytical models” (1988: 854). This shift meant the “contamination” of political science by the “statelessness” of American Political Science Scholarship, which was a reflection of the very “statelessness” of the American political system. Skocpol (1985) corroborates this view. She claims that the “statelessness” of American political science scholarship was embedded in the American and British liberal ideology:

As long as capitalist and liberal Britain, and then capitalist and liberal America, could plausibly be seen as the unchallengeable “lead societies,” the Western social sciences could manage the feat of downplaying the explanatory centrality of states in their major theoretical paradigms - for these paradigms were riveted on understanding modernization, its causes and direction. And in Britain and America, the “most modern” countries, economic changes seemed spontaneous and progressive, and the decisions of governmental legislative bodies appeared to be the basic stuff of politics. (1985: 6)

The major theoretical paradigms that Skocpol referred to are the pluralist and neopluralist traditions. It is important to note, however, that these two schools are not the only “society-centered” approaches in the field of empirical democratic theory. Social corporatism and Marxism also have societal constraints as their main core assumptions. Nonetheless, pluralism has dominated this field in the United States, at least until the 1960s.

The main theoretical focus of pluralism is group competition and its effects on policy-making. According to pluralists, the state does not play any role other than summing up the preferences of the competing groups and allocating resources according to these calculations. In Nordlinger's words:

As portrayed by pluralism, civil society is made up of a plethora of diverse, fluctuating, competing groups of individuals with shared interests. Many effective political resources are available to them: numbers, votes, organization, money, expertise, information, social status, a positive public image, access to mass media, and control over economic resources. The liberal state is guided and constrained by the resource-weighted parallelogram of societal preferences; its authoritative actions are the "resultant of effective access by various interests." With voters choosing the elected officials they prefer, elected officials competing for popular support and tailoring their public actions to calculations of electoral advantage, elected and appointed officials being lobbied at numerous access points and pressured at permeable decision sites, and public policies and group cooperation in implementing them - under these conditions the state consistently responds to societal demands. Public officials are even wary of acting contrary to the interests of "potential groups." (1981: 151-2)

Social preferences emerge as a resultant of vectors of group preferences, which Nordlinger (1981) calls the *resource-weighted parallelogram of social preferences*. Pluralists are concerned with problems of allocation, rather than those of rule and control. Many pluralists ignore the role and preferences of public officials and the structure of the state. The function of the state, according to their perspective, is to assure that the game of politics among the social actors is played fairly, and that the results of these games become public policies (Krasner, 1984).

This utopian view of the political system helps one understand the classical approach to social movements discussed in the previous chapter. If the political system

were really open, democratic, and unbiased, as pluralists claimed, there would be no rational explanation for noninstitutional political action.

A variation of the pluralist tradition is neopluralism, or elite theory. Neopluralists are less sanguine about the equality of access to the political system. In their view, competing groups do not have the same power and influence on public officials. A novelty in this approach is the concept of “effective groups.” These are groups that know which resources are effective to influence officials and to constrain the state. Moreover, these groups control such resources and use them at the expense of competing groups. Effective groups are usually those well-organized wealthy groups with clear interests in specific policy issues. According to Nordlinger, due to the effectiveness of their resources, as well as a liberal bias of public official towards organized groups, “the state enfranchises ‘the most interested and best organized’ business, labor, agricultural, trade and professional associations as the exclusive representatives of particular social interests”(1981:45).

This interpretation clarifies the emphasis of the resource mobilization approach on accumulation of resources and strategic alliances with more powerful actors. Following an elitist interpretation of the state, resource mobilization theorists concluded that the only way for small groups to reap political gains was by leveraging their power to the point that they become acceptably organized and, therefore, competitive.

This bias towards organized and powerful groups caused a general disillusionment and demoralization in U.S. politics during the 1960s and 1970s. As a consequence, scholars lost their confidence in the pluralist model, leaving room for the more realistic neopluralist perspective and other less society-centered approaches (Almond, 1988).

Also, abrupt social and economic changes after World War II contributed to the decline of society-centered models. Keynesian macroeconomic management, in which state expenditures are central, became the norm in advanced societies, even in the United States. Also, the end of colonial empires gave birth to myriad new states, which soon realized that the pathway of Western liberal democracy was unfeasible for them in the short term (Skocpol 1985).

As a consequence of these changes, the state came to the forefront of politics and the pluralist model came under criticism, accused of “societal reductionism.” Almond (1988) vehemently refuses this accusation. He claims that critics of pluralism fail to consider important pluralist works in their literature reviews, overlooking studies that recognize some degree of government autonomy. After reviewing part of this pluralist literature, he concludes that:

Though this literature does by and large stress the importance of interest and pressure groups in policy-making, it clearly does not support the reductionist thesis. Autonomous government agencies are present and important throughout this literature. The pluralist “paradigm” is not the one-sided one of Skocpol, Krasner, and others, but rather a two-directional one with the state influencing the society as well as the society influencing the state. (1988: 866)

Some pluralists do emphasize the role and leadership of government officials in policy-making. However, their role has been depicted as constrained by “societal forces, commanding resources that are derived from a variety of public and private sources” (Krasner, 1984: 229). He also points out that this pluralist view gained momentum in the 1960s, as part as the “behavioral revolution” that swept the social sciences in the United States. Behavioralism rejected the primacy of formal institutions and rules in the political

process and emphasized individual preferences. Society substituted for formal legalism, which prevailed in American political science during the first half of the twentieth century. For behavioralists, political outcomes are determined by preferences and power capabilities of societal actors.

The discussion of behavioralism is important to put Nordlinger's work in perspective. On the one hand, he supports the idea of state autonomy, challenging the view that the state responds solely to societal stimuli. On the other hand, his view of state and society preferences as the resolution of parallelograms does not challenge behavioralist assumptions. He considers the state as a group of individuals, rather than a conjunction of individuals, institutions, and structure. According to him, individuals make decisions; offices and agencies do not. He defines the state in a Weberian manner:

It refers to all those individuals who occupy offices that authorize them, and them alone, to make and apply decisions that are binding upon any and all segments of society. Quite simply, the state is made up of and limited to those individuals who are endowed with society-wide decision-making authority. (1981: 11)

In sum, Nordlinger defines state as government and bureaucracy. By doing so, he claims to be avoiding misleading anthropomorphization and reification fallacies, that is, treating organizations as human beings. In his view, institutions and organizations cannot make decisions or express preferences; only human s can. Therefore, he responds to pluralists by granting autonomy to the state parallelogram of preferences, but he does not accept the state as anything other than actors that have personal preferences and control certain amounts of resources.

Other supporters of the state-centered perspective reject this definition of state as government. Stepan (1978: xii) argues that “the state must be considered as more than the government.” It is the continuous administrative, legal, bureaucratic and coercive systems that attempt not only to structure relationships between civil society and public authority in a polity but also to structure many crucial relationships within civil society as well.” In a comparative study of development in Brazil, Zaire, and East Asian newly industrialized countries, Peter Evans (1989) concludes that the differences in their achievements were related to the very structure of the state. Developmental states, he claims, “[A]re embedded institutions historically as well as social structurally” (1989: 583).

In spite of his timid definition of the state, Nordlinger’s idea of autonomy does represent a significant departure from pluralism. He believes that state officials are able to translate their resource-weighted preferences in what he call “authoritative actions.” Autonomy is, therefore, related to “the degree to which any and all state preferences coincide with authoritative actions” (1981: 25). He defines authoritative actions as:

[B]oth the public policies that have been adopted and those that have not, including those whose consideration has not even been placed on the formal or informal agenda. Authoritative actions are not limited to highly visible ones that have a great impact upon many individuals, such as the enactment of new social welfare legislation; authoritative interpretations and applications of narrowly focused regulations are also included. (Nordlinger, 1981: 13)

Autonomy and capability are distinct concepts. A state can be strong but not autonomous and vice-versa. Capability refers to the resources available to the state (Nordlinger, 1981). Nordlinger accepts the relational notion of state strength (in relation to society). States that act on their preferences with social support are stronger than those

that must overcome societal opposition. Also, he claims that states that can change the societal preferences are also strong, even if they cannot act until they change the parallelogram of societal preferences. Another important feature of his theory is that autonomy is not restricted to the instances when society opposes the state. Autonomy can also reflect decisions made by the state without societal resistance. If society neither opposes nor supports some policy initiative, the state is, by definition, acting autonomously by translating its internal preferences into authoritative actions.

According to the state and society preferences and the authoritative actions of the state, Nordlinger builds a typology of state autonomy in a simple matrix, reproduced in Figure 2.1. The top half of the chart shows the cases when the state acts according to its preferences. The lower box in the left, the lack of state autonomy. In this case, societal preferences prevail.

Type I autonomy explanations are those in which the state and society preferences are divergent, but society does not succeed in imposing its preferences on the state. Accordingly, the state does not feel constrained by this divergence to the extent that it decided not to translate its preferences into authoritative actions.

Those situations in which the state does not face opposition from society, and do translate its preferences into authoritative actions form the type III autonomy. Authors who build their perspective on state autonomy within the Marxist tradition usually ignore this kind of autonomy. Those authors consider the state to be autonomous only when it makes decisions against the preferences of the dominant classes. An example of this approach is Skocpol's *States and Social Revolutions*. In this work, she discusses how

states act against the long term interests of the dominant class when its position in the international system is challenged (Skocpol, 1979).

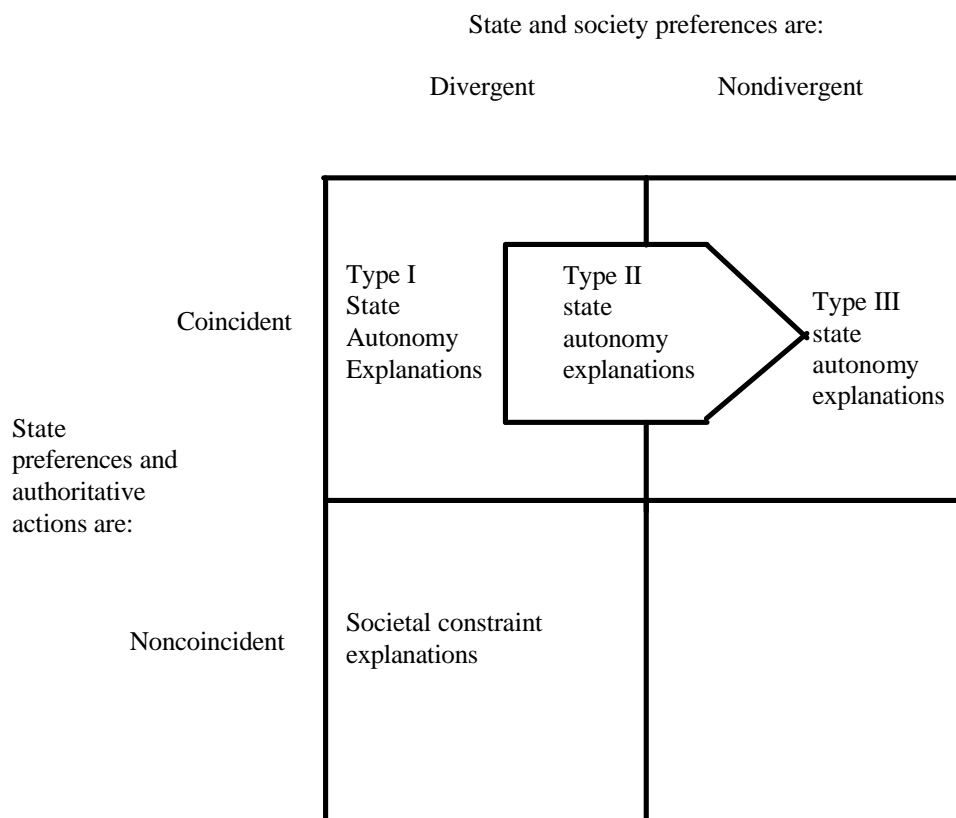


Figure 2.1: Types of state autonomy, according to Nordlinger (1981).

The discussion of type II autonomy is perhaps the most important contribution in *On the Autonomy of the Democratic State*. In these cases, the state preferences prevail and the state also uses its resources to change societal preferences and to hide itself from societal constraints. In type II cases of state autonomy, “public officials purposefully bring about a shift in the societal parallelogram of resource-weighted” (Nordlinger, 1981: 99). Marxists and pluralists alike have ignored, in general, three important factors. The first one is the regular availability of resources and opportunities for public officials to change

societal preferences. Second, they overlook the willingness of state officials to use those resources and capabilities to enhance their autonomy. Finally, they do not seriously consider the likelihood of success of state officials when they attempt to interfere with those societal preferences (Nordlinger, 1981).

In cases of type II autonomy, public officials can deploy four strategies to transform divergent societal preferences into non-divergent ones. The first strategy consists of persuading actors with divergent preferences. If officials cannot change their preferences, they at least try to instill enough uncertainty to make their opponents withdraw from the policy-making process. The second strategy focuses on avoiding or limiting the use of resources by societal forces to hinder state autonomy. A third strategy is aimed at bringing indifferent societal actors to side with the state, as an effort to counter-weight the resources of those who oppose the state preferences. Whereas this strategy focuses on calling the attention of certain social groups to the policy issue under discussion, the fourth strategy consists of increasing the level and weight of resources employed by the supporting groups to offset the resources of those who oppose the state.

This discussion of state autonomy contradicts the pluralist view that the state is neutral by introducing the preferences of state officials in the analysis of policy making. Even the less naïve elitist view of the state is challenged, for it denies the neutrality of the state but does not account for the role of state officials in shaping social preferences. Of course the idea of autonomy poses a great challenge to the resource mobilization approach to social movements. If state officials can change the preferences of social actors, any study of social movements need to pay attention to state preferences, as well as to the preferences of the movement itself. In the following chapter I discuss how state

preferences deeply affected the recent colonization of Amazonia and became the very target of the social movements that appeared in the 1970s and later.

Although Nordlinger presents an interesting typology of state autonomy and makes a great contribution by discussing the mechanisms of state manipulation of societal interests, he does not address institutional development. *On the Autonomy of the Democratic State* does not explain how states became what they are. The book is concerned with the impact of state upon society. Other political scientists (Stepan, 1978; Evans, 1989), however, have addressed the institutional and evolutionary aspect of the state. Both approaches are complementary, rather than antagonistic. As Skocpol (1985), a leading figure in what became known as the “bringing the state back in” movement, stresses:

The point is that policies different from those demanded by societal actors will be produced. The most basic research task for those interested in state autonomy surely is to explore why, when, and how such distinctive policies are fashioned by states. (1985: 15)

And then she comments on the importance of the institutional aspects of the state:

This second approach may be called “Tocquevillian,” because Alexis de Tocqueville applied it masterfully in his studies. In this perspective, states matter not only because of the goal-oriented activities of state officials. They matter because their organizational configurations, along with their overall patterns of activity, affect political culture, encourage some kinds of group formation and collective political actions (but not others), and make possible the raising of certain political issues (but not others). (1985: 21)

Krasner divides the literature on the state that appeared in the late 1970s and 1980s according to its temporal dimensions. There are studies on the autonomy of the state and studies on the congruity of the state and its environment. The issue of autonomy

is a temporally static one, in which the state is viewed as an exogenous variable.

Congruity, on the other hand, has a temporal dynamic. Researchers following this trend focus on changes in the domestic and international environment and their impacts on the state structure. Besides that, those studies also pay attention to the effect of the state on its environment during periods of “normality.” The main question researchers seeking to understand this temporal dynamic ask is “how do institutional structures change in response to alterations in domestic and international environments and then in subsequent time periods influence these environments” (Krasner, 1984: 224).

This idea of congruity is relevant to students of social movements who follow the political opportunity approach. However, the literature on state autonomy goes beyond the literature on social movements in the sense that it presents a two-way interaction between state and society. Whereas students of political opportunities look at how changes in the state configuration affect the emergence of social movements, students of the state are also concerned with the possibility that social movements can also reshape the state. The obvious exception is Charles Tilly, who has studied long-term interactions between state and society (Tilly, 1978).

Marxist Approaches to the State

Critics of society-centered approaches criticize pluralism and Marxism equally. The Marxist view of the state commonly has been reduced and simplified to what some authors call instrumentalism. According to this view, the state is the executive committee of the bourgeoisie, or a tool or instrument of ruling-class domination. As Carnoy (1984) points out, Marx himself never produced a single coherent theory of politics, and thus, of

the state, in his writings. His political ideas surface in his discussions on political economy; however, they were spread in so many sources and vague enough to leave room for subsequent interpretations by his followers and critics. Of course some authors would dispute this description of Marx on the state. Thomas is one of them, to whom:

It does not follow from this that, all on its own, ruling-class theory constitutes a viable theory of the state. But to say that Marx had no real theory of the state because of the evident shortcomings of ruling-class theory would be a serious mistake [...] there is in Marx's writings a theory that is viable. It is viable not because of Marx's various dogmatic utterances but despite them. It has to be elicited, drawn out and retrieved from its writings, not read into them. (1994: 10-11)¹

Indeed, Carnoy acknowledges that, despite the possibilities of diverse interpretations, there are some fundamental Marxist ideas (in Marx's own works as well as in most of his followers') that frame the debate on Marx and state theory:

First, Marx viewed the material conditions of a society as the basis of its social structure and of human consciousness. The state is a product of the relations of production, not from the general development of the human mind or from the collective of men's will. In Marx conception, it is impossible to separate human interaction in one part of society from interaction in another: the human consciousness that guides and even determines these individual relations is the product of the material conditions—the way things are produced, distributed, and consumed. (Carnoy, 1984: 46)

At this point, Marx is at odds with Hegel, who considered the state as a rational structure that involves a just, ethical relationship of harmony among elements of society. The Hegelian state is eternal, not shaped by historical conditions, as opposed to the

¹ Although claiming that there is a theory of the state in Marx's writings, Thomas concedes that these works are rather full of "complexity, ambivalence, and equivocation" (1994, 11).

Marxist state, which is a product of the historical and material development of a society (Carnoy, 1984).

A second common trait of the Marxist interpretation of the state is the rejection of the idea that the state represents the common good. Rather, Marx identified it as the expression of the class structure and class relations, which are, again, conditioned by the mode of production. Contrary to Classical and Liberal views (such as the ones by Hegel, Locke, Rousseau, Hobbes, and Smith) the state does not represent the “social collectivity,” nor does it stand above the interests of particular groups. According to Marx and other Marxists, the state is not above class struggles; rather, it is deeply engaged in them.

This second characteristic of Marxist thought has not always been so clear in Marx’s own works. In his early writings, Marx, deeply influenced by the political and social conditions in Germany, agreed with Hegel’s idea of a “communal state,” noting that it had to be a democratic state. He conceded that the state could have some autonomy from society. However, he did not accept Hegel’s view that this was a universal trait of the state. He based this early acceptance of a state that was not class-bounded on historical conditions, as Carnoy explains:

For young Marx, then, the state had some life of his own, separated from civil society, having its own particular interests. Given conditions in Germany at the time, it is not unusual that Marx should see the state in this way: there was a separation of the state on the one hand and a rising civil society of the bourgeoisie on the other. The state was not an instrument of the bourgeoisie. In absolutist Prussia, the state was still in the hands of a precapitalist ruling class, with very different social values from those of the increasingly powerful bourgeoisie. (1984: 48)

Draper (1977), quoted in Carnoy (1984), explains that:

This Prussian state was indeed forced to exercise control over the aristocracy itself, it was no longer the simple feudal state, but the *Beamtenstaat* of absolute monarchy—the state of the functionaries, who had to keep a rein on all classes in order to keep the growing antagonisms from pulling society apart. (1977: 169)

According to Jessop, Marx's early works depict the state as "an irrational abstract system of political domination which denies the social nature of man and alienates him from genuine involvement in public life" (1982: 7). His early view fell short of anything resembling an instrumentalist theory of the state. Contrary to Hegel, who considered the bureaucracy in the modern state a universal class seeking to realize the universal interest of society, Marx argued that universal interest is a pure abstraction. Moreover, Marx pointed out that if, on the one hand, the state elite represents private interests, on the other hand, the bureaucracy may become another interest group among many others that seek to influence state decisions (Jessop, 1982).

An early version of a class theory of the state was presented by Engels in his *The Condition of the Working Class in England*. In this study, he argues that the English bourgeoisie secures control over the working class by controlling the state. Engels and Marx later elaborated this new approach in *The German Ideology* and in the *Manifesto of the Communist Party*. It is important to stress, however, that rather than a coherent theory of the state, what those authors presented was a "complex array of ideas and arguments unified (if at all) through their common concern with the general framework of historical materialism" (Jessop, 1982).

The struggles within the modern capitalist state, according to Marx and Engels, represent the struggles within society itself, particularly class struggles. The state mediates contradictions between individuals and the community; as the bourgeoisie dominates the community due to its control over the means of production, it also dominates the state. The state, therefore, is not a result of a class plot. Rather, it reflects the balance of power within the community: “Hence, the state does not exist owing to the ruling will, but the state which arises from the material mode of life of individuals has also the form of a ruling will” (Marx and Engels, 1964: 358, quoted in Carnoy, 1984: 48-49).

Also, as evidence that Marx did not take the instrumentalist view to extremes, Jessop (1982) shows how he stressed the effects of different types of state on the balance of class forces in different societies. Marx developed this argument in *The Civil War in France*, wherein he explains that “the state is a system of political domination whose effectiveness is to be found in its institutional structure as much as in the social categories, fractions, or classes that control it” (Jessop, 1982: 27). In other words, Marx grants some autonomy to the state instead of simply collapsing it into society.

Even though the state was not a class plot, it was not a structure of universal representation of class interests. Most states pretended to be representative of all classes, but in fact protected the interests of the capitalist class, and this false idea of universal representation was, according to this Marxist view, a central ideological function of the state. According to this Marxist tradition, collective action will emerge when the subordinate classes are in fully developed contradiction with its antagonists. In the case of western societies, this would be possible after capitalists had deprived workers of their tools and driven them into large factories. In this situation, unions could provide

organizational resources, and raise the class consciousness necessary for mobilization. It is worth noting that Marx and Engels considered liberal democracy and the liberal state as an institution and a structure that could be useful to the workers if they captured them; hence the idea that capitalism paves the road to socialism. As workers often failed to rise against their oppressors, Marx blamed them for developing a “false consciousness,” instead of a true class consciousness. He ignored splits within the labor movement as well as tacit support some sectors gave to capitalists in exchange for welfare benefits and integration into capitalist democracy (Tarrow, 1994; Jenkins, 1995).

If someone is to blame for the mistaken Marxist instrumentalist view of the state, Lenin is probably the right person. For Lenin, the state is an organ of class rule, whose main function is to moderate class conflict by controlling the lower classes. According to him, petty bourgeois ideologists distorted this fundamental principle of Marxism by depicting the state as an organ of class conciliation. He claims that class conciliation is impossible, and the dominant class uses the state to perpetuate class oppression. In his view, in a society without class struggle, there would be no need for the state. In fact, in this kind of society, the state could not exist altogether. Contrary to Marx and Engels, Lenin (1929) considered that the capitalist state had no use for the lower classes:

If the state is the product of the irreconcilable character of class antagonisms, if it is a force standing above society and “separating itself gradually from it,” then it is clear that the liberation of the oppressed class is impossible without a violent revolution, and without the destruction of the machinery of the state power, which has been created by the governing class and in which this “separation” is embodied. (1929: 116)²

² This was Lenin’s second attack on the “betrayers” of Marx and Engels – directed to Kautsky. Contrary to the “petty bourgeois ideologists”, Kautsky acknowledged that the state was a mechanism of class domination, but he also distorted Marxism by denying that revolutionary forces had to destroy this mechanism.

Thomas (1994) claims that the Russian revolution deeply affected Lenin's works, particularly *The State and Revolution*, wherein he exposed his main ideas. Critics of Lenin argue that he was overwhelmed by the events surrounding him when he wrote the book and, as a result, it is more of a revolutionary blueprint than a piece of scholarship:

He [Lenin] was of course able to back-reference what were largely organizational imperatives by invoking phrases drawn from the available writings of Marx and Engels, but such invocations were necessarily tendentious and almost incantatory. Marx and Engels were not invoked in a spirit of calm, scholarly objectivity; concepts and phrases were torn from their contexts and made to carry talismanic force under the impress of events. (Thomas, 1994, 123)

In conclusion, Lenin does not leave room for any form of state autonomy by affirming that the capitalist state apparatus is of no use for the working class, "for the capitalist state apparatus is organized structurally – in form and content – to serve the capitalist class, and cannot be taken over by the working class to serve its ends"(Carnoy, 1984, 59). A new society, one with no class struggle (due to the suppression of the bourgeoisie), will require and imply a new state. The dictatorship of the proletariat, in this case, substitutes for the dictatorship of the bourgeoisie.

Italian thinker Antonio Gramsci is commonly credited with being the first scholar to systematize a Marxist science of political action. As opposed to Marx, who stressed the primacy of political economy in shaping society, Gramsci gave primacy to politics, granting it some autonomy from the economy. An underlying preoccupation in Gramsci's works is the locus of power in the political system. To some extent, he agreed with Lenin by considering that a significant amount of power lies in the state, where it takes the form of domination. However, he also acknowledged that power also lies in a network of social institutions, which, sometimes, have no direct connection to the state (Thomas, 1994).

Marx and Engels considered the state as a product of society. Society is the decisive element, whereas state is the subordinate one. In Marxist terms, society is the structure, the state is the superstructure, and both coexist in a dialectical relation. The essence of the structure are the relations of production, which produce a juridical and institutional order: the state (superstructure). Gramsci had a different view. In Carnoy's words:

For both Marx and Gramsci, civil society is the key factor in understanding capitalist development, but for Marx civil society is structure (relations in production). For Gramsci, on the other hand, it is superstructure that represents the active and positive factor in historical development; it is the complex of ideological and cultural relations, the spiritual and intellectual life, and the political expression of those relations that become the focus of analysts rather than structure.(1984: 66)

These cultural and intellectual relations that Carnoy referred to are at the core of Gramsci's theory and are the factor that most differentiates it from Leninism. The state is not simply a tool for class domination. In reality, if the bourgeoisie is able to spread its ideas, norms, and values throughout society, it will not need to resort to violence to control the subordinate classes. The cultural and intellectual relations among classes, in this case, lead to the internalization of class domination. This is what Gramsci called *hegemony*.

Beyond a simple intellectual response to the utilitarian view of the state, the concept of hegemony reflects institutional and historical differences among European countries. Whereas Lenin was particularly influenced by what he saw in tsarist Russia, Gramsci's built his theory upon the experiences of Western European representative democracies. Gramsci did not substitute hegemony and consent for coercion and

domination. Rather, he argued that both modes of social control could exist, at the same time, in different states.

The preponderance of civil society over the state in the West can be equated with the predominance of ‘hegemony’ over ‘coercion’ as the fundamental mode of bourgeois power in advanced capitalism. Since hegemony pertains to civil society, and civil society prevails over the state, it is the cultural ascendancy of the ruling class that essentially ensures the stability of the capitalist order. For in Gramsci’s usage here, hegemony means the ideological subordination of the working class by the bourgeoisie, which enable it to rule by consent. (Anderson, 1977: 45)

This definition emphasizes the role of society in the political process, to the detriment of the state, in a clearly Marxist fashion. Later, Gramsci admitted that society was not the only locus of hegemony; rather, state and society were responsible for ideological control. In this new formulation, however, he confused the attributions of state and society by arguing that these two spheres of public life share both force and consent. Repression, or the use of force, however, is restricted to the state, not an attribute of a normal society. As an attempt to fix this analytical problem, Gramsci finally merged state and society in a larger unity with hegemonic and coercive powers³. Anderson claims that due to this change “the very distinction between state and society is canceled...which undermines any scientific attempt to define the specificity of bourgeois democracy in the West” (1977: 34).

Although largely criticized, this lack of differentiation between state and society had some supporters. Althusser was a radical follower of Gramsci in his claim that society

³ These definitions appeared in *The Prison Notebooks*. Anderson suggests that the second definition wherein both state and society have repressive powers may have been the result of Gramsci’s living in Italy during the fascist years, when militias were common and the state lost the monopoly of use of force.

and state cannot be distinguished one from another⁴. In his view, any institution, private or public, is part of the state ideological apparatus: family, church, education, trade unions, parties, newspapers, etc. This definition made a distinction between a representative democracy and a fascist regime not only impossible, but also unnecessary (Anderson, 1977). Rather than individuals or institutions, what determines this lack of boundaries between state and society is ideology. Such a determinism comes as no surprise considering Althusser was a radical structuralist (which Gramsci, of course, was not).

With this theory of ideology, Althusser constructs a mechanism by which individuals willingly subject themselves to an ideology (Gramsci's hegemonic "consensus"), and it is this subjugation that defines them in the society itself. Inherent in the ideology is the necessary ignorance of the reality that the ideology represents, and this reality is, in the last resort, the reproduction of the relations of production and the relations deriving from them (Carnoy, 1984: 92).

The installation of the state ideology is the real stake in the class struggle. It is not by seizing the state that a class establishes its supremacy; rather, it is by installing its ideological state apparatus. Anderson argues that Althusser may have been deeply influenced by the Chinese Cultural Revolution, which, in last instance, was aimed at destroying the existing ideological state apparatus and installing a new one.

If Althusser, on the one hand, did not differentiate private institutions and organizations from the state, Gramsci, despite his late view of state and society as one single entity, never went that far. He did not follow the Chinese revolution from a comfortable distance as Althusser did; rather, he lived in and was a victim of a fascist state. He realized, drawing on his own life experience that there was a clear difference

⁴ Whereas Gramsci's work focused on political process, Althusser idealized the state apparatus.

between a bourgeois state with relative influence on society and a fascist state that controlled society by means of force.

Despite the absence of a clear and definitive gramscian interpretation of the relation between state and society, students of the state usually consider his society-centered view as predominant. Some students of social movements, as we have seen in the previous chapter, definitely consider the realm of superstructure as the main battlefield of social movements, at least the so called new social movements (Alvarez et al., 1998). Even though followers of this trend do not go as far as Althusser to erase the borders between state and society, they do, at least implicitly, claim that changes in society at large are as important, or perhaps even more important, than changes in the “visible” aspects of the polity, namely the state. In fact, the students of politics of culture do reject the Althusserian structural determinism embedded in his view of ideology. According to this Althusserian interpretation, the relations of production (infrastructure in the classical Marxist tradition) are the source of ideology, which shapes the superstructure (the state). Under this perspective, material conditions determine cultural politics, stripping it from the autonomy that some students of social movements believe it has (Dagnino, 1998). If the relationship between state and society is the opposite, as Gramsci argues, then culture, not material relations, shapes politics.

Later developments in the Marxist tradition, however, returned to the state as a relatively independent actor. Poulantzas (1978) acknowledges the repressive and ideological aspects of the capitalist state, but he rejects the reduction of the state to these two dimensions (force and ideology). Poulantzas argues that this Althusserian view, despite its radicalism, in fact masks a more critical view of the state.

The exercise of power is split between two groups: the repressive and the ideological state apparatuses. This apportionment diminishes the specificity of the *economic state apparatus* by dissolving it into the various repressive and ideological apparatuses; it thus prevents us from locating the state network in which the power of the hegemonic fraction of the bourgeoisie is essentially concentrated; and it obscures the character of the modalities required to transform this economic apparatus in the transition to socialism – as distinct from those required to transform the repressive and ideological apparatuses. (Poulantzas, 1978: 33)

In other words, Poulantzas argues that the state has a more active role in producing the conditions that enable capitalism to reproduce itself. The state has a stronger link to the dominant classes than other Marxists supposed. For Poulantzas (1978: 77), it is the state that “represents and organizes the long-term interests of a power block, which is comprised of several class fractions[...] and which sometimes embraces dominant classes issuing from other modes of production that are present in the capitalist social formation.” As the dominant classes are not homogeneous, the state has relative autonomy from them, so that it can ensure the organization of the interests of the bourgeoisie under the leadership of monopoly capital (the leading fraction of the dominant class).

Another important neo-Marxist who addressed state theory was Offe. He considered the state as a crisis manager—an institution that emerged in capitalist society in response to the crises that naturally arise from the contradictions of capitalism. These crises were the result of “increasing socialization of labor (the incorporation of wage labor) and continuing private appropriation (surplus extraction by capitalists)” (Carnoy, 1984:131). These crises trigger both market responses (emergence of oligopolies and monopolies) and state intervention.

The state best represents the ruling class when it does not act upon the will of this class, but rather upon its own routines and formal structures. Specific interests of a sector of the bourgeoisie tend to deepen the cleavages within it, also diminishing the state ability to intervene and solve crises. The state does not have a selective bias that purposefully excludes non bourgeois citizens from its structure, nor a structural constraint that impedes it from adopting strategies that hurt the interests of the capitalist class. For Offe (1973), what drives the capitalist state to work to the benefit of the dominant class is its need to survive and to reproduce itself.

The capitalist state, by definition, does not have direct control over the accumulation process, which is the sole responsibility of private actors. As the state depends on private accumulation to survive, by means of collecting taxes on profits and wages, it has, therefore, the authority and the mandate to create the conditions that will promote private accumulation. Nevertheless, even though capitalist interests underly state strategies, representatives of the capitalist class do not take direct control of the state apparatus not only because of class cleavages, as discussed above, but also because of a concern with legitimacy. As Carnoy points out:

Since the personnel of the state apparatus do not have a power base of their own, they need some mandate for action derived from some alternative source of power. This mandate for action must come from the concept of the state representing the common and general interests of society as whole.(1984: 134)

In Offe's own words:

This is to say that the state can only *function* as a capitalist state by appealing to symbols and sources of support that *conceal* its nature as a capitalist

state; the existence of a capitalist state presupposes the systematic *denial* of its nature as a *capitalist* state. (1973: 127)

Of course these two imperatives of the state are relatively contradictory, imposing limits one on the other. At the same time, the capitalist state has to facilitate investment by private actors, as well as ensuring that the working class is employable and employed. Block (1977) calls this linkage between the state and the capitalist class the main *structural mechanism* of class control. He notes, however that there are other *subsidiary mechanisms* that make the state serve capitalist interests. This structural mechanism, according to Przeworski and Wallerstein (1988), is false in a static sense, but true in a dynamic one. According to them, any distribution of consumption between workers and capital owners is compatible with continual private investment once an appropriate set of taxes and transfers is in place. However, the anticipation by capitalists of any changes in this distribution cause them to reduce investments and slow down the economy.

The first subsidiary mechanism is direct pressure on the state, through *influence channels*. Although the capitalist class lacks a collective consciousness, individual capitalists have a very clear idea of what their short-term interests are, and they will press the state to realize those interests. These influence channels include the recruitment of ruling-class members into public offices, the formation of lobbying groups, campaign financing, bribing public officials, and others. In many instances, this kind of pressure runs against the reproduction of capitalism, and it is counter-weighted by the structural mechanism (Block, 1977). A second subsidiary mechanism is cultural hegemony. Block follows Gramsci in his definition: “the widespread acceptance of certain unwritten rules about what is and what is not legitimate state activity” (Block, 1977: 14). A government

that violates these rules runs the risks of losing popularity and even legitimacy, which, of course, discourages a democratic government from adopting anti-capitalist measures.

The idea of structural dependence of the state on capital implies a high degree of state autonomy. Even though the state is subject to hegemonic ideas and has to protect the interests of the capitalist class, at the same time it adopts policies that run counter to these interests and ideas. In the following chapter I show that the Brazilian authoritarian state conforms to this Marxist discussion of state autonomy. At some points the state acted with a high degree of autonomy from society. In other instances, representatives of the capitalist class had ample access to the state decision making structure. In both cases the military government sought to promote private accumulation of capital. If the state has autonomy to veto particular interests of the most powerful class, it certainly has an overwhelming power over the lower ones, especially if their demands pose any apparent challenges to economic performance. This autonomy has obvious consequences to the social movements approaches. Contrary to what followers of resource mobilization claim, strategic alliances with more powerful groups will not necessarily result in incorporation into politics. If the state perceives these alliances as a threat to economic performance, it will use its power to neutralize them.

Corporatism and the State

Corporatism is an applied form of what Alfred Stepan (1978) calls an organic-statist approach to the state. This approach, he argues, is “not as textually and historically specific as classic Marxism or Liberal Pluralism,” yet has an intellectual lineage that runs “through Aristotle, Roman Law, medieval natural law and into contemporary Catholic

social philosophy” (1978, 27). An interesting characteristic of this organic statist tradition is that it is built upon a normative, rather than descriptive or analytical view of the state.

Liberal pluralist views of the state are descriptive in the sense that they evolve from what liberals consider a basic trait of human beings, namely individualism and self-interest. Accordingly, Marxists develop their theories from a descriptive analysis of the dominant mode of production and its consequential class struggles. Organic-statist interpretations, on the other hand, do not start from accounts of what society is, but rather from what society ought to be.

What society ought to be, according to prominent organic-statist thinkers, is a well integrated and functional system wherein different parts coexist harmonically and perform differentiated tasks. The earliest intellectual conceptualization of this kind of social integration is St. Paul’s letter to the Christians at Corinth, when he suggested that society should be an integration of separate parts, much like the human body (Wiarda, 1997). This integration is achieved through the insertion of humans in communities – a basic feature of all texts that influence corporatist approaches.

Aristotle had a similar view of mankind. According to him, man’s nature can only be fulfilled within a community. Men have, consequently, a natural tendency to form political associations. The best way to functionally organize society, therefore, would be along the “natural” existing groups and divisions of society. Participation in the “polis” is a fundamental part of human life, even prior to the family and to the individual (Stepan, 1978). A third influence on the organic statist approach comes from ancient Rome. As in Greece, political participation was a fundamental characteristic of society, but whereas the Greek practiced direct citizen participation, the Romans had a system of indirect

representation. This system granted representation to the existing social groups, such as the military, professional associations, and religious institutions, often organized under *colegios*. In a typical corporatist way, the groups entitled to participate in the political system were monopolistic in character. In other words, one and only one group represented each meaningful segment of society. Moreover, all these groups operated under the tutelage of the state.

The collapse of the Roman empire buried corporatist practices and theories for centuries. It was not until the late middle ages that groups began organizing again, due to economic changes that brought about professional guilds, more structured military, and religious orders. The decay of the feudal system opened new opportunities and needs for corporate representation. The eventual prevalence of the absolutist state, however, soon closed the opportunities for substantive participation.

It was not until the late eighteenth century that the corporate statist ideology reemerged within the realm of political philosophy. German romanticists rescued this tradition and strongly rejected the individualism that was characteristic of the French and American revolutions. Individuals could not claim their part in the formation of the will of the state directly, but only as a member of a *Stand*. The romanticists manifested their support to the central tenets of the organic state approach by stressing the importance of a strong central authority – the Monarch – but not an absolutist one. Checks and balances on the authority of the monarch are not in the hands of a parliament or any other structure of direct representation. Rather, the most capable members of the “Estates” should surround the king and represent their groups’ interests. A confrontation between the monarch and his subjects would certainly lead to this undesirable form of government.

Representation through “Estates” was the only effective way to mediate these relations (Landauer, 1983).

It is interesting that up to this point, lineage and economic function were closely correlated. The proponents of organic state, therefore, simply accepted the traditional modes of voting and representation, based on hereditary status. As social and economic development unfolded, economic function and hereditary status became increasingly separated. The corporatist literature reflected this change by gradually focusing on economic function and abandoning the concept of hereditary rights (Landauer, 1983).

As romanticism started fading, so did theoretical studies of corporatism. Economic development, however, made social problems more acute and, by the 1860s, proposals of corporatist remedies to these problems reemerged. Also, this corporatist revival was a response to two emerging ideologies of last century: Marxism and liberalism. Following the communitarian tradition, corporatist arrangements stressed the importance of the group, rather than individual, as in the liberal ideology. The organization of politics according to traditional social divisions would bring peace instead of the class struggles that Marxists predicted.

Again, the Catholic church was a strong source of corporatist ideology. In 1881, Pope Leo XIII commissioned a study of corporatism and how it related to the Catholic doctrine. A group of thinkers and of theologians met at the University of Freiburg in 1884, and produced the first definition of corporatism:

A system of social organization that has as its base the grouping of men according to the community of their natural interests and social functions and, as true and proper organs of the state they direct and coordinate labor and capital in the common interest. (Wiarda, 1997)

This work had a direct influence on Pope Leo XIII's *Rerum Novarum* encyclical which, for the first time in the catholic doctrine, recognized the rights and importance of working men. This document advocated the dignity of labor conditions, as well as the incorporation of the working force into politics. Of course, ideally, this incorporation should follow corporatist guidelines. Indeed, labor initially organized following these corporatist tenets, under the tutelage of the Catholic and Protestant churches. By the turn of the century, labor unions had spread throughout Europe, competing with socialist unions. Also, other forms of religious associations mushroomed: youth associations, business organizations, women's associations, and even Christian democratic parties (Wiarda, 1997).

It is important to stress that, in the beginning of the century, corporatism had a progressive side, for it advocated the incorporation of laborers into politics. On the other hand, it also was conservative in the sense that the state should dictate the scope and depth of this incorporation. Moreover, the conservative character of corporatism is evident when it is compared with the growing Marxist and anarchist trends of the labor movement, in the early decades of the twentieth century.

If corporatism had been mostly restricted to the realm of philosophy and ideology until the early twentieth century, it became a substantive mode of political practice during the inter-war period. At this point, it is important to retrieve Stepan's distinction between corporatism and organic statism. The latter refers to a normative approach to the state, as we have discussed above. The former is a system of government that tries to follow the guidelines or the rationale of organic statism. To the same extent that no state has ever come close to a pure form of communism, corporatist states have never approximated

pure organic-statism (Stepan, 1978). Despite the deviations from the theoretical guidelines of organic statism, there are some characteristics that define a corporatist state. According to Schmitter:

Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports. (1974: 93-94)

Stepan (1978) argues that this organization of society in functional groups, under the tutelage of the state, is a reaction by elites to crises. By controlling the state and reshaping the relationships between sectors of civil society and the state, these elites overcome crises in an orderly way. Although Stepan's idea is not unanimous among students of corporatism, it has its appeal as an explanation of emergence of corporatist regimes in the first half of the twentieth century. The failure of parliamentary liberal regimes before World War I, the Bolshevik revolution in 1917, the economic crisis of the 1930s, and the escalation before World War II were all critical elements that may have affected the emergence of corporatist experiences throughout the world. Be that as it may, Stepan's point is that corporatism is a "policy output," rather than a "social input" (1978: 47).

Although Italy under Mussolini was a *de facto* authoritarian regime, it started as a corporatist experiment⁵. Mussolini himself changed the electoral laws to concentrate

⁵ Stepan rejects the common misinterpretation of fascism as a form of corporatism. Corporatist regimes are responsive and, to some extent, accountable to those groups that are recognized by the state. Totalitarian regimes do not have this commitment to any group. Totalitarianist regimes do not integrate functional societal sectors, but rather try to

power in the hands of the majority party, and then passed other constitutional arrangements that ultimately substituted a corporate organization for the party system. Accordingly, Hitler's Germany also fell short of a corporatist regime and exhibited the same vicious traits of Italian fascism. The idea of building corporatist structures, however, also emerged out of the economics of the war efforts.

In France, Henri Pétain also sought a corporatist formula to solve economic problems; however, his plans were frustrated by World War II. Austria was another country that experienced corporatism as a remedy against crises. In this case, a constitutional crisis led the country to a civil war and then to the corporatist regime of Kurt Von Schuschnigg, between 1934 and 1938. In Portugal, Antonio de Oliveira Salazar, influenced by his social Catholic background, also resorted to corporatist arrangements to overcome economic crisis, although with limited success (Landauer, 1983).

Portugal is an interesting case in point, because, as Landauer stresses, Catholicism had a deep effect on Salazar. However, the adoption of a corporatist system in Portugal should not support the idea that Catholic societies are prone to this form of government. This cultural determinism is exactly the underpinning of another approach to corporatism. Authors like Wiarda (1973, 1997) do not explain corporatism as a proactive policy-response to crises, but rather as a historical continuity based on "medieval institutional conceptions of harmony, the common good, and the state" (Stepan, 1978: 52).

Wiarda (1997) claims that after extensive research in Latin America, Portugal, and Spain, during the 1960s, he

subjugate them. Also, corporatism seeks a peaceful integration of functional groups, whereas fascism has been associated with popular control through paramilitary groups and

[F]ound many of the same persistent and characteristic features, namely organic, integralist, top-down, statist, and corporatist institutions and practices that stood at considerable odds with the generally prevailing orthodoxy that proclaimed liberalism and pluralism as the model of developmentalism. After finding corporatism, organic statism, authoritarianism, patrimonialism, and these other features so omnipresent in so many regimes, the author determined that there was a distinct model of corporatism or organic statist (the terms were often used interchangeably) development “out there” that was particularly characteristic of Iberia and Latin America. Moreover, this model stood in marked contrast to the liberal-pluralist and Marxist models, both of which had proved inadequate for a full understanding of Latin America. (1997: 58)

Stepan (1978) refutes this cultural/historical explanation on empirical grounds. Historical continuity is a fallacy, for corporatism was in fact stronger in Latin America during the 1970s than it was in the 1950s, or in the liberal period of the late nineteenth century. Also, he argues that the common Iberian heritage fails to explain why countries like Colombia and Ecuador, where the Iberian-Catholic ethos is as strong as anywhere else in the continent, did not develop corporatist structures and practices.

Wiarda (1997) argues that corporatist culture is a source of resistance against change in state structure and institutions in Latin American societies. Stepan (1978) responds to this conclusion by pointing out that abrupt changes led by elites were exactly what brought corporatist arrangements to power in contemporary Latin America.

Rogowski and Wasserspring (1971) present a more society-centered variant of this approach to corporatism. They share with Marxists and pluralists the idea that society determines politics. Societies that are segmented will, in their view, naturally produce corporatist regimes. The case that is closest to their theoretical definition is Mexico. Stepan, however, shows how the state and political elites reshaped and even formed

even a romanticized view of violence (Stepan, 1978).

groups in Mexico, rather than being a product of societal forces. Historical experiences in Mexico and elsewhere show the role of the state or state leaders in marking the boundaries between groups and selecting and tutoring their leaders (Stepan, 1978).

Schmitter (1974) recognizes the importance of societal forces in some corporatist regimes. He divides corporatism in two types: societal corporatism and state corporatism. Societal corporatism refers to systems that are democratic and produce corporatist arrangements in a contractual way. These arrangements are characteristic of some industrialized countries that have “relative autonomous multilayered territorial units, open competitive electoral processes and party systems; ideologically varied, coalitionally based executive authorities” (1974: 105). Sweden, Switzerland, and Denmark are some examples of these countries. State corporatist systems are usually present in countries with a more centralized structure of power, with less competitive or non-existent electoral systems, and ideologically exclusive executive authorities. In other words, in authoritarian regimes.

Societal corporatism, or democratic corporatism, or yet consociationism, has its origins in historical conditions that facilitated bargaining and the formation of coalition, rather than in cultural characteristics of a given society. Katzenstein (1985) argues that European states successfully adopted democratic corporatist measures in the 1930s and 1940s as a direct response to the crisis of the inter-war period.

Democratic corporatism is a policy aimed at achieving a stable, bourgeois-dominant regime. These changes are a response to economic crises and have as a rationale the need to include subordinate classes and status groups into the political process. This

kind of response is typical of societies where pluralism slowly decays. Conversely, state corporatism is, according to Schmitter:

[C]losely associated with the necessity to enforce ‘social peace,’ not by coopting and incorporating, but by repressing and excluding the autonomous articulation of class demands in a situation where the bourgeoisie is too weak, internally divide, externally dependent and/or short of resources to respond effectively and legitimately to these demands within the framework of the liberal democratic state. (1974: 108)

Corporatism, therefore, in any of its variations, is a political system antagonistic to pluralism. Both state or social corporatist models rule out the possibility of universal access to politics and group competition. Social movements that operate within these systems cannot be fully explained in terms of resources and alliances, following the resource mobilization approach.

From this discussion, I do not conclude that the resource mobilization approach fits only pluralist states. Rather, what it suggests is that studies of social movements must account for the political context in which these movements are embedded. The underlying assumptions of resource mobilization cannot be taken for granted even in pluralist regimes, much less in authoritarian, corporatist, or transitory ones. Whether and to what extent the state is autonomous is a relevant empirical question. Rather than subscribing to any model, I, therefore, try to assess the Brazilian state on empirical grounds. I do have to say, however, that I reject Nordlinger’s methodological individualism and follow an institutional approach to the state.

It is important to stress again that corporatism is, as Stepan (1978) puts it, a “policy output.” Contrary to Marxism and pluralism, it is not an analytical, but rather a normative approach to the state. Therefore it is not paradoxical that Marxist theories may

help explain a state that adopted corporatist policies, as it is certainly the case of the Brazilian military state between 1964 and 1985.

CHAPTER 3 AMAZONIA AND THE STATE

The Brazilian authoritarian regime promoted a spectacular occupation of Amazonia between 1966 and 1985. The rationale behind this endeavor was promoting economic growth and ensuring national security. Although these goals underlined the whole period of occupation, the means to accomplish them varied during the military rule. These changes were the result of an interplay of three variables: the results of the governmental projects (measured against their own standards – security and economic growth), the interests of the regime's allies, and the interests of the peasantry in the region (which usually opposed the state and confronted its capitalist allies). During the 21 years that the military stayed in power, there were four phases of occupation of Amazonia demarcated by different economic and security policies.

In a first phase of state-led development of the Amazonia, peasants did not represent a threat to the capitalist interests in the region. Migration into Amazonia was spontaneous and slow. Squatters occupied small tracts of land in few sites close to the Belém-Brasília highway, in Southern Pará. As long as the government managed to keep indian groups inside restricted reservations, the capitalist groups met little competition for access to land. Contractors supplied cheap labor to do the work necessary to start the new enterprises. Also, the investors pressed the state to speed up the approval of their projects and to build the transportation infrastructure necessary for their operations. This phase

started in 1966, with a program known as *Operação Amazônia*, and ended in 1970, when the government started promoting immigration and public colonization of the region.

The construction of the road system and a massive influx of migrants to the region marked the second phase of frontier expansion. The sudden increase in the population changed the relations between the capitalist groups and peasantry. Competition for land became fierce, and the entrepreneurs changed their demands on the state to protect their interests. At this point, the expansion of the road network, contrary to what happened in the first phase, would most likely hurt their interests, as more roads would increase migration and competition for land. Also, squatters and land speculators usually accompanied the peasantry moving into the region, making the distribution of land and titles even more difficult.

For the owners of large enterprises, in this phase, more important than appropriation of material resources was the establishment of institutional mechanisms to protect them: “Emphasis shifted from the ‘economical and physical’ occupation of the area to a concern for the ‘legal and juridical’ occupation of state lands by private investors” (Pompermayer, 1984: 435). Particularly important for the owners of large estates was gaining titles to their land before migrants settled in the vicinities. If the government did not respond immediately to their claims, they argued that the success of the existing projects, as well as the development of new ones, would be compromised. This phase lasted for five years (1970-74). After that, the government shifted policies again.

In the third phase, the Amazonian entrepreneurs sought to consolidate their business and retain large tracts of land. The greatest challenge to their interests was the contingent of workers they once brought to the region to open their ranches and then

fired. By that time, there was a large population of rural workers struggling in the Amazon, particularly in southern Pará. With help from the Catholic Church, these workers started invading large ranches frequently, posing another threat to the continuation of capitalist enterprises in the region. This time the investors called on the state to guarantee the security of their investments, which was usually accomplished by use of force. There was no single event that marked the end of this phase; however, changes in policy became more noticeable in the late 1970s.

In the fourth and last phase of recent occupation of Amazonia the state at the same time withdrew support for private enterprises and tried to tighten social control of the peasantry. In this phase, SUDAM cut support to failing projects as the state faced economic trouble. On the other hand, the military intensified its presence in southern Pará, where land conflict was becoming a pressing issue. Even after the transition to a civilian government, the military remained in command of Amazonian development and security policies. At the same time, however, the subordinated classes came to organize in the region, and slowly got an active voice in policy making. This phase outlived the authoritarian government and still endures.

This division of the recent history of occupation of Amazonia is arbitrary. These four phases roughly correspond to the role of the state as promoters of economic growth in the region. As we will see later, the fourth phase could be easily divided in several other phases. The withdraw of governmental support was not the only significant characteristic of this phase, and perhaps not even the most important one. During this phase that the

military created GETAT¹, which represented an unprecedented instance of state autonomy. At the same time, the authoritarian government lost popular support and its capacity to repress mobilization and free speech. In 1985 the military returned power to civilians. At the same time the military tried to maintain its control over Amazonia, by successfully lobbying for the creation of a huge occupation project along Amazonia's Northwest border – *Calha Norte*, which was created in 1986. In 1988 Brazilian congress approved a new constitution that granted subordinated groups and minorities new rights.. In 1992 Brazil hosted the United Nations' Conference on Environment and Development – UNCED. All these were critical events that marked this fourth phase of colonization. Some of them were particularly relevant to social movements and will be discussed later in this chapter.

I start this chapter with an overview of the military intervention that began with a coup in 1964. In this section I explain the general doctrine that guided the authoritarian regime. After that, I briefly discuss the differences between previous attempts to develop Amazonia and the military intervention. The next sections are discussions on the four aforementioned phases of occupation of Amazonia. In the end of the chapter, I discuss some theoretical aspects of the recent history of state intervention in the region. Since there are many relevant phases, names, and dates in this recent history of Amazonia, I summarized some of them in the last page of this chapter (Figure 3.1).

¹ *Grupo Executivo de Terras do Araguaia e Tocantins* (Executive Group for the Araguaia Tocantins Lands).

The Authoritarian Regime

On March 31, 1964, the Brazilian military overthrew the constitutional government in a quick coup that met little resistance. By the time of the coup, the country was experiencing economic turmoil, which included hyperinflation and negative growth rates. Political and ideological cleavages had deepened, particularly after the inauguration of vice-president João Goulart's term in office, following the resignation of president Jânio Quadros, in August, 1961. Goulart's support from leftist groups and his populist rhetoric and policies fed the fear of communism and left some elites uneasy, including the military.

The military intervention occurred after a period of increasing polarization of politics. Although the radical left was small and weak, the threat of a leftist revolution scared the upper classes and mobilized right wing extremists: “[T]he economic stakes of political brinkmanship, as *perceived* by the propertied classes, had risen very high by 1964” (Skidmore, 1973: 4. Italics as in the original text)

Most of the military and parts of the upper classes were also discontented with the economic performance of the country and the economic policies of João Goulart's government. In 1964, Brazil was experiencing a negative growth of per capita income, as well as out of control inflation. Also, the country was on the verge of default on its foreign debt. Solving these problems would require unpopular orthodox economic measures, which Goulart's populist government was not willing to implement. Even if the government wanted to adopt hard measures, there was little reason to believe that it could successfully do that within the existing democratic institutions, or so thought the military.

Economic adjustment was, therefore, a rationale for military intervention. Due to its disregard to popular support and democratic procedures, the authoritarian regime should have been able to carry out the reforms, and, after that, return power to civilians. The first military government (1964-67), headed by President Humberto de Alencar Castello Branco, engaged in an unpopular fight against inflation endorsed by the International Monetary Fund. Two respected liberal economists – Otávio Gouveia de Bulhões and Roberto Campos – led a team of technocrats, in this battle. First, they cut increases in currency supply, slashed public expenditure, froze the government-set minimum wage, cut subsidies and protection to domestic businesses, and increased the prices of public services. Still more impressive was the government's capacity to go against interests on both sides of the political spectrum. On the one hand, it overcame the economic nationalism that had been enshrined during Goulart's term in office. On the other hand, the government got rid of tax shelters and loopholes that prevented it from collecting income tax from a large part of the population (mostly higher classes)².

As a result of these policies, the country was first engulfed by a deep recession that was particularly damaging to the industrialized state of São Paulo. By the end of Castello Branco's term, however, the technocrats had brought inflation and federal deficit down, and reestablished appropriate conditions for resuming economic growth³.

² Between 1967-69, the number of individual income tax payers grew from 470,000 to 4,000,000 (Skidmore, 1973).

³ In the first quarter of 1964 annual inflation was above 100%. It went down to 66% in 1965, 41% in 1966, and 31% in 1967. The federal deficit declined from 4.2 % of GDP in 1963 to 1.1% in 1966 (Skidmore, 1973).

Despite the successful economic adjustment, the reestablishment of civilian rule did not come about. The transfer of power from Castello Branco to his successor, General Artur da Costa e Silva represented not only an increase in the repressive role of the state, but also the inauguration of a phase of increased state participation in the economy. In this second phase the military sought to implement its own project of economic modernization of the country – a project that excluded popular participation and gave priority to economic growth.

O'Donnell (1973) named this type of regime “bureaucratic-authoritarian” (BA). These regimes were excluding and emphatically non-democratic. Their central actors were high-level technocrats, civilian and military, who worked in close collaboration with representatives of foreign capital. These technocrats “perceived high levels of popular sector politicization as an obstacle to economic growth” (Collier, 1979: 27).

I will not use the term bureaucratic authoritarianism because it entails some assumptions whose accuracy are debatable and beyond the scope of this study⁴. Nonetheless, the studies of bureaucratic-authoritarianism that followed O'Donnell's work offer a good characterization of the military in Brazil. The first important point is that this regime differed from previous forms of authoritarianism (civil or military) because it was not a case of personal rule. Rather, it was the military as an institution that ruled Brazil

⁴ The studies of bureaucratic-authoritarianism emerged as a response to the shortcomings of modernization theory, according to which democracy would naturally follow economic development. Modernization in some Latin American countries (particularly Brazil and Argentina), on the contrary, was followed by polarization and conservative authoritarianism. O'Donnell argues that bureaucratic authoritarianism emerged as a response to crises of modernization. This kind of regime could deepen industrialization by concentrating capital in the more competitive sectors and, at the same time, limiting the demands of the lower classes.

and Argentina for several years: “The armed forces take power not as in the past to maintain a dictator in power (such as Vargas or Perón) but rather to reorganize the nation in accordance with the ‘national security’ ideology of modern military doctrine” (Cardoso, 1979: 36).

This idea of “institutionalization” of the military doctrine opposes Nordlinger’s idea of state autonomy, according to which states are merely groups of individuals, rather than individuals, institutions, and structures. Despite the internal splits in the military and the policy changes during their 21 years in power, the doctrine of national security (and, to a lesser extent, state-led economic growth) guided successive authoritarian governments in Brazil⁵. Moreover, this doctrine left its imprint in the agencies that the authoritarian government established during this period.

In order to achieve its goals, the military government had to insulate itself from the interests of even its strongest societal allies. This strategy was important to attract foreign capital, a crucial point in the economic plan of the military. As foreign capital could also mean foreign competition, some sectors of the national bourgeoisie did not support this kind of policy. Nonetheless, at least for a while, the state imposed an economic model without regard to the national bourgeoisie. According to O’Donnell:

First, the historical moment in which the BA is implanted is a particularly diaphanous moment of dependence. Second, in its initial stage, this state – which excludes the popular sector, punishes economically many of

⁵ It is worth noting that economic policies varied across Latin American authoritarian regimes. After Castello Brancos’s term, Brazil emphasized investments in public enterprises; in Chile, the military opted for a liberal model based on private investment. Also, in Brazil the state allied with multinational capital in joint ventures. In Chile, the state only attracted multinational enterprises. In Peru, on the other hand, the military contributed to the weakening of foreign enterprises. Variations like this render the concept of bureaucratic-authoritarian as a solution to a specific economic crisis problematic.

its allies, is almost deaf to the national bourgeoisie, and strongly expands so as to “reorder” society – is highly autonomous with respect to that society. This entails the explicit denial of the state as the site of representation and public presence of a society that is bent upon profoundly shaking up from one end of the social scale to the other. (1978: 18)

The implementation of an economic policy that opposed the interests of strong social actors is an example of type I state autonomy according to Nordlinger’s model (Nordlinger, 1981). This autonomy, however, did not last long, as pressure from the internal allies of the military built up. Soon, the state brought the national bourgeoisie into its economic plans, forming a triple alliance among the state, national capital, and foreign capital (O’Donnell, 1978; Evans, 1979).

In this second phase, cooperation as much as co-optation underlay the relationship between the state and the industrial bourgeoisie. Martins (1986) argues that one of the methods deployed by the military to generate support involved granting economic benefits that could compensate for the lack of political freedom. This strategy clearly resembles Nordlinger’s account of type II state autonomy: The state could not act according to its own preferences before bypassing some forms of societal resistance. Later, as the economic project of the military went sour, the cost of this strategy became unsustainable.

Martins also points out that “political authoritarianism and economic ‘modernization’ have been present, in one form or another, throughout Brazil’s political and economic evolution” (1986: 76). However, the military regime differed from other state-led development experiences to the extent that it changed the whole structure of authority and the very organization of the state. Also, the military made an unprecedented effort to guide public policy in all levels of government according to its development

model. Particularly important in this new mode of development was the military notion that Brazilian society was not prepared for full democracy. Further capitalist development was a pre-requisite for the establishment of a stable democracy.

The military quickly reorganized most of the institutional framework of the state. They modified laws and bureaucratic procedures to facilitate their development project, and suppressed traditional channels of interest representation. They changed the rules of elections and party organization, in order to obtain predictable electoral outcomes. Also, they expanded the prerogatives of the federal government over the states and *municípios* and those of the executive power over the legislative and judiciary powers. The military, for the first time in Brazil, took direct and exclusive control of the executive, partially abolishing corporatist practices that granted non bureaucratic actors access to decision-making positions. Moreover, the government created an extensive intelligence service to control loyalties within the state and monitor ideological preferences of civil servants (Martins, 1986).

In the realm of public policies, the regulatory and entrepreneurial roles of the state expanded significantly. The state increased its capacity to levy taxes and resorted to foreign loans to carry out its investment plans. Military officers and bureaucrats imbued with state ideology became the managers of this new economic model aimed at promoting a fast-growing, state-led, capitalist development.

At this point, it is worth mentioning that economic development was just one side of the military intervention in Brazilian politics. The other side was a concern with internal security, which is usually considered the proximate cause of the *coup d'état* in 1964. Both

the developmental and the security aspects of the authoritarian regime are part of what Alfred Stepan calls the “new professionalism” of the Brazilian military (Stepan, 1973).

The professionalization of the military meant the introduction of highly specialized technical education and training. As modern warfare became more complex, the military focused on the skills needed to carry out their mission. By doing that, they would, at least in theory, have less time, interests, and resources to pay attention to domestic issues, gradually distancing themselves from internal politics.

This professionalization required high educational standards, which were already present to some extent in the Brazilian armed forces. According to Stepan (1973), in Brazil only a very small fraction of the military⁶ would reach the highest rank, and only after completing extensive academic training. As opposed to other realms of the public sector, the military, by 1964, had very clear and institutionalized meritocratic procedures for admission and promotion. Professionalization of the armed forces, however, did not keep the military away from politics in Brazil and in many other developing countries during the 1960s and 70s.

Stepan (1973) argues that this involvement in politics was not a deviation from the concept of a professional military. Rather, it was a natural development of a military doctrine that shifted attention from external to internal security. The United States was particularly active in spreading this new concern, moved by its fear of revolutionary warfare techniques that could defeat conventional armies in fights to establish socialist

⁶ In 1950, 21.7% of the officers in the U.S. Army were colonels and generals, whereas the figure for Brazil, in 1964, was 14.9%. To be eligible for the position of general, a Brazilian officer has to graduate from the Military Academy, the Junior Officers School, and the

regimes, as had already happened in China, Indochina, Algeria, and Cuba. Moreover, the military perceived communism as a threat not only to the nation, but also to its very corporate cohesion, for leftist ideologies had already caused some disturbance among the military ranks.

The most important source of the national security doctrine in Brazil was the Superior War College (Escola Superior de Guerra, ESG). President Dutra created the ESG in 1949, with help from an American advisory mission that stayed in Brazil from 1948 to 1960. The ESG had seven academic divisions: (1) political affairs, (2) psychological-social affairs, (3) economic affairs, (4) military affairs, (5) logistical and mobilization affairs, (6) intelligence and counter-intelligence, and (7) doctrine and coordination.

The way ESG was organized reflected military concern with internal threats to the national security. Gradually, ECEME also became involved with the doctrines of this new professionalism, creating a near consensus on the new role of the military among young top officers, in the early 1960s (Stepan, 1973). This new role included leading the economic development of the country, a task that, in the military view, traditional politicians were not prepared or willing to accomplish. The same skills and training that led them to diagnose the problem behind the crisis made them believe that nobody else could lead the country out of it. Therefore, in contrast to earlier instances of military intervention, this time they decided not to return power to civilians immediately after the intervention. As with economic policy, the decision not to return power to civilians

General Staff School (ECEME), whose written entrance examinations failed more than three quarters of the candidates (Stepan, 1973: 53).

evolved over some years. Parts of the military and civilian technocracy hoped to return power after the liberal economic adjustment, but instead, the government became more interventionist and repressive after 1968.

Development and National Security: Colonizing Amazonia

Nowhere was this coupling of national security doctrine and state-guided developmentalism clearer than in Amazonia. It was in this region that the military took concentration of power to its extreme. As Schmink and Wood observe:

The changes that held the most far-reaching consequences targeted the institutions and procedures that regulated access to Amazonian resources. By increments the federal assault on state autonomy revamped the entire bureaucratic framework that governed the procurement of land and minerals on the frontier. (1992: 59)

The military intervention created a new state structure that broke down the traditional political, social, and economic organization of Amazonia and established a new pattern of state-society relations in the region. These changes were part of the military agenda to boost capitalist development and to guarantee national security. Government planners considered the development of the region as one of the best ways to achieve fast economic growth. The region had a vast amount of unused or underused land that could house export-oriented agricultural operations. The exploitation of mineral deposits was another promising source of export revenues. Moreover, government technocrats hoped that the development of these sectors could spill over into the rest of the local economy, creating and developing more dynamic industrial sectors.

From the perspective of national security, the region was important for both internal and external factors. The military considered the size of the region, coupled with

its low demographic density and its richness as a temptation for other states bordering the Brazilian Amazon. According to their geopolitical doctrine, occupation by Brazilians was the best way to establish sovereignty over the region and to avoid future claims by neighboring countries.

In terms of domestic insurgency, Amazonia was not considered a threat, with the exception of the South of Pará. In fact, despite the low standards of living in the region, the poor could make their living by means of extractive activities, like rubber tapping, fishing, and collecting Brazil nuts. The low demographic density of the region also contributed to its tranquility. The strategic interest of the military in the region rested precisely on the putative “emptiness” of Amazonia. As poverty was becoming acute and dangerous in the Brazilian Northeast, government officials started looking at Amazonia as an escape valve.

Although the basis for colonization had been established earlier, the military did not prioritize the colonization and development of Amazonia until after 1970, when the peasantry in the Northeast of the country reached unprecedented levels of poverty. The living conditions of the northeastern peasantry provided a perfect environment for the emergence of social unrest and the spread of communist ideas. Repression was too costly for a government that already lacked legitimacy and popular support.

Social movements and popular leaders in the Northeast had been the main target of state repression during the first years of the military regime. The government banned peasant associations and intervened in rural unions. It arrested, tortured, and extradited some of their leaders; yet, mobilization persisted. Land reform in the Northeast was not an option, since the military had taken power in the name of opposing President Goulart’s

land reform rhetoric. Moreover, part of the military support came from the landed elites, who would not tolerate any discussion about redistribution of private lands.

The first measures aimed at developing Amazonia had already been included in the 1946 constitution, which prevailed until 1967. Senators and deputies from the region suggested and passed an article establishing that 3% of the tax revenues of the union, states, and *municípios* be invested in the development of the region for at least twenty years (Article 199, cited in Cardoso, 1977; Mahar, 1978). Later, in 1953, President Vargas passed a law (no. 1806), also known as the Plan for Valorization of the Amazonia (Plano de Valorização da Amazônia, PVA), which defined, in broad strokes, the use of this fund. The main objectives of the plan were to promote the economic development of the region, particularly through agriculture, ranching, and extractive activities, but seeking diversification away from rubber tapping.

Extending the State Structure

An important part of the Plan for Valorization of Amazonia was the establishment of the infrastructure necessary to support development in the long run. This included a transportation program, an energy program, the creation of credit lines, and the generation of local scientific and technological expertise. Also, the government reorganized the bureaucratic apparatus of the state. This new administrative structure aimed to coordinate the work of all the federal agencies in the region and the work of federal, state, and municipal governments. President Vargas created the Superintendency for the Valorization of the Amazonia (Superintendência para Valorização da Amazônia, SPVEA), in 1953, to carry out the plan. The SPVEA was an autonomous agency, linked directly to

the Presidency. A superintendent was in charge of executive affairs of the agency, whereas a 15-member board was responsible for the elaboration and overview of its programs. Out of those 15 members, 6 represented the issue areas that concerned the agency: education, health, agriculture, trade and credit, natural resources, cultural development, and transportation. The other members represented the states and territories directly affected by SPVEA⁷.

SPVEA played a relatively modest role in the development of the region. The most important achievement during its existence from 1953 to 1966 was the construction of the Belém-Brasília highway (1956-60), linking the capital city of Pará – Belém – to southern Brazil, and some other regional roads. This agency also brought fresh money to the region, opening credit lines through the Amazon Credit Bank (Banco de Crédito da Amazônia - BCA). This credit enabled the development of new agricultural and industrial sectors that competed with the traditional extractive activities.

Mahar (1978), analyzing public development policies in Amazonia, considered the impact of SPVEA minimal. The administrative structure of the agency was a constraint in itself. Since the members of the board represented a plethora of interests, coordination and consensus among them were hard to achieve. The goals of the first five-year plan were too ambitious and vague. To make things worse, technical knowledge of the social and economic structure of the region was scarce. As a result, the Brazilian Congress never

⁷ During the discussions on the law no. 1806, which created the SPVEA, the Brazilian Congress created the definition of the Legal Amazonia (Amazônia Legal). The Legal Amazonia comprises the former Classical Amazonia (Amazônia Clássica) – the States of Amapá, Acre, Roraima, Rondônia, Amazonas – plus the North of the state of Mato Grosso, the North of the state of Goiás (now this region is the state of Tocantins) and the

approved the five-year plan, and decided to provide the agency's budget on an annual basis. During its existence, SPVEA frequently faced budgetary cuts by the Congress, which forced revision of some projects and the cancellation of many others. Table 3.1 shows the budget approved and the one realized for the period 1955-60. On average, the agency was unable to use almost 40% of its budget. These problems contributed to the geographical and functional fragmentation of SPVEA's resources, crippling the long-term planning mission of the agency.

Table 3.1: Approved and realized budget for SPVEA, 1955-1960 (Cr\$ 1000, 1978).

Budget Category	Approved (1)	Spent (2)	Difference (1) - (2)	% (2)/(1)
Transportation/Communications	4,890,2	2,840,0	2,050,2	58.1
Credit	4,290,6	2,742,1	1,548,5	63.9
Health	2,961,5	1,979,5	982,0	66.8
Energy	1,472,7	1,021,8	450,9	69.4
Agriculture	1,792,0	1,066,9	725,1	59.5
Education	1,100,8	556,3	544,5	50.5
Natural resources	661,9	398,2	263,7	60.2
Total	17,169,7	10,604,8	9,564,9	61.8

Source: Mahar (1978).

Besides its budgetary provision, SPVEA was also the supervisor of a fund aimed at providing credit to agricultural and industrial operations (Fundo de Fomento à Produção). The government created this fund in 1950, as a tool to finance the rubber sector through the BCA. When SPVEA was created, the Bank got 10 % of the agency's budget to invest according to the plans designed by SPVEA. Mahar claims that the effect of this fund upon the development of the Amazon was negligible. According to him,

West of the state of Maranhão. This redefinition of the Amazon increased it by approximately 30%, covering almost 60% of the Brazilian territory.

although the balance sheet of the bank always demonstrated that the money was used in accordance to SPVEA's policies, there was an overall suspicion that most of the money went to the traditional rubber sector. Critics of the bank also accused it of diverting parts of the fund to its more profitable commercial and financial activities (Mahar, 1978).

There are two important differences between this first attempt to modernize the local economy and the one made by the military two decades later. First, the later military effort was much larger than this early program. Second, and even more important, is the difference in the very nature of the state intervention in these instances. As noted by Cardoso and Müller (1977) the creation of the fund, in 1946, was an initiative that came from Amazonian politicians. Furthermore, the local rural elites benefited from the credit lines created by SPVEA, appropriating public land to invest in agriculture and ranching. Urban elites also took advantage of this money, for SPVEA offered credit for industrial development in Belém, a program that, according to Schmink and Wood, "absorbed the lion's share of the available funds" (1992: 49). As we will see in the next section, the military plans to develop the Amazonia in the 1970s would alienate local elites from policy-making.

The First Phase: Operation Amazonia (1966-1970)

In 1964, the new superintendent of SPVEA described it as "a failed and disorganized institution, unable to carry out its tasks as an agency of social and economic development of the region" (Mahar, 1978: 20). In 1965, the first military president after the coup – Castello Branco – declared the intentions of the regime to seek a new model of development in the Amazon. This model followed the general trend of the regime to

centralize planning and to promote economic growth according to the blueprints of its technocrats. The military identified in Amazonia the same problems they considered to be hindering development everywhere else in Brazil; the subordination of technical economic decisions to political interests, which was certainly true in the case of SPVEA.

As a result of the decision to change policies in Amazonia, the President issued a decree creating a five-member committee to define the new development policies for the region and to draft all the required legislation to implement it. Congress approved this new legislation in 1966, initiating what became known as *Operação Amazônia* (Operation Amazonia). The main objectives of this new plan were to establish development poles (Polos de Desenvolvimento) and self-sustaining population centers; stimulate in-migration; create incentives for private capital; develop infrastructure; and promote research on the natural resources of the region.

The most immediate effect of the new legislation was the extinction of SPVEA and the creation of the Superintendência de Desenvolvimento da Amazônia (Superintendency for Development of Amazonia – SUDAM) as the new development agency for Amazonia. A new bank, the Bank of Amazonia (Banco da Amazônia, BASA) replaced the Amazonia Credit Bank. The main mission of this bureaucratic structure was to attract private capital from other parts of the country and from abroad by means of fiscal subsidies.

According to the laws that constituted the Operation Amazonia, private companies that SUDAM considered to be of regional strategic interest could qualify for exemptions of up to 100% of their income tax obligations due until 1982. The law also exempted those companies from export taxes on their products and import taxes for machinery and

industrial equipment (Mahar, 1978). BASA also made funds available for loans or equity for approved projects, initially lending two dollars for every dollar invested and, later, lending up to 75% of the total cost of the projects (Schmink and Wood, 1992).

Another important part of Operation Amazonia was the creation of the Superintendency for the Manaus Free-Trade Zone (Superintendência da Zona Franca de Manaus - SUFRAMA), by a decree-law issued in February 1967. The SUFRAMA, like SUDAM, is linked to the Ministry of the Interior, which is responsible for the management of the Manaus Free-Trade zone. The rationale for the creation of this agency was the integration of western Amazonia with the rest of the country. Critics of the previous plans to develop the region claimed that they directed most of the available resources to eastern Amazon, particularly to Belém and its vicinity (Mahar, 1978). As an attempt to create an industrial nucleus, SUFRAMA offered an attractive package of fiscal incentives⁸ for private companies to operate in the region (Cardoso and Müller, 1977).

The Second Military Phase: The National Integration Plan (1970-74)

State intervention in Amazonia reached an unprecedented level in the early 1970s, when the military regime promoted massive migration into the region, following the opening of a long network of highways and roads throughout the region. Besides the deployment of huge financial incentives, another important characteristic of this second phase was the expansion and consolidation of the bureaucratic framework that the state established after 1966, with Operation Amazonia. The landmark of this phase was the

⁸ The subsidies included exemption from the main taxes: Industrialized Products Tax (Imposto sobre Produtos Industrializados, IPI), Sales Tax (Imposto sobre Circulação de Mercadorias, ICM) and import and export taxes.

National Integration Plan (Plano Nacional de Integração, PIN), launched in 1970. This plan, like Operation Amazonia, was embedded in the military doctrine of economic development and national security. Nonetheless, circumstances required a more proactive state intervention, or so perceived the military leaders. As Martins puts it:

Médici's regime was characterized by the attempt to balance pomp with circumstance. The pomp was reflected by large and ambitious development projects, such as the National Integration Plan (PIN), announced in June of 1970, and PROTERRA, put forth the following year. The circumstance included the dramatic and politically volatile drought in 1970 and the hunger and need for land among workers in the Northeast. Public policy was supposedly designed to resolve these problems. (Martins, 1984: 476)

Severe droughts drove the northeastern peasantry to a worrisome situation. As poverty was endemic and inequalities increased, the social and political environment become explosive. At the same time, the concentration of landless peasants close to large ranches in southern Pará created a favorable environment for the establishment of a leftist guerrilla group. In a visit to the Northeast in 1970, President Médici felt the pressure to adopt effective measures to alleviate the social tensions. As a means to avoid real land reform in a highly populated region where land concentration was paramount, the government decided to "bring the people without land to the land without people."

As its name suggests, the main goal of the PIN was to link the Amazon to the rest of the country. The most important means to accomplish that was the construction of the Transamazônica and the Cuiabá-Santarém highways. Planners designed the Transamazônica to cross the Northeast and the legal Amazonia from East to West. This highway would allow the migration of the landless peasants and drought refugees into the region, as well as stimulate the economic integration of the region. Similarly, the Cuiabá-

Santarém highway provided a link between the capital of Mato Grosso state – already linked to the South by roads – and Santarém, the second largest city in Pará state. This North-South integration was also important for migration purposes, because the agricultural modernization in the South was driving small farmers off their lands.

The move by the federal government sounded like a legitimate concern for those worse off. Nonetheless, it was also a maneuver to avoid addressing the very root of the problem: land concentration. Of course the “pomp and circumstance” that underlined the PIN put a toll on acceptable technical and economic planning. Conservatives attacked the program, claiming that it was a backward step in planning. Leftists, on the other hand, considered it a poor substitute for land reform. Politicians from the Northeast considered the PIN detrimental to their interest, for it diverted resources that they could use in their region. Unexpected opposition came from the federal bureaucracy itself: SUDAM felt that the emphasis on colonization challenged its leading role in developing the region. Moreover, private groups allied with SUDAM, and beneficiaries of its development policies felt threatened and lobbied against the PIN (Schmink and Wood, 1992).

Besides the construction of the highways, the federal government also planned the colonization of a ten-kilometer land strip on both sides of the new roads. The settlers would receive one-hundred-hectare plots from the Ministry of Agriculture, which was responsible for the settlement of migrants. To effect the distribution of land, the federal government added a new agency to its bureaucratic structure, the National Institute for Colonization and Agrarian Reform (Instituto Nacional de Colonização e Reforma Agrária, INCRA).

Another important part of the colonization and (limited) land reform program was the Land Redistribution Program (Programa de Redistribuição de Terras, PROTERRA). The PROTERRA was aimed at facilitating land purchase, improving rural working conditions, and promoting the vertical integration of the agricultural sector in the North and Northeast. The INCRA, which administered PROTERRA, was to purchase or expropriate *latifúndios* that would be later sold to small farmers. Besides acquiring land, INCRA was also responsible for providing rural credit and financing the infrastructure for agribusiness in the colonization sites (Mahar, 1978).

To understand the plans of the military to colonize Amazonia, it is necessary to understand the view of their technocrats on the modernization of agriculture. Until 1970, the agrarian issue had had little importance in the governmental plans to develop the region, although the military created a legal and bureaucratic apparatus to deal with the agrarian question as soon as they took power. Modernization of the agricultural sector was a priority for the new regime, and some of the planners concerned with this modernization considered the agrarian structure as a barrier to achieve their goals. The issue of land concentration was part of an intense academic and political debate on the development options that Brazil faced in the early 1960s. Nationalists and leftists advocated autonomous national development as the best way to deepen the import substitution industrialization that was already reaching its limits. For those groups, the most appropriate option to continue the process was by means of expanding the internal

market and increasing domestic savings. They considered a reform in the agrarian structure as an essential step toward these goals⁹.

A more conservative trend pointed to international capital as the solution to move industrialization ahead. For the supporters of this view, the Brazilian agricultural model did not hamper industrial development. On the contrary, some even argued that the agricultural sector was playing an effective role in the economy, transferring productivity gains to the commercial and industrial sectors. According to Delfim Netto, a distinguished conservative economist who later became Minister of Agriculture, the development of agriculture in Brazil did not depend on the distribution of lands. Rather, he argued, the bottleneck of agriculture was technological: the low technical qualification of the working force, the low degree of mechanization, and the lack of fertilizers and genetically improved seeds (Gonçalves-Neto, 1997).

The former view of the role of the rural sector is clearly expressed in the Three-year Plan (Plano Trienal de Desenvolvimento Econômico e Social - 1963-1965) prepared by Goulart's minister, Celso Furtado. Although part of President Goulart's government

⁹ The archaic agricultural sector hindered economic modernization due to three main factors. First, and most important, the supply of agricultural products did not keep up with the demand, causing prices to increase at a faster pace than industrialized products, causing a transfer of income from the industrial to the rural sector. This transfer impeded the accumulation of capital necessary for the industrial sector to make further investments. Also, it caused an undesirable accumulation of resources by the owners of *Latifúndios*, who were not willing to invest it in the modernization of their sector. As the agricultural prices increased, they affected the cost of living in urban centers, pressing wage increases that would act against accumulation in the industrial sector too. Second, the maintenance of anachronistic modes of production in the rural sector, like sharecropping and disguised form of serfdom, alienated a significant part of the population from the market. Third, this same rural structure would not create a demand capable of developing an industrial sector to supply tractors, machines, pesticides, fertilizers and other inputs of modern agriculture (Gonçalves-Neto, 1997).

program (which the military execrated), this plan supplied the military regime with some insights for their first economic plan. The first minister of planning during the military period prepared a Governmental Economic Action Program (Programa de Ação Econômica Governamental, PAEG) in 1964. In accordance to the conservative nature of the new regime, the program stated the government's faith in liberal economic doctrine. However, at the same time, it asserted the need for some governmental intervention in the economy to accelerate development and to solve inequalities in income and wealth distribution.

Contrary to the conservative view, therefore, the bureaucrats considered the traditional agricultural sector as a barrier to economic development. Furthermore, they also agreed that the agrarian structure was partially responsible for the backwardness of Brazilian agriculture. Considering these economic aspects of the agrarian structure, in 1964 the government passed new legislation, the Land Statute (Estatuto da Terra, law no. 4.504, 11/04/1964, cited in Ianni, 1979). This law established the institutional and administrative infrastructure for an eventual land reform.

Surprisingly, the government passed a law that was very clear and technically sound. The Land Statute defined what constituted the possible targets for land expropriation and redistribution, introducing the concepts of *Latifúndio por Tamanho* (oversized properties subject to expropriation), *Latifúndio por Exploração* (underused properties, disregarding size, subject to expropriation), and *Empresas Rurais* (Rural Enterprises, not subject to expropriation). These precise definitions were in fact a response to the vague definitions of *Latifúndio* discussed by leftists during the troubled years prior to the coup. Those vague definitions could, in theory, make any rural property subject to

expropriation, which especially angered land owners (Ianni, 1979; Martins, 1994). Moreover, the Land Statute eliminated the requirement that expropriations be paid in advance. It also created the opportunity for the government to pay expropriations using bonds, instead of cash (Sorj, 1980).

Besides the legislation, in 1965 the military created three executive agencies to deal with issues of land reform and colonization: the Brazilian Institute for Land Reform (Instituto Brasileiro de Reforma Agrária, IBRA); the Executive Group for Land Reform (Grupo Executivo de Reforma Agrária, GERA); and the National Institute for Agrarian Development (Instituto Nacional de Desenvolvimento Agrário, INDA). These agencies, however, played no important role in Amazonia, or anywhere else in the country. The low profile of these agencies, along with repression of rural labor leaders, showed that the politicization of land distribution was unacceptable for the military. Any attempt to promote land reform would be based on technical criteria and serve the purpose of expanding capitalist agriculture (Ianni, 1979).

If, on the one hand, the military tried to depoliticize the issue of land reform by claiming that ideological claims from the left were not legitimate, on the other hand, they did not overcome the conservative ideological resistance against any changes in the agrarian structure that came from the right. Even though the new regime intended to carry out any measures required to promote economic development, and land reform was one of those measures, the military could not turn against its allies and run the risk of losing most of its social support. As Martins puts it:

The 1964 military coup and the form of land reform proposed by the military are part of this framework of historical and institutional stalemates. First, because the coup would not have been possible without the action and

intervention, rather ideological than political, of a social class so broadly spread throughout all the territory as the land owners. It was them, with support from conservative groups within the clergy and parts of the middle class, who succeeded in taking the idea to resist social reform to the streets, evoking the holiness of values and tradition. (Martins, 1994:78)

The most important bureaucratic change that followed the PIN was the creation of the National Institute for Colonization and Land Reform (Instituto Nacional de Colonização e Reforma Agrária, INCRA). INCRA absorbed the responsibilities of all existing colonization and land reform agencies: INDA, GERA, and IBRA. The new laws gave INCRA the responsibility for administering colonization and the organization of cooperatives. The new legislation determined that 30% of the fiscal incentives granted in the region be redirected to the PIN for the period 1971-1974.

More impressive than INCRA's financial resources, however, was its control over land. In 1971, Decree Law no. 1164 extended the Federal States authority to land lying one hundred kilometers on either side of federal roads. This included actual roads as well as planned ones, which gave INCRA power to seize municipal and state lands (Schmink and Wood, 1992). This concentration of power gave INCRA control over approximately thirty-one million square kilometers of the Brazilian territory in thirty-three colonization projects (Almeida, 1992). The most impressive case of land seizure by the federal government was the state of Pará, where INCRA took over about 70% of the state territory (Schmink and Wood, 1992).

In spite of INCRA's unprecedented power, the creation of this agency represented a demotion in the status of land reform. IBRA had been directly linked to the Presidency, with an administrative status similar to that of a Ministry. INCRA, on the other hand, was

part of the Ministry of Agriculture. By making this change the military tried to frame land reform as a sectoral concern, rather than a pressing social problem (Martins, 1984). In practical terms, colonization became isolated from other issues and agencies that played important roles in the development of the region. Migration into the region and the settlement of the colonizers should have been the focus of the occupation of Amazonia. Instead, it was just one issue competing among so many others. Martins presents a sharp summary of the PIN:

Development projects were disengaged from the question of land tenure and greater weight was given to private interests. Government policy aimed to shift migration flows out of the countryside so as to permit the expansion of large enterprises, especially in frontier areas. In effect, these trends implied that the government reneged on its original plans for Amazonia and tacitly revoked the land statute. In this way Médici's regime appeared to act in favor of landless rural workers while, at the same time, it progressively undermined the institutional basis for an agrarian reform. (Martins, 1984: 476)

Also, the model of colonization adopted by INCRA had, according to Almeida, “(A) complex and idealized spatial organization, excessively lengthy bureaucratic procedures, and ambitious objectives” (1992: 85). Indeed, although aimed at creating a rural middle class, the PIN fell short of its economic goals and reproduced in Amazonia the undesirable social problems that the military tried to solve in the Northeast. The coexistence, particularly in southern Pará, of large cattle ranches and a large population of migrants who did not receive much support from INCRA created further social unrest. The landless workers soon started invading the ranches, and violence escalated.

The Third Phase: POLAMAZONIA (1974-1979)

The technical and social failure of the colonization program served as ammunition for those who opposed distribution of public land. The antagonism between the peasantry and large investors had been present since the beginning of official colonization; however, as roads were opened, the value of land in Amazonia increased, and so did the interest of the investors. The continuation of public colonization would increase competition to acquire more land and to consolidate tenure over the lands already occupied by ranchers, legally or not.

An organization representing the interests of businessmen, the Association of Amazonian Entrepreneurs (Associação de Empresários da Amazônia, AEA) fiercely fought against the continuation of official colonization. They directly lobbied the Ministers of Interior, Planning, and Agriculture, claiming that an occupation based on private colonization and large scale ranching was the most rational way to develop the region¹⁰. The failure of the peasants was blamed on their lack of managerial and technical skills to succeed in commercial agriculture (Wood and Schmink, 1978).

The shift in governmental priorities did not require a huge lobbying effort by capitalists from the South. Private interests were attuned to the government planners' view of development. This was particularly true in the Ministry of Planning, which housed SUDAM:

¹⁰ In spite of its name, the association was a group of powerful entrepreneurs from the state of São Paulo. They formed the AEA in 1968 to defend the interests of the agroindustrial sector, which was being excluded from important governmental decisions. The creation of SUDAM and its generous subsidies attracted the attention of those businessmen. They felt that it was more productive to organize in a lobbying group to circumvent bureaucratic barriers (Pompermeier, 1984).

Technocrats in Brasília, especially in the Ministry of Planning, did little to hide their scorn for most INCRA officials, whom they considered woolly-headed idealists trying ineffectually to carry out an egalitarian land settlement program that ran counter to the main thrust of the country's development priorities. In the Amazon itself, INCRA became jokingly known as the *Instituto que Nada Conseguiu Realizar na Amazônia* ("the Institute that Managed to Accomplish Nothing in Amazonia"). (Schmink and Wood, 1992)

The official development discourse provided enough support to undermine the public colonization of Amazonia. Government officials and businessmen claimed that the occupation of the region by small farmers was technically and economically inefficient and should be replaced by private colonization and large scale cattle ranching. Suddenly, even environmental degradation was being blamed on the peasantry, and the bureaucrats in Brasília started advocating a less predatory occupation of Amazonia through large enterprises (Schmink and Wood, 1992).

The military and their allies gave the same unexpected twist to the agrarian problem. According to the new discourse, it was the existence of *minifúndios* (undersized properties), rather than the *latifúndios*, that caused the backwardness of the rural sector. Concentration of *minifúndios* in larger properties that could afford modernization was, according to this "modern" interpretation, necessary to develop capitalist agriculture (Sorj, 1980).

As a result of the unsuccessful public colonization and the campaigns from within and outside the state to terminate it, the government shifted its policies again in 1974. This new phase was marked by subsidies to large-scale operations, particularly ranching and

private colonization¹¹. The landmark of these new policies was the new Program for Development of Agriculture, Ranching, and Mining Poles (Programa de Polos de Desenvolvimento Agropecuário e Agrominerais da Amazônia, POLAMAZONIA), launched in 1974.

The strategy of POLAMAZONIA was to create a suitable environment for the development of private business outside large urban areas. The initial goal of the program was to develop fifteen sites, selected according to their comparative advantages (Mahar, 1978). Although the government never implemented some of these poles, other grew fast and yielded the economic growth that the state expected so eagerly. This was the case of the Serra dos Carajás region, in the state of Pará, where the federal government created the necessary infrastructure for the exploitation of its huge reserves of iron ore.¹²

This shift also meant the triumph of SUDAM over INCRA. The real battle between these two agencies was not a fight for resources between the peasantry and businessmen. Rather, it was a dispute over prestige and resources between bureaucratic agencies. As soon as POLAMAZONIA replaced the PIN, most of the budget for developing the region passed from INCRA's hands to SUDAM's. Table 3.2 shows the weakening of INCRA relative to SUDAM.

¹¹ PROTERRA provided subsidized credit for private investors to purchase huge tracts of land. These investors would then survey and demarcate the land, build roads, and sell the plots to settlers. As these colonizing companies had a legal duty to colonize only 20% of the lands they acquired, this policy contributed to land concentration on the frontier (Almeida, 1992).

¹² The original fifteen sites were: Xingu-Araguaia, Carajás, Araguaia-Tocantins, Trombetas, Altamira, Pré-Amazônia Maranhense, Rondônia, Acre, Juruá-Solimões, Roraima, Tapajós, Amapá, Juruena, Aripuanã, and Marajó.

Table 3.2: Indicator of government activities in colonization compared with indicators of activities related to large-scale enterprises (1977 Cr\$).

	Colonization - PIC Altamira and Itaituba		Large Enterprise	
	INCRA Budget	INCRA Personnel	INCRA Land-Tenure Classification	Fiscal Incentives SUDAM Disbursements
1970				632,758,447
1971				561,533,792
1972	128,265,518	1,228		424,298,206
1973	159,330,205	1,651	324,000	477,618,018
1974	119,719,014	833	510,000	487,391,435
1975	112,065,111	700	600,000	923,671,516
1976	95,190,642	517	1,486,200	652,922,274
1977	39,700,639	248	559,700	504,926,063

Source: Adapted from Bunker, 1985, p. 114.

INCRA did not fight against the new policy; rather, it adapted itself to accomplish the new goals of the planners (Ianni, 1979). In 1973, changes in INCRA's top management had already cleared the way for private colonization and the abandonment of the small farmer settlement scheme (Martins, 1984). By that time, the federal government had already agreed on licensing large tracts of land to private businesses. Initially, these new licenses were limited to private colonization projects up to 100,000 hectares¹³.

In 1976, INCRA announced its intent to sell even larger plots of public land to private investors. The federal government allowed those interested in colonization projects

¹³ INCRA was organized in separate departments, directed to seven basic tasks: (1) examination and validation of claims to occupied or titled land; (2) survey and sale by public bid of federal lands in lots of up to 3,000 hectares and the sale of larger lots subject to congressional approval; (3) maintenance of cadastral survey and collection of the national land tax; (4) supervision and regulation of private colonization companies; (5) establishment of federal colonization projects; (6) agrarian reform as defined by the Land Statute; and (7) promotion and regulation of agricultural cooperatives.

to buy up to 500,000 hectares. INCRA also extended the limits of ranches and forest exploitation units to 72,000 and 66,000 hectares, respectively. This was the government's real priority: developing the country through state, private, and multinational capital, rather than a legitimate concern for the poor. As Martine notes:

The launching of a major government program centered on small farmers and geared primarily to the needs of the poorer segments of the rural population was certainly not a characteristic move in Brazil's concentrative model of growth which, in 1970, was reaching the height of its "economic miracle"; indeed, it can convincingly be argued that the PIN constitutes a historical anomaly within the context of the predominant Brazilian model. The inherent inconsistencies between the PIN's concern with the rural poor and the overall philosophy of the prevailing political and economic model soon came to the fore and these incongruencies can be considered the primary determinant of the colonization programmes's failures on the Transamazônica highway. (Martine, 1980: 86)

As the president of INCRA, who took office on May 1974, claimed:

This does not mean that the colonization projects failed, it implies a lack of necessity to attract colonists, for they still are flowing into the region spontaneously. Therefore, it is INCRA's duty to rationally channel these migratory flows and to offer job opportunities along with grants to benefit companies and cooperatives. The Integrated Colonization Projects will be carried out only in cases of national security, as in Roraima. (Ianni, 1979: 88-89. My translation)

Indeed, INCRA did not do anything to attract migrants. It never managed to control the flux of migrants or to provide jobs to the colonists either. The new roads and the apparent availability of land continued to attract poor rural workers from all over the country. This continuing migration, coupled with the preferential status of private

colonization aggravated the agrarian conflicts in the region¹⁴, and precipitated a military intervention in the state of Pará in 1980.

The Fourth Phase (1980 -Present)

Students of Amazonia do not necessarily agree with the chronological division of the military period presented here. Théry (1980) divides the state action in the region in two periods: one of intense state intervention, during the rule of President Médici, and one of free enterprise, which was dominant during the President Geisel years. It is true that the state became less active in the region during Geisel's years, but free market was never the trademark of his government. What happened, instead, was that capitalism, after a few years of state tutelage gained a life of its own in Amazonia. It is a mistake, however, to think that the state retreated from the region. Instead, it cut its support to (some) failed enterprises, but maintained its interest in the aspects of occupation of Amazonia linked to national security. Gradual withdraw from the local economy is, therefore, the underlying characteristics of the fourth phase.

According to Pompermayer (1984), a significant retreat of the state from the economy happened in the last military government, in 1979:

With regard to cattle ranching, for example, once the intense land-grabbing phase was over, a selection process began to weed out those who were in Amazonian investments for purely speculative reasons. In 1979, SUDAM canceled its support for sixty of this type. When they no longer received fiscal incentives, many were absorbed by other, presumably larger and more capable firms. In another category were the projects that were canceled altogether. Because they were not viable economic ventures to begin with, they were taken over by SUDAM. (1984: 428-429)

¹⁴ Schmink and Wood (1992) present a detailed study of the effects of road opening on land occupation in southern Pará.

This retreat of support to private businesses reflected the economic difficulties that the military experienced during its last years in power. The development plans introduced after 1968 initially succeeded, but the high growth rates of the early 1970s were not sustained for long. At the same time, the Brazilian foreign debt reached gigantic proportions. These difficulties diminished the state capacity and willingness to invest public resources in projects whose success was doubtful.

Another important aspect of this phase was the governmental intervention in southern Pará, where tension due to land conflicts had reached a dangerous level. In 1980, President João Batista de Figueiredo created GETAT, a special agency whose mission was to pacify the struggle for land in this region using administrative and coercive means. This agency accumulated an unprecedented amount of resources, and was placed in a high hierarchical level (it was directly linked to the presidency and to the national Security Council). The GETAT took resources and personnel from INCRA, and also accumulated the duties of this and other governmental agencies (municipal, state, and federal) in this region.

An important function of GETAT was issuing of land titles where conflicts existed between ranchers and squatters. Also, the agency offered land title in exchange for support for governmental electoral candidates. This mode of operation later became known as “crisis colonization” (Schmink and Wood, 1992). An important consequence of this kind of intervention, was the increase of conflicts. Squatters learned that the fastest way to be settled was by means of mobilizing and confronting ranchers. As the threat of violence escalated, GETAT would intervene and distribute land and title to the squatters. Moreover, this kind of response by the peasants became a crucial part of the repertoire of

action of the social movements that emerged in the region thereafter. As I will show in the next chapter, the peasantry learned that they could use their capacity to provoke political disturbance to their advantage.

After 1984, the power of GETAT slowly faded until its virtual abandonment, in 1987. The decadence of this agency, however, did not mean a retreat of the military from Amazonia, not even after 1985, when a civilian government took power. As a matter of fact, the military continued to treat Amazonia as a national security problem, and national security was a “reserved domain” of authority for the military until very recently¹⁵.

Perhaps the best example of the continued interest of the military in Amazonia was the creation of the Calha Norte program, in 1986. Calha Norte was a defense program aimed at protecting the Brazilian territory along the border with Venezuela. Again, the military planned to implement colonization poles in the region and an extensive road net linking them. If the program had been fully implemented, it would have had a serious negative impact on the environment and land rights of indigenous groups. As Schmitz and Wood (1992) noticed, despite the continuities this was a period of important changes:

By the late 1980s the interests expressed by grassroots movements in the region and by opposition groups at the national level increasingly coincided with the content of the new international debate regarding the environmental consequences of conventional development models. The result was the forging of novel alliances that established direct links between lobby groups with a global agenda and activists that operated at the local level. New sources of power – including material resources, access to information, and new bases of legitimacy – became available to native Amazonians and their

¹⁵ Valenzuela (1992) introduced this concept in a study on the role of the military in post-authoritarian regimes. According to him, the military can hamper the consolidation of democracies in four ways. First, by maintaining tutelary powers over elected officials. Second, by creating reserved domains of authority and policy making. Third, by creating and maintaining discriminatory electoral processes. Finally, by maintaining conditions for the establishment of government through non electoral means.

supporters. For the first time, the people who lived in the region began to have an impact on the course of Amazon development policy (1992: 96).

These changes were only possible due to the weakening of the military government and the gradual process of democratization. The state lost societal and international support, and, therefore its capacity and will to repress. Under these conditions new social movements emerged throughout the country, communication and alliances between urban and rural groups became easier, and international actors (such as non governmental organizations) became more influential.

Conclusions

The recent colonization of Amazonia challenges the literature on the state in several aspects. First, it shows that even an authoritarian state has problems in maintaining its autonomy. In the early years the authoritarian government state was able to impose its will on Brazilian society. First, Castello Branco's government promoted a recessive economic adjustment that hurt the interests of capitalists and wage laborers alike. In the case of Amazonia, it challenged the existing local elites and alienated them from its development plans for the region. The beneficiaries of this development policy were mostly large enterprises, foreign and from the South.

Even an authoritarian government cannot operate in a vacuum of societal support, and the Brazilian military was no exception. When the government realized that its developmentalist programs were failing, and that its support would follow, the military began making more concessions to the capitalist class. Initially the military thought they

could govern without help from the local dominant groups. Soon after they alienated these groups, they had to resort to other elites to govern. As Martins puts it:

The subordination of the public authority to private interests, a common feature in the interior was reinforced by the dismantling of the old power structures run by local bosses, a process that served to place public officials at the service of powerful new groups on the frontier. (1984: 472)

The very fact that there was a local elite, whose interests were opposed to those of a “foreign” elite, contradicts Nordlinger’s idea of societal preferences emerging as a “vector of social preferences.” The military played a very distinguished role in determining whose preferences should prevail in Amazonia. Accordingly, state preferences did not and still do not reflect the preferences of state officials, as a vector. As we have seen in this chapter, the authoritarian government dramatically increased the bureaucratic structure of the state by creating new agencies and expanding the existing ones. Although the government sought to create more centralized administrative structures and procedures, by the end of military rule the state was bigger and more fragmented than ever. The state agencies and ministries were the stage of open confrontation of diverse interests. These confrontations occurred inside the agencies as well between them, as was the case of INCRA and SUDAM. The interests represented in these struggles were those of the clients of the agencies (legitimate or not), the top planners of the government, and the bureaucracy itself. Pomper Mayer stresses the power that capitalist classes had in this battle:

The transformations in the state apparatus that took place after 1964 and the new forces that crystallized as a result of these changes disrupted the traditional channels through which different groups operated (...) New mechanisms were created whereby multinational capital and investors associated with domestic groups could lobby for their interests. These “class-

based” associations had already begun to emerge prior to 1964. In the earlier period, however, they operated parallel to the traditional mechanisms that characterized the populist state. After 1964, in contrast, these new associations took on greater importance. As they gained direct and immediate access to the state apparatus, they were able to circumvent the more traditional forms of “state corporatism” (...) while these segments of modern capital were able to achieve direct access to the decision-making process within the state, the reverse was true for labor. In the specific case of the rural sector, peasant groups were systematically excluded. (1984: 425)

Marxist theories of the state may help interpret the role of the Brazilian state in Amazonia. As discussed in the previous chapter, some neo-Marxists argue that the state is structurally bonded to capital. The very survival of the state depends on its ability to protect the long-term interests of capitalism, even if it hurts the short-term interests of the capitalist class. This is what Block (1977) called the main *structural mechanism of class control*. He explained that there are *subsidiary mechanisms* as well. One of these is direct pressure by capitalists on the state, including the active participation of their representatives in government offices. The state intervened in the economy against the interests of the bourgeoisie to ensure the conditions for the reproduction of capitalism. This was particularly true during Castello Branco’s term in office. When the economic situation came under control, the subsidiary mechanisms of class control discussed by Block (1977) assumed greater importance. Direct pressure on the state was paramount in the relationship between state and capital. Bunker corroborates this view:

The Brazilian authoritarian regime was unable to limit private access to its own bureaucracy. Nor was it able to prevent the public airing of conflicts between its own administrative units (. . .). The high levels of the state bureaucracy had grown rapidly in size, strength, and autonomy during the years following the 1964 revolution. In the early 1970s, however, national and international capitalist groups significantly increased their influence on development policy, both through direct pressure on government and by penetrating key positions within the state bureaucracy. (1985: 111)

In retrospect, it is debatable whether the state provided conditions for the regional survival and reproduction of capitalism at all. The authoritarian state fomented private business that generated too few jobs and failed to increase tax revenues (on the contrary, most businessmen from the South considered Amazonia as nothing but a tax shelter).

The literature on corporatism sheds some light on this case too. First, the state sought to control the peasantry and rural urban workers by means of corporatist labor legislation. This legislation restricted labor rights and ruled out free organization of the workers in unions. This was a policy aimed at containing agitation and the potential spread of leftist ideologies among the workers. As we shall see in the next chapter, this corporatist character of the Brazilian authoritarian state has had a profound impact on the social organization of the peasantry in Amazonia. But labor legislation was not the only variable that would affect the interaction between state and society latter. The very administrative and bureaucratic structure that the military bequeathed to their successors shaped the relationship between the peasantry, state, and capital in the following decades.

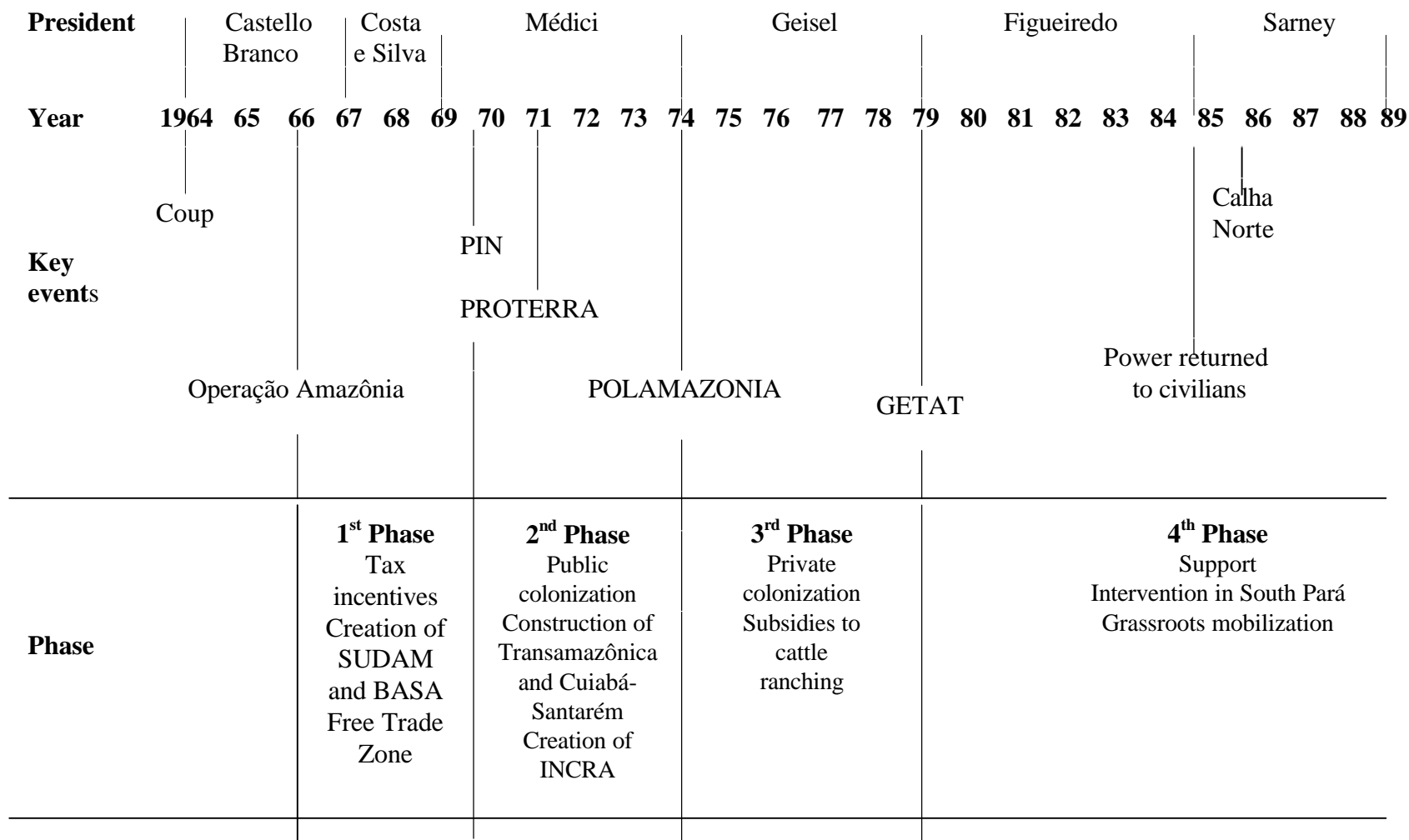


Figure 3.1: The four phases of military occupation of Amazonia

CHAPTER 4 SOCIAL ORGANIZATION AND MOBILIZATION IN THE TRANSAMAZÔNICA

The emergence of strong social movements in Amazonia is directly linked to the military's model of occupation and development. As we shall see in this chapter, social movements, particularly rural unionism in the state of Pará responded to local manifestations of the state, but gradually took on national scope. Their presence is all the more remarkable since mobilization and social organization of the peasantry only started 25 years ago, with the inauguration of the colonization projects (PICs). Before that, there existed only incipient peasant organizations, mostly restricted to the Bragantina region in the northeastern portion of the state.

The state of Pará experienced two vigorous cycles of peasant mobilization. The first one started in the late 1970s and was a long phase of grassroots mobilization followed by a struggle to control existing rural unions. This first cycle lasted until the late 1980s, when the movement was already in command of most rural unions in the state and controlled the state federation of rural labor unions. After all its achievements in this first cycle, the movement experienced a short period of crisis. Some of its leaders defected and allied with conservative politicians to pursue their own interests; others felt lost after conquering the labor representation structure, without knowing what to do with the power they had earned.

Rural workers from the Transamazônica region played an important role in overcoming this crisis. They tried to connect the labor structure to the pressing needs of

their constituents. By identifying the needs of the peasantry, they were able to set a new agenda that was much more attractive to the grassroots and, therefore, to increase popular participation in a second cycle of mobilization. Although the rural workers still kept protesting against the state, in this second cycle they sought a more proactive participation in policy making. As they became more organized, and the regime more democratic, the workers were able to get significant concessions from the state. The conjunction of protest and negotiation is particularly well represented in the *Gritos*, the annual demonstrations that the workers organize in the state and federal capital cities. The most impressive achievement of the rural workers in this second cycle was the creation of a new form of rural credit designed to attend the needs of the poorest peasants in the region.

In this chapter, I will reconstitute the major points in the history of peasant mobilization in Pará, drawing particularly on the experience of the workers of the Transamazônica region, who have been leading this movement since its early years. I try to link this historical account to the theoretical issues discussed in Chapter 1. Particularly important in this case are the factors that facilitated the emergence and evolution of this movements. There are four crucial dimensions that vary along the evolution of the movement: (1) the available resources and the alliances made by the rural workers; (2) the structure of political opportunities, or the social and political environment within which they operated; (3) the way they framed their grievances and built group identities; and (4) the repertoire of action deployed by protesters.

Before proceeding with the analysis it is important to make a few comments on the use of the terms *unionism* and *social movements*. In Brazil, membership in labor unions, for most professional categories, is restricted to workers who formally participate in the

labor market, usually as monthly employees. The Rural Labor Unions (Sindicato dos Trabalhadores Rurais – henceforth STRs), however, comprise both the employees of rural enterprises, permanent or temporary, and self employed or independent labor. Small farmers, sharecroppers, employees, and daily laborers can join an STR. In Pará, particularly in the Transamazônica region, most members of the STRs are small farmers who live in colonization sites.

Although there were rural unions in Pará and elsewhere in Brazil before the first mobilization efforts by the peasants, state bureaucracy dominated them. They were corporatist organizations aimed at controlling popular participation. The peasantry fought to take over and democratize this structure, and to build other structures and mechanisms of representation. This struggle, which started in the late 1970s, and the “noninstitutional” means deployed by the peasants characterize the mobilization in the countryside as a true social movement.

It is also necessary to stress the importance of a major change in the social and political environment that affected peasant mobilization during the period covered in this work: the transition to democracy. I refer to transition in broad terms, not only the return of power to civilians, but also the process of political liberalization – *abertura* – that started in the late 1970s. The *abertura* was at the same time a policy that the authoritarian regime adopted to ensure a peaceful transition to democracy and an indicator of the weakening of the regime.

If the state did not lose absolute capacity to repress social during democratization, it certainly lost the will to repress. First, the regime was no longer cohesive, and a divided military made repression and social control much more difficult than it had been in the

previous years. At the same time, the authoritarian government was losing social support from the economic elites that had helped bring it to and maintain it in power. Using Rucht's (1996) and Tarrow's (1994, 1996) terminology (see Chapter I), the state lost part of its *policy implementation* and *repressive capacity*, the *access to participation* increased significantly, the *alliance structure* and the *conflict structure* shifted against the state and in favor of the would-be social movements. In other words, the transition to democracy represented a major change in the Brazilian political environment.

It was amidst this environment of new opportunities that the fight for independent unions (rural and urban) took off. This movement was aimed at overcoming the shackles of the existing corporatist labor structure. As a consequence of this struggle, the workers succeeded in extending their freedom of association and representation. They took unions from the hands of the conservative leaders and created new unions and federations of unions. Also, allied with intellectuals and some sectors of the middle class, they founded the Workers Party, in 1978.

Although rural unionism was a very important part of this movement, it is still necessary to separate it from the labor movement as a whole, at least for the purposes of this work. The two movements coincided in some instances, but not in others. The rural workers of Pará were very active in the struggle against "official" unionism; however, their struggle included some issues that are peculiar to their region. The main focus of this study, the creation of FNO-e, was one of these issues. The history of social mobilization in the Transamazônica region shows that rural workers have brought myriad demands to the bargaining table: credit, electrification, health care, education, transportation, land reform, public security, and others.

To the same extent that the goals of the urban and rural movements differed, so did the factors that affected their emergence and development. The most important evidence of these differences is the fact that there was a significant temporal lag between them. When the struggle between workers and the state was peaking, between 1978-81, the movement in the countryside had not yet taken off yet. The most important step for the rural workers, in terms of unionism, was the take over of the FETAGRI, which occurred only in 1987.

Social organization and mobilization are easier and more likely to happen among urban workers than among rural workers, considering the environment in which they live. Whereas urban workers meet every day and have more opportunities to protest, rural workers live apart and, in the case of colonists, cannot afford stopping their work to engage in collective action frequently. This is particularly true for rural workers who live in the Transamazônica region, for they face harsh environmental conditions and live close to the line of poverty. These negative factors may have delayed mobilization in Pará, but they did not prevent the locals from mobilizing. Also, considering that rural workers in Pará led the rural labor movement in Brazil, other factor may help explain why they mobilized.

In other words, the *abertura* was a major opportunity for social mobilization in Brazil a necessary, but not sufficient condition for the emergence of social movements in rural Amazonia. Explaining the emergence of the rural labor movement simply as a consequence of democratization would be too simplistic. There were other factors that help explain the emergence of the social movements in Pará, as we will see in the discussion that follows.

The First Cycle of Mobilization

The state was responsible for the first attempts to organize colonists in the region. INCRA established and ran cooperatives in the *municípios* where peasants were settled, in order to provide them with some infrastructure to market of their crops and to mediate their relationship with the state. In the PIC-Altamira¹, INCRA created, in 1970, the Cooperativa Agrícola Agropecuária Mista Nova Fronteira - COPERFRON, with branches in some villages inside the PIC area. These local branches later became independent smaller cooperatives, as the villages where they were located became independent *municípios* in the late 80s. Although most cooperatives still exist, they failed to provide efficient means through which the colonists could sell their crops and buy agricultural inputs.

The failure of the cooperatives is, in part, a consequence of the difficulties that the Brazilian State has faced since the early 1980's. The enormous foreign debt and an out of control inflation limited the state capacity to invest resources in cooperatives. More important, however, the cooperatives' very dependence on the state is a failure in itself, for they never became profitable sustainable enterprises. The top-down approach that the state used to create the cooperatives, as well as their centralized control in the hands of INCRA, alienated their clientele from fully participating in the development of the region. Also, as leaders of cooperatives and associations in Uruará pointed out, it was extremely difficult to engage the colonists in any kind of collective action. For those leaders, most peasants did not understand the advantages of participating in a cooperative or

¹ The concept of PIC was discussed in Chapter 3. This PIC encompassed a large area around the town of Altamira, in the middle of the Transamazônica highway.

association, especially those who came from the northeastern part of the country, where such organizations were scarce. Distrust also was a barrier to collective action. Peasants in this region were very suspicious of their leaders (politicians, government officers, and directors of cooperatives and associations), particularly when their money was at stake. Also, solidarity among the peasantry was generally weak and limited to kinship and to groups with same geographic origin.

The failure to organize the peasantry in the backlands of Amazonia did not mean that the obstacles to social organization were insurmountable. Rather, it meant that the corporatist tactics that the state deployed were ineffective. Members of the Catholic Church have adopted a slower and relatively more successful bottom-up approach to organizing the colonists in the region.

The Roots of Social Organization: the Catholic Church

The *Comissão Pastoral da Terra* (CPT) is a commission linked to the Brazilian National Conference of Bishops (CNBB) that deals with agrarian issues in the country. CNBB founded the CPT in 1975², amidst the accelerated process of agricultural modernization that was taking place in Brazil. The CPT has played a crucial role in the development of rural social movements in Brazil by supporting rural workers and their organizations.

² Perhaps it would be more appropriate to say that the CNBB recognized and formalized the CPT in 1975. The struggle to engage the Catholic Church in the agrarian issue started a few years early, when D. Pedro Casaldáliga was appointed Bishop of São Félix do Araguaia, in 1971 (Poletto, 1985). There was fierce resistance against this progressive orientation of the Church within its rank, in the Catholic communities, and, of course, in the state. In 1975, D. Pedro Casaldáliga organized a meeting with all the Bishops from Amazonia, which culminated in the creation of the CPT.

The Catholic Church has had a deep impact on Brazilian Amazonia, as will be evident by the end of this chapter. Interestingly, the unsuccessful development experiment in the Brazilian North has also affected the Brazilian Catholic Church. The precarious conditions of the peasantry were not new to the Church, which had been witnessing human exploitation in the Northeast since the early years of colonization by the Portuguese, in the 16th century³. The colonization of Amazonia, renewed the interest of the Church in the agrarian question. The social and economic relations that characterized the Northeast were soon being reproduced in the North, showing that, more than historical contingencies, they were the core of Brazilian agrarian economy. At the same time, the expansion of export crops in the South was driving small farmers out of their lands there and elsewhere.

Paradoxically, modernization failed to produce an efficient agricultural system, in Amazonia. The “modern” companies that implemented large ranches in the region engaged in the exploitation of labor, frequently resorting to slavery to keep costs down. Also, they confronted indians and squatters that were already living on the land they wanted. The result of these encounters was the eviction, usually by violent means, of the least powerful. In the late 1960s, following theological and pastoral innovations that began with the 1968 Medellin Conference of Latin American Bishops, Catholic missionaries started paying close attention to the social problems emerging in Amazonia. This new

³ As Schwantes wrote in a piece celebrating the 10th anniversary of the CPT: “The Churches have been distant from the peasant movements in Brazil. In many instances they even opposed those movements. There are exceptions, but lack of involvement has been the general rule” (1985: 14; my translation).

orientation toward the oppressed gained momentum in 1971, when the Catholic hierarchy published documents denouncing the exploitation and violence against Indians and rural workers. A direct consequence of this shift in the orientation of the Church was the creation of the Indian Missionary Committee (Conselho Indigenista Missionário – CIMI), in 1972, and the CPT, in 1975.

With the creation of the CPT, the Church engaged in a struggle against the economic interests of large land owners who exploited rural workers and took land from squatters and indians. This struggle was also against the state, which was viewed as responsible for the introduction of this economic model in the region. Besides the establishment of the physical infrastructure for the occupation of land and the fiscal incentives offered to attract businesses, the state's administration also ensured the survival of this exploitative economic model. The judiciary system and the police have always been controlled by oligarchies and worked against the interests of indians and peasants in the region. Members of the clergy were the first to raise their voices against this bias, and the Catholic Church embraced the task of extending full citizenship to these excluded groups (Martins, 1994).

At the time this field work was conducted, the CPT had two representatives in the Transamazônica; one, who is also the CPT coordinator for northern Brazil, in Uruará; the other in Pacajá. The CPT is usually very active in places where violent struggle for land is paramount, which is not the case of Transamazônica⁴. The greatest challenge in this

⁴ The CPT has historically supported the “Peoples of the Forest” (rubber tappers and riverine people) in Acre, Amazonas, and Rondônia; squatters in southern Pará, Tocantins, and Goiás; drought refugees in the Northeast; small farmers and landless peasants in the South; and, of course, colonists as those in the Transamazônica region. The CPT has been

region, according to the regional coordinator, is to fight the “everyday violence of the region, expressed in the lack of education, health care, transportation, justice, reliable police...which are a subtle but steady form of violence.”⁵

The presence of the Church in Transamazônica became strong in the late 1970s, when two priests, one in Uruará⁶ and the other in Medicilândia, started working with community leaders. Both priests had been members of the Young Catholic Workers Movement (Juventude Operária Católica – JOC), and had previous experience with leadership training. Their work in the region has profoundly affected the early leaders of the peasants’ movements. Most founders of the cooperatives and local STR branches in the Transamazônica were associated with these priests. They supplied the local residents with practical leadership skills as well as ideological guidance.

In the case of Uruará, some of the interviewees for this study claim that the priest’s leftist ideology was too radical for most members of the Catholic community. In his sermons he would advocate the disengagement from any sort of capitalist agriculture, including growing perennial cash crops like cacao, which fed international capitalism. Despite his relative success in forming active political leaders, he failed to “raise the consciousness of the masses.” His radicalism scared the grassroots away from political

particularly active in places where land concentration produces violence, like in Southern Pará; or where modernization leads to eviction of men and women from their land, like in the South region of the country.

⁵ Interview with the CPT coordinator for northern Brazil and priest of the Uruará parish. Uruará, November, 1997.

⁶ This was not the priest at the time of the interview. The new priest, who is also CPT’s regional coordinator arrived in town in 1984, when the former priest left.

participation. Curiously, some of these leaders who undertook radical ideological training later engaged in more institutionalized forms of politics and betrayed the labor movements that they helped create⁷. Personalism and clientelism substituted for ideology, turning them into adversaries of the grassroots movements as well as of the Catholic Church itself.

The arrival of a new priest in Uruará, in 1984, changed the strategy and the outcomes of grassroots mobilization. The new strategy, following the CPT guidelines (see Perani, 1985), has been based on organizing the rural workers around local associations, the union, and small community-based development projects. These projects include communal gardens and orchards, building small schools, and running a small truck, bought by the Church, to provide transportation from the side roads to town. Although some of the projects never achieved the expected results, this early approach proved to be a fundamental step towards building local leadership. Indeed, the majority of the current leaders of the rural unions, associations (the serious ones), and the Worker's Party were trained by the Catholic Church, or emerged from within the Catholic communities.

These communities are, according to the current priest of the Uruará parish, groups of people who live around or gather at a school or small chapel and request religious service from the Church. The priest visits the community frequently, offering religious, as well as social and political assistance, according to the demand. In his view, there are three types of communities in his parish. One, which he calls "patriarchal" are

⁷ One of the early community leaders in Uruará, and another in Medicilândia became Union leaders and were very active in the struggle to emancipate these towns. When the opportunity emerged, they allied with the governor and became the administrators of the towns. In the first elections after emancipation, they cut alliances with conservative parties and left the labor movement. I shall return to this point later.

formed by families that group around an old male leader. Usually, those families have the same geographical origin (states in the Northeast region of the country). These communities are, in his view, very friendly, spontaneous and very religious. Politically, they tend to be conservative. The practice of *apadrinhamento* among members of these communities is common: people chose their best man or the godfathers of their sons and daughters not according to Christian principles, but according to their social status and economic or political power. A father may invite a neighboring *fazendeiro* or a member of the city council to be his daughter's godfather. By doing that, he will benefit from the prestige of having a strongman as his *compadre*. Most times, however, granting this benefit entails the strongman the right to call on his *compadre* for favors, especially for votes and seasonal labor.

A second type of community is composed of people grouped in small associations (formal or informal) of colonists, who are not as religious as the former group, but yet require religious services in their parties. Most of these communities are formed by migrants from the South who are slightly less conservative than the members of the patriarchal communities. Most colonists in this category are, according to local standards, "middle-class", and reject what they perceive to be the radicalism of the PT and, sometimes, of the labor movement.⁸

The third group is referred to by the priest as the "conscious" or "ideological" communities. Members of these communities are also practicing Catholics, but have a

⁸ Besides the class-based explanation of their conservatism, the radicalism of the previous Catholic priest in Uruará had contributed to it. Some interviewees declared that his anti-market ideas caused resentment amongst those who were doing well planting coffee, cacao and pepper.

greater involvement in politics and want to change their lives by being active within the local political framework. Many of them are unionized, participate in the local peasant associations (those linked to the unions), in the broader social movements and in the PT.

Geographically, the parish of Uruará roughly corresponds to the *município*, and has eighty catholic communities, most of which, according to the interviews with the priest, fall in the first category described above. The “associativist” communities are the second largest group, and the ideological communities are the minority in the region.

The history of the president of a local peasant association exemplifies the work of leadership building developed within the Catholic communities. He settled in Uruará in 1977, bringing his wife and their three children. Soon, he became involved with the Catholic community and formed a group to discuss religion and their social and economic problems. According to him, the most pressing issues for the colonists, by that time, was the lack of schools for their children, and they decided to organize the community to address that problem.⁹

This community succeeded in establishing a primary school on the side road (*travessão*) where they lived, but, after a couple of years, they felt the need to have a secondary school. This time, the task required more organization and political bargaining with the Secretary of Education of Pará, because a secondary school had to serve a larger number of citizens in the region. The Secretary required the group to find a suitable

⁹ This account is based on an interview with the president of APRUR, the largest peasant association in Uruará. This interview was done on November, 1997.

location for the school, close to the main road or in an established *Agrovila*¹⁰. He also asked them to find three professors and a school secretary, to build three classrooms, and to show that there was a demand of at least twenty-five students. The community successfully negotiated the location of the school with other colonists, raised funds, and built the school, which they inaugurated in 1983.

The intense contact with the community during the struggle for the schools, and the interaction with the Church provided this leader and other colonists with valuable leadership skills. Sooner after that, he became a member of the parish council and a director of the Rural Worker's Union. After eleven years in the Union, he became co-founder and the first president of the largest association of colonists in Uruará.

Other leaders of the labor movement in the region currently holding offices at local unions, grassroots organizations, and in the legislature had similar experiences. This work was a consequence of the spontaneous initiative of some progressive members of the clergy, but was also a result of an endeavor led by the Federation of the Social Assistance and Education Organizations (Federação dos Órgãos de Assistência Social e Educação – FASE), who worked with students of Catholic seminars to strengthen rural unionism, in the late 1970s.

The history of social movements in the Transamazônica shows that the Catholic Church has been a very strong ally of the rural workers since the early years of colonization. Nonetheless, this relationship between the rural workers and the Church was more than a transient strategic alliance (although, as it will become clear later, it was

¹⁰ *Agrovilas* are villages that were established or planned during the colonization of the region. Some of them were never built; others became independent towns.

strategic for the workers at some points in time). The Church provided basic resources that enabled workers to organize and mobilize. These resources were material, like money, land, and trucks; and human, like skilled priests who reached out to the communities to provide training to leaders of the peasants and to support their causes. The Catholic priests used their “social capital” to unite the peasants and to start their movement. In other words, they provided the “social glue” that the peasantry lacked. The Church was able to use the catholic identity of its followers as a valuable resource for social organization.

Although very important, the material resources represented little when compared to the human resources involved in the organization of the peasantry. The example of the community leader aforementioned is just one among many. The majority of the current leaders of the labor movements come from the catholic communities that were formed in the rural areas during the late 1970s and 1980s. The older leaders moved to the region with little formal education, and most of the younger leaders did not have access to education beyond fourth grade. Therefore, most of their skills came from the contact with the clergymen and a few non-governmental organizations, like FASE.

The Catholic doctrine of the Pastoral Commissions induced the peasants to care for their community and to work collectively. Beyond these Christian communitarian values, however, some members of the Church engaged in more direct forms of social and political organization of the communities. This was certainly the case of the two priests who worked in the Uruará parish since the late 1970s. These priests provided intellectual and ideological training as well as valuable organizational skills to the peasants, who later became members and founders of numerous associations, unions, and political parties.

The mobilization of the peasantry in the Transamazônica does not resemble the new social movements discussed by European and Latin American scholars. First, most actions of this movement targeted the state, not society in general. The struggle for FNO is certainly the best example: It has been a fight for participation in the state policy making structure as well as to get access to state material resources. Second, the main actors in this story are peasants who dwell in an agrarian economy barely integrated into the market, in other words, they are far way from the post-industrial society described by Touraine (1985). Yet, contrary to the expectations raised in Chapter 1, identity did play a role in this case, not only in strategic terms, following McAdam's concept of framing (McAdam et al, 1996), but also in the sense advocated by proponents of the *identity-oriented approach*. In this case, the catholic identity of the peasantry facilitated their engagement in collective action, particularly during the early stages of the organization process.

It is worth noting, however, that this catholic identity was also constructed, at least to some extent. As McAdam points out, for movements to emerge, people must engage in a process of interpretation, attribution, and social construction. This process, which he calls framing, is what turns opportunity into action (McAdam et al., 1996). Indeed, most peasants in Brazil are catholic and live in poor conditions. Yet, most of them never mobilized. At this point, we have to consider the role of the Catholic Priests in framing the Catholicism they preached as something different from traditional Catholicism: libertarian, as opposed to lawgiver; communitarian, rather than hierarchical¹¹.

¹¹ Ireland (1991) provides an interesting analysis of the construction of a communitarian Catholicism by progressive priests in Brazil.

The case studied here shows that cultural aspects of identity played an important role in the mobilization of the peasantry in Pará, particularly in its early years. Catholicism brought people together in the first place, but the priests purposefully and strategically used this identity to engage the peasants in collective action.

The Catholic Church is still very active in the rural communities; nevertheless, the workers have already developed a critical mass that enabled them to continue this work of consciousness-raising and leadership formation at the grass roots. As some leaders declared in the interviews, at a certain point they felt that it was necessary to gain independence from the Church, due to their different agendas¹². Also, they realized that even though Catholicism was a binding factor that facilitated social organization, in the long run a complete identification of their movement with the Catholic Church could hurt the movement. Although most of the population in the Transamazônica region is Catholic, a significant and increasing portion is not¹³.

¹² Interview with the General Coordinator of the MPST. November, 1997. It is worth noting that members of the Church were also concerned with the excessive involvement of the CPT labor unionism to the detriment of other ways to help Catholic communities (Perani, 1985).

¹³ A good example of the limits of the Catholic identity was the 1996 Mayor election. The Catholic priest supported and campaigned for a liberal coalition between the PT and the PSDB. The head of the alliance was a local shopkeeper, and the candidate for vice-mayor was an old time militant in the labor movement and general coordinator of the MPST. As their campaign gained momentum, their main opponent, who was running as the head of a conservative alliance, resorted to a dirty trick. He addressed the evangelical communities, claiming that if his opponent won the election, the priest would be running the town, and his first measure would be to shut down the evangelical churches. Ironically, this candidate was a former leader of the labor movement, who had been trained by the previous catholic priest.

The Branches: Rural Workers Unions

The struggle for independent unionism is the most interesting and important aspect of peasant mobilization in Pará, for it constituted an unprecedented grassroots attempt to break down the traditional anti-democratic mechanisms of social control. With some help from the Catholic Church and other allies, the peasantry realized that the unions could be a concrete tool for their social, economic, and political advancement¹⁴. This struggle has already produced some concrete achievements that have reached subordinate rural groups far away from its original epicenter, which was the Transamazônica-Santarém region.

Corporatist Brazilian labor legislation required that all peasant labor organizations be channeled through official state-sponsored labor unions. These unions had to be non-competitive and organized at the municipal level (one union per municipality) and membership was open to small family farmers, peasants, and wage laborers. The local STRs were hierarchically linked to a single state federation of unions, and the state federations linked to the National Confederation of Rural Workers (Confederação Nacional dos Trabalhadores da Agricultura – CONTAG). As a means to attract and control the peasantry, the military government created a rural welfare system (FUNRURAL) whose control was (and still is) in the hands of the STRs¹⁵. This hierarchy

¹⁴ This was an overt objective of the CPT. Among the resolutions approved in the CPT's first national assembly, one clearly addressed this issue: "Considering that the independent organization of the peasants is a required step toward their liberation, we should support all from of peasant organization and work for unions that truly represent their interests" (Perani, 1985: 79-80. The translation is mine).

¹⁵ In 1963 the Brazilian Congress passed the Rural Labor Laws (Estatuto do Trabalhador Rural), granting rural workers some benefits that Urban workers already had, such as the right to minimum wage, access to official retirement plans, annual paid vacations, etc. Following the corporatist labor laws established by Vargas, the *Estatuto* also imposed the

put the unions under stiff state control and proved to be a strong tool for clientelism, which in practice turned the STRs into “extensions of state power.”(Grzybowski, 1990: 28).

The only way to advance the interests of the peasants *vis à vis* the state was by means of establishing a direct mechanism of class representation, which was impossible then, due to the allegiance of union leaders to the state corporatist practices. In the late 1970s, independent Unionism was growing and gaining unprecedented power in the country, as a consequence of the well known liberalization process (*abertura*) under the military of the time. Changes in the STRs followed the emergence of the New Unionism movement (Novo Sindicalismo) that emerged in the larger Brazilian industrial centers between 1978-82. This movement was aimed at establishing independent trade unions in advanced industrial centers.

Due to the legacy of Getúlio Vargas and the labor legislation of the 1940s, the main characteristic of the unionism was cooperation with the state and indirect representation of the workers within the state apparatus. Due to the Brazilian corporatist labor legislation that created them, the STRs, the FETAGs, and CONTAG were all state-derived structures. To achieve a more democratic mode of representation, rural workers had to conquer the existing STRs and change them from inside (the creation of new unions would be illegal according to the labor law). As far as the FETAGS and CONTAG, peasants could either overcome or bypass them. They have done both with relative success, thanks partially to the very bureaucracy that had once made them strong.

corporatist mechanisms of representation and control on the peasantry. In the same year the Federal Government created the state labor federations (FETAGs) and CONTAG.

In the early 1980s, the CPT made an effort to organize and strengthen the existing grass roots organizations in the region – an operation known as “The Assembly of the People of God.” The first concrete result of this initiative was what the local union leaders call the “conquest” of the Rural Union of Santarém – the second largest city in Pará. At that time, workers serving the interests of either their employers or the government, what is known in Brazil as *peleguismo*¹⁶, had control of the Union.

The Santarém STR was founded in 1972 and kept under unchallenged control by the *pelegos* until 1977, when an opposition group unsuccessfully contested the election. Peasants who had been working in close cooperation with members of the Catholic Church and FASE formed this group. They slowly expanded their membership by bringing more peasants into their discussion groups. In 1980, they finally outnumbered the supporters of the traditional labor leaders and won the local STR election. This victory was a stimulus for other groups in the region, which were just beginning to contest their local STRs or to discuss the constitution of local unions.

In 1984, Uruará was still a village within the *município* of Prainha, whose officials were housed more than 500 km away, across the Amazonas River. Prainha already had a Union, and the workers in Uruará decided to open a local branch of the union in the village. Soon, peasants in other villages followed suit, opening local branches of the STRs in Medicilândia (also a district of Prainha), Rurópolis (district of Santarém), and Pacajá (District of Tucuruí). The founders of these local offices were aligned with the progressive

¹⁶ Pelego is a sheep skin that Brazilian cowboys put over the saddle of their horses to make the ride easier. Rather than true representatives of their class, the *pelegos* were chosen by state officials to direct the unions and to make their relationship with workers easier. The main goal of the “new unionism” was to rid the labor structure of *peleguismo*.

group already in control of the Santarém STR, and most of them had been working with members of the CPT. After the establishment of all those branches, the movement gained enough strength to take over the unions in Altamira (the largest town in the Transamazônica region) and Itaituba (the second largest town in the region), which were still dominated by *pelegos*.

The success of the new unionism movement led its leaders to attempt to take over the state federation of STRs (Federação dos Trabalhadores da Agricultura do Estado do Pará e Amapá – FETAGRI). In 1981, the workers organized an opposition group to run against the conservative group that had ruled FETAGRI since its foundation¹⁷. As the election was through an assembly of representatives of STRs, the opposition got only a few votes (7) from the representatives of those STRs in the Santarém-Transamazônica region. In 1984, the opposition ran again and once more fell short of a victory, but doubled its number of votes (15).

If taking over the structures of state and national representation was not possible, the workers could try to bypass them in their attempts to organize and increase their power. As they could not outnumber the representatives of traditional unionism in FETAGRI's elections and assemblies, leaders of the more progressive STRs began looking for alternative structures of regional and national representation. In 1983, some of these unions allied with powerful urban unions to form the Worker's Central Organization (Central Única dos Trabalhadores – CUT). The president of Santarém's STR became the

¹⁷ The president of FETAGRI, who had held office since its foundation, had been the Mayor of Igarapé-Mirim. He was linked to the "Tradition, Family, and Property" (Tradição, Família e Propriedade – TFP), an ultra conservative Catholic independent

first head of this organization's rural office and, a few years later, CUT's vice-president. The rest of the labor organizations in Pará, however, followed CONTAG when it supported the foundation of CUT's main rival organization, CONCLAT, later renamed CGT (Central Geral dos Trabalhadores, or General Labor Confederation).

Although supporting the CUT, the progressive unions were still linked to the FETAGRI and the CONTAG (which was the only legal national confederation of rural workers' unions). This dual membership was a novelty in the Brazilian labor system, since it broke down the tradition of non-competitive representation. The very existence of two national labor organizations (CUT and CGT) defied the legislation, not only because they were competitive, but also because they were alliances of unions representing workers from several economic sectors. One of the pillars of corporatism was precisely representation of individual sectors of the economy, rather than class representation, which was the ultimate goal of the CUT and CGT.

The links between the progressive unions and the CUT would soon become stronger, as rural workers were one of the most important groups that helped found the CUT's state office in Pará (CUT-PA), in 1984. In 1986, the CUT created a national department for rural issues. Together, this department and CUT's state office helped rural workers strengthen their movement by making the takeover of FETAGRI their number one priority.

As part of its efforts to take over FRETAGRI, the CUT-PA started organizing meetings with leaders of the STRs who already supported CUT and other leaders who

group that supported the 1964 coup and strongly opposed land reform, as its very name suggests.

could contest elections in the conservative unions. Besides making alliances and recruiting new supporters, the leaders of the movement also began using the media to advance their cause. They were able to weaken FETAGRI's incumbents by criticizing their political strategies and making accusations of mismanagement. Finally, in 1987, the delegates representing the progressive unions outnumbered the conservatives and the opposition won the election for FETAGRI, which became the first FETAG controlled by the opposition in Brazil.

Building on this victory, the movement grew steadily and spread throughout the state. In the early 1990s, supporters of the new unionism controlled about half of STRs in the state. According to Marques (1994), about 50 % (48 out of 98) of the STRs in Pará and 54.3% of all Unions in the North were already affiliated to the CUT in 1990, a figure well above the 15% rate for the country (see table 4.1). These numbers were so high because there were fewer unions in the North than in other regions, but also due to the role of the Catholic Church in this region. In 1995, CONTAG left the CGT to join the CUT. This represented a dramatic increase in the size of the CUT, as CONTAG added 3200 unions to the 2250 under CUT's umbrella.

This struggle to take unions from the hands of the *pelegos* and to create new ones was, therefore, very successful. At this point, it is appropriate to revisit Kriesi's four parameters of organizational development: *organizational growth*, *internal structuration*, *external structuration*, and *goal orientation and action repertoire* (Kriesi, 1996, see Chapter 1). This first phase of mobilization in Pará represented an spectacular instance of *organizational growth*. This was a phase of intense *internal structuration* – the workers established a robust network of representation, attracted new members and promoted the

professionalization of some of their leaders. Also, the movement experienced some external structuration: The relationship with allies (particularly the Catholic Church) were crucial to the success of the movement, and the rural workers developed strong links with a national political party, the PT. Their integration with authorities, however, did not develop to the same extent during this first cycle of mobilization. This phase represented, therefore, the *institutionalization* of the movement. In the following years, the movement experienced a re-orientations of its goals, following a period of relative stagnation during which the movement had problems to connect with both its constituents and authorities.

Although rural workers from the Transamazônica were very active in this struggle to institutionalize the labor movement, they also focused on issues that were unique to their region. Their experience was fundamental to help the labor movement to overcome the crisis between the first and second cycles of mobilization.

Mobilization in the Transamazônica: a Bridge to the Second Cycle

While rural workers throughout Pará organized and mobilized to take over the state federation, in the Transamazônica they also gave attention to pressing local problems. As some of the leaders pointed out in interview, in the late 1980s the unions in general focused on protesting against the government and public policies that they perceived as unfair¹⁸. These protests were, according to these leaders, too vague and disconnected from the everyday problems of the peasantry. This problem, paradoxically, became more evident as the power of the new unionism grew. During the 1980s, labor leaders directed most of their efforts to “raising consciousness” and expanding their base

¹⁸ Interviews with the coordinator of the MPST, Uruará, October, 1997; and with a state representative who was a former leader of the labor movement. Belém, February, 1998.

of support. Taking over the STRs and the FETAGRI became practically an end in itself, rather than the means to achieve more substantive goals.

Table 4.1: Number of STRs in Brazil and percentage of unions affiliated to the CUT

Region	Number of Unions	% of total in Brazil	Unions affiliated to the CUT	% of Unions affiliated to the CUT	CUT/ Brazil
South	713	(25.1%)	76	(17.7%)	10.7%
PR	232	(8.2%)	30	(7.0%)	12.9%
RS	284	(10.0%)	21	(4.9%)	7.4%
SC	197	(6.9%)	25	(5.8%)	12.7%
Southeast	582	(20.5%)	81	(18.9%)	13.9%
ES	45	(1.6%)	10	(2.3%)	22.2%
MG	335	(11.8%)	42	(9.8%)	12.5%
RJ	34	(1.2%)	5	(1.2%)	14.7%
SP	168	(5.9%)	24	(5.6%)	14.3%
Central-West	198	(7.0%)	32	(7.5%)	16.2%
GO	83	(2.9%)	24	(5.6%)	28.9%
MS	55	(1.9%)	5	(1.2%)	9.1%
MT	59	(2.1%)	3	(0.7%)	5.1%
DF	1	(0.0%)	0	(0.0%)	0.0%
Northeast	1200	(42.2%)	156	(36.4%)	13.0%
Al	78	(2.7%)	1	(0.2%)	1.3%
BA	284	(10.0%)	58	(13.5%)	20.4%
CE	157	(5.5%)	11	(2.6%)	7.0%
MA	130	(4.6%)	9	(2.1%)	6.9%
PB	139	(4.9%)	21	(4.9%)	15.1%
PE	141	(5.0%)	8	(1.9%)	5.7%
PI	104	(3.7%)	25	(5.8%)	24.0%
RN	59	(2.1%)	3	(0.7%)	5.1%
SE	59	(2.1%)	3	(0.7%)	5.1%
North	151	(5.3%)	82	(19.1%)	54.3%
AC	9	(0.3%)	3	(0.7%)	33.3%
AM	23	(0.8%)	12	(2.8%)	52.2%
AP	1	(0.0%)	1	(0.2%)	100.0%
PA	98	(3.4%)	48	(11.2%)	49.0%
RO	6	(0.2%)	6	(1.4%)	100.0%
TO	15	(0.5%)	12	(2.8%)	80.0%
Total	2844	(100.0%)	429	(100.0%)	15.1%

Source: Adapted from Marques (1994).

In the Transamazônica region, however, activists were also concerned with more concrete problems, such as the absence of transportation infrastructure, health care, and education. In 1983 and 1984, the local unions attempted to form a broader coalition to address their problems before the federal government; however, the movement still lacked specific policies to fight for, and the coalition failed. The challenge and opportunity for the unions to unite came in 1984, when the employees of a sugar-cane distillery in Medicilândia went on strike.

The federal government established the “Abraham Lincoln” distillery, in the late 1970s, when Brazil was introducing its ambitious program to develop alcohol as a motor fuel (Programa Nacional do Álcool – PROÁLCOOL). The objective of the distillery was to spur economic growth in the region by creating a demand for sugar cane, offering jobs, and supplying the fuel that the region would demand in the future, according to government forecasts. This plan ultimately failed, and soon the distillery was facing financial and economic disarray. The employees opposed the proposal to privatize the distillery, for they understood that the retreat of the government would mean further abandonment of the region¹⁹. The relationship between the employees and their new bosses soon deteriorated and a strike broke out after several months of delayed salary payments.

¹⁹ INCRA built and initially run the distillery. Later, it granted a cooperative (Cooperativa dos Triticultores do Vale do Ijuí - COTRIJUI) the right to exploit it. COTRIJUI was a large cooperative from the South (originally from Rio Grande do Sul, but with branches in other states) that had been engaged in private colonization in the Transamazônica prior to its involvement with the distillery. The workers resented this disguised form of privatization and formed an association – the Transamazônica Sugar Cane Suppliers’ association (Associação dos Fornecedores de Cana da Transamazônica – ASFORT) to represent their interests to the new manager of the distillery.

The sugar-cane workers were not the only group who feared the abandonment of the region. The rural unions in the towns nearby came to support them, organizing protests in Medicilândia and extensive discussions about the social and economic problems of the Transamazônica region. To protest against working conditions in the distillery, the workers closed the road and the distillery, and confronted the state police, sent by the governor to disperse the protesters. In this episode, the workers were beaten and some protesters, including the bishop of Xingu diocese, were arrested. However, instead of annihilating the movement, the repression outraged the peasantry and their supporters, which provided them the cohesion they lacked.

This attempt to privatize the alcohol distillery in Medicilândia worked as a “micro-opportunity” for mobilization. By the time this issue erupted, the colonists were already concerned about their social and economic situation. They felt that the state was abandoning them, which they considered to be a form of treason, because it was the state that took them to the region in the first place. Initially, the conflict between the state and the peasantry was relatively subtle. The privatization of the distillery and the delay of payments to its workers and suppliers (sugar cane growers) was a real threat, rather than an abstract feeling – real enough to turn their grievances into action. Yet, the protest was quiet and involved mostly the distillery’s employees and some leaders of the Church and unions. When state officials decided to resort to violence to dissolve the protest, this situation suddenly changed. As an interviewee declared²⁰, “it was hard to make people feel angry about a “thing” that would not do anything for us, but it was much easier to get

²⁰ Interview with a founder of MPST and state representative from the PT. Belém, February, 1998.

them mad when their friends and some catholic priests got beaten by the police.” The confrontation between the peasants and the policy ignited a vigorous wave of mobilization that united STRs and other grass roots organizations throughout the Transamazônica in an alliance that led to the creation of the MPST in 1990.

After this episode, the Unions in Uruará and Medicilândia began discussing regional development in broader terms. With help from other unions, they organized a meeting, in Altamira, to debate a regional development plan, as well as ways to press the federal government to resume original plans for the distillery. After almost a month of discussions in Altamira, about four hundred peasants went to Brasília to protest and to discuss their plans with representatives of the federal government. After twenty-two days, the colonists returned to their towns, but left a committee in the capital to negotiate with government officials, to lobby representatives from their state, and to forge new alliances with liberal politicians and representatives of the labor movement.

This was an important phase for the development of the labor movement in the Transamazônica. The mobilization, confrontation and negotiation served as fundamental “field training” for the leaders of the movement. Many of those who composed the bargaining committee that stayed in Brasília currently are prominent figures in the labor movement in the state, as well as in the country. Others have occupied or still occupy offices as either state representatives or mayors of their towns.

A second important consequence of this process was that the movement, although still supported by the Catholic Church, reached an unprecedented level of independence, if

not financially, at least politically.²¹ Third, the movement found concrete issues to rally behind, which enabled the leaders of the movement to gain support from other workers that had not been attracted by the union's then dominant socialist discourse.

Besides the importance of this mobilization in strengthening the labor movement, the 1984/85 protests yielded substantive gains for the populations of the Transamazônica. The distillery paid its employees and resumed operating at full capacity. The federal government built one hundred fifty meters of wooden bridges and opened and renovated nine hundred kilometers of dirt roads. The state government built two large schools, eight health care centers, and one hospital in the region.

After this unexpected victory, the movement embraced a new cause: the struggle for the independence of the small towns in the Transamazônica. The distances between the villages and the main offices of municipal governments was a burden for the inhabitants of places like Uruará, Pacajá, Medicilândia, and Rurópolis, especially considering the precarious conditions of the roads in the region. Bringing the administration to the town and granting it independence was the best way to increase political participation and address pressing local issues²². In 1985 the unions began pressing the federal and the state

²¹ As one of the union leaders pointed out, the STRs need to be independent from their allies too. The Catholic Church, for instance, has serious institutional limitations; it has not only different objectives, but also its own internal politics, and was susceptible to changes beyond the control of the workers.

²² Martins (1994) stresses how distance has been used against the peasantry, particularly by the judiciary, to benefit the state and farmers in case of labor and land litigation. The distances between the home of the litigant and the courts are usually enormous, and the transportation conditions poor. Judges commonly postpone hearings for weeks, after the arrival of the litigant, knowing that he or she will not be able to stay away from home that long or to come back in few weeks. Sometimes they use legal technicalities such as non-compliance with deadlines to rule against peasants. These legal tricks frequently have huge

government to create the new *municípios*. In 1986, this proposal was voted and approved in a popular referendum. When the new *municípios* came into being, the leaders of the labor movement created local offices – *diretórios municipais* – of the Worker's Party and started affiliating new members.

When the idea of emancipation of the villages in the Transamazônica gained momentum, the president of the Rural Worker's Union of Uruará was appointed district agent, a position with the status of sub-mayor. After the creation of the *município*, he and the president of Medicilândia's STR were appointed temporary mayors of these two towns. They stayed in office until the first election, scheduled for 1988, when all *municípios* in Brazil held elections to choose new mayors and city council members (*vereadores*).

Although the appointment of unions presidents to office may seem to be a great victory for the labor movement, it was not. The appointment of these labor leaders was due to their personal alliances and commitments, which had not been discussed with other labor leaders. According to their foes, they had been working together with the governor, before they were appointed mayor. In exchange for their appointment to office they agreed to provide political support for the governor, who ran for senator in the 1990 election. At the same time, these leaders raised support for themselves and their allies by means of traditional clientelistic practices. After this setback, unionism experienced a period of stagnation.

costs for those who cannot hire a lawyer, like eviction from land, or the loss of welfare benefits.

The leaders of these movements and organizations, as well as some students of the labor movement in Pará (Monteiro, 1996; Tura, 1996) refer to the period between the take-over of FETAGRI and the second cycle of mobilization in Pará as one of crisis in the labor movement. On the one hand, the loyal leaders of the movement reached the top of the labor organizations in the state, but simply could not figure out what to do with this new power or how to connect these organizations to the grassroots. On the other hand, leaders with close ties to the grassroots abandoned the social movements to advance their personal interests. In spite of these setbacks, the workers in the Transamazônica did keep their political struggle alive and played a crucial role in the revival of the labor movement in the 1990s.

In 1990, peasants in the Transamazônica experienced another economic crisis, this time caused by an overall impoverishment of the agricultural sector as cacao and pepper (the most important cash crops in the region) prices dropped dramatically in the world market. To make matters worse, the conditions of the roads, particularly the Transamazônica highway, were miserable, and the colonists blamed the government for abandoning them once again.

This idea of abandonment was a very effective way of framing the grievances of the peasantry during the first cycle of mobilization. The protests against the privatization of the Alcohol distillery in Medicilândia were certainly tinted with some ideological bias of movement leaders and their allies. However, the idea that the state was retreating from the region was true. As shown in Chapter 3, the abandonment of the peasantry had started almost a decade before, when the government shifted its occupation strategy from colonization to large-scale private enterprises.

In spite of the policy changes, the importance of the state in this region was still overwhelming during the 1980s. It is true that the state never fulfilled its original promises to provide education and health care services to the local population. However, the state always repaired road and bridges after the rainy season, when they were washed away – a basic service without which life became intolerable for the colonists. Another important function of the state was land surveying and the issuing of titles – the duties of INCRA, an agency that suffered a considerable loss of power and resources after 1976. As migration continued, even after the military government shut down the colonization programs, the pressure on the state to provide these services built up. Of course the state did not keep up with the demand, and the colonists realized that they were being abandoned.

The previous episode of the distillery was an opportunity for the leaders of the movement, as well as their allies – the catholic priests, members of the PT, researchers, and others – to spread their word and to mobilize large crowds of colonists. The way they framed their grievances was very successful, not only because the colonists mobilized to protest against the privatization of the distillery, but also because the colonists kept in mind the idea that the state could and would try to abandon them again. Indeed, the rural workers resorted to the same discourse of abandonment when they faced the 1990 crisis (and again the state failed to repair the road net). This framing was essential to organize the first *Grito do Campo*, the event that marked the inauguration of the second cycle of mobilization in Pará. The workers from the Transamazônica mobilized their community and “exported” this idea to other groups, like the workers from Southern Pará, who joined them to begin this second cycle of mobilization in the state.

During the mobilization in the 1980s', the workers realized that the problems they faced along the Transamazônica, were similar from Tucuruí to Itaituba. Also they learned that they had capacity to effect changes when acting collectively. After 1985, union leaders from several towns in the region met annually to discuss their living conditions, to propose solutions to their problems, and to demand action from the government. In the first regional meeting, leaders from Uruará and Rurópolis (the neighboring town to the west) decided to address their problems together. In 1987, these groups met again and debated the crisis of the union movement. As a result, they decided to invite leaders from other towns of the Transamazônica to their meetings. Finally, in 1988, representatives of the peasants from Itaituba, Santarém, and Altamira joined the original group and decided to take concrete measures.

In 1988 and 1989, about 30 members from each STR, from Novo Repartimento to Itaituba conducted a regional survey. They did not have any technical support to do the survey, but were able to cover, according to the coordinator of the MPST, "all the households and every kilometer of side-road in the region" The importance of this survey was to obtain more reliable data on the general condition of the roads, bridges, schools, and health centers in the region, as well as to gather economic information by interviewing farmers and colonists²³.

In 1990, leaders of the group organized an open one-day debate in Altamira to discuss their findings. They invited officials from CUT, CONTAG, the Landless Workers Movement (Movimento dos Trabalhadores Sem Terra – MST), students' associations,

²³ Interview with the General Coordinator of the MPST, Uruará, November, 1997.

women's associations, the teachers' union, Catholic base communities, and from the community of health-care professionals. In all, about 2,000 people attended the meeting.

Parallel to the workers meeting, local politicians tried to take advantage of the situation by forming their own movement, which they named SOS Transamazônica. As a response to this encroachment, the leaders of the Altamira debate officially created an independent umbrella organization to congregate the interests represented in the meeting. They named it "Movimento para a Sobrevivência da Transamazônica" (Movement for the Survival of the Transamazônica) – MPST.

The connection between the rural workers and their new allies got stronger in 1991, when the MPST organized another meeting in Altamira. This time, 2,300 people gathered and camped in the town for seven days to discuss their problems in a general assembly and in smaller workshops devoted to specific issues, such as agriculture, health, and education. In the general assembly, the participants discussed and approved a document entitled "PGDT – Projeto Global de Desenvolvimento da Região Transamazônica" (Global Development Plan for the Transamazônica Region). The goals of this plan were:

1-To insure the participation of the population in the overall development of the Transamazônica and to reduce the steady out migration of the people. 2- To stimulate a discussion within civil society aimed at promoting an alternative development program for the region that could bring social and economic benefits to the most dispossessed strata of the population without harming the environment. (MPST, 1991; quoted in Monteiro, 1996, my translation).

The document contained concrete proposals to improve healthcare, education, transportation, and, especially, electrification and rural credit. Although many leaders and

founders of the MPST also militated in the labor movement, the mobilization in Altamira was the result of a broader coalition. Moreover, the concerns addressed in the PGDT emanated from the grassroots, rather than from the offices of the labor organizations recently conquered.

The mobilization was so impressive that it attracted the attention of several politicians. Most mayors of the Transamazônica towns participated, as well as state and federal representatives and senators. The movement also sought outside connections. A committee traveled around the country, visiting universities and state legislatures to publicize the crises they were experiencing and to attract further support. Some members of the MPST even traveled abroad to undergo training and to address foreign audiences.

The Second Cycle: Social Movements in Action – the *Gritos da Terra*

After their one-week meeting in Altamira, representatives of the MPST departed to the state and federal capital cities to negotiate with government officials. Another committee camped for 30 days in Brasília. As a result of this mobilization, the MPST was able to have the federal government form an inter-ministerial committee to do a cost-benefit analysis of bringing electricity from the Tucuruí dam to the Transamazônica towns. The federal government also agreed to repair the Transamazônica and Cuiabá-Santarém highways, to establish a new health program, and to build a junior agricultural college in Altamira. Also, the movement was able to get some important concessions from the state government. Even more important, however, was that other organized sectors, including many STRs outside the Transamazônica, joined the MPST in Belém.

I Grito do Campo

The demonstration in Belém was the beginning of a new cycle of mobilization by rural workers in Pará, one that ended the crisis workers had been facing since they took over FETAGRI. Although unionism and mobilization persisted in Transamazônica, it would not be accurate to say that the MPST alone triggered this second cycle. An unexpected event in southern Pará provided a motive for rural workers to mobilize: the murder of the president of the STR of Rio Maria²⁴.

Table 4.2: Murders in the Pará countryside, by region, 1964-1994.

Region	Murders	% of total
Lower Amazonas	8	1.3
Bragantina	121	19.7
Guajarina	28	4.6
Islands	5	0.8
Salgado	8	1.3
Southeast	122	19.9
South	302	49.3
Tocantina	3	0.5
Transamazônica	15	2.4
Belém	1	0.2
Total	613	100.0

Source: Tura, 1996.

Violence in the countryside was pervasive in Pará, particularly in the South and Southeast portions of the state. As discussed in Chapter 4, violence reached such a dramatic level that the military government created the GETAT, in 1980, to reinforce its presence in the region. During the 1970s and 80s, a large number of squatters, colonists,

²⁴ A small town in the South of Pará state.

small farmers, community leaders, unionists, and even priests were persecuted, tortured, and killed in this region. Table 4.2 shows the numbers of murders in Pará (according to FETAGRI's regional division of the state). About half the murders between 1964 and 1994 occurred in the South, and 19.9 % in the Southeast. In spite of the establishment of GETAT in 1981, violence continued to escalate, peaking in 1985, when 115 people were killed in the countryside. Table 4.3 shows the number of murders (in five-year intervals), between 1964 and 1994.

Table 4.3: Murders in the Pará countryside, 1964-1994.

Year	Murders	% of total
1964	4	0.7
1965-69	11	1.8
1970-74	29	4.7
1975-79	44	7.2
1980-84	148	24.1
1985-1989	298	48.6
1990-94	79	12.9
Total	613	100.0

Source: Tura (1996).

Although there was a decrease in violence after 1989, the murders became more selective during the early 1990s, when gunslingers started targeting the leaders of unions and popular movements. Expedito Ribeiro de Souza, President of the Rio Maria's STR was the most well known victim of this cycle of violence, but not the only one. Soon after his death, many leaders were killed in the region. As a direct response to the killing of Expedito de Souza, local and state leaders formed an alliance to press the government and society to stop violence in the region.

The murder of Expedito de Souza was another “micro-opportunity” for mobilization. The impact of this episode on the labor movement in general was certainly greater than the distillery episode. Although the murder was allegedly committed by gunslingers hired by ranchers, the workers once again targeted the state in their protests. They felt that the police was not protecting them from private interests, and that justice was biased against the subordinate classes, particularly concerning issues of land ownership. This protest against violence happened in a very important moment, when the labor movement was facing a political crisis. The commotion that followed the murder of Expedito de Souza gave the workers an opportunity to express their anger and to demand some concrete policy changes that the MPST had been discussing in the two preceding years. This opportunity culminated in the *Grito do Campo*, which inaugurated a new cycle of mobilization in Pará that later spread throughout the country.

A multitude of organizations formed an alliance to protest the murder, which they named the “Comitê Rio Maria”: CUT, FETAGRI, CNBB, the Pará’ Bar Association (Ordem dos Advogados do Brasil – OAB-Pará), Pará’s Society for the Defense of Human Rights (Sociedade Paraense de Defesa dos Direitos Humanos – SPDDH), the Lutheran Church, FASE, the Popular University (Universidade Popular – UNIPOP), the PT, the Socialist Party (Partido Socialista Brasileiro – PSB), the communist party (Partido Comunista do Brasil – PC do B) and the Social-Democratic Party (Partido da Social Democracia Brasileira – PSDB). This committee decided to go to the state capital to protest against violence during the celebration of Labor Day. They planned to meet with the governor, state representatives and members of the state Supreme Court in Belém (Tura, 1996).

In the capital, representatives of STRs from other regions of the state joined the Rio Maria Committee. The labor movement, however, was not the only sector of civil society to support this protest. Fishermen and rubber tappers came from rural areas of the state, and urban unions and organizations joined the movement. Moreover, since representatives of the MPST had already decided to march to the capital to negotiate their agenda with the state government, joining the Committee was a great opportunity to aggregate the powers of both groups.

The groups met for two days before the protest broke out, in a seminar entitled “Violence and Land Reform.” Besides the protest against violence, they realized that it was important to make some specific demands; otherwise their interlocutors would pay lip service to their protests but make little, if any, concessions. This new approach was a response to the crisis that the labor movement had been experiencing, and it was certainly inspired by the MPST, which successfully had been addressing specific local problems in previous years.

The representatives from the Transamazônica were able to reap some substantive gains in the negotiations with the state government. An important demand in their agenda was the repair of side roads; while the federal government had committed itself to repair the Transamazônica, it claimed to have no jurisdiction over the side-roads. Their principal achievements, however, were related to education. The state government authorized and budgeted the implementation of a branch campus of the Pará State University in Altamira. Even more significant was the creation of the “Projeto Gavião,” a training program for primary and secondary school teachers that was very successful and came to serve as a model for training programs all over the country.

Another important issue included in the agenda was access to rural credit. The demonstrations in Belém were a perfect opportunity to press state officials, since the headquarters of BASA were located there. BASA was the obvious target for the movement for two reasons. The First was because BASA had a key role in financing the development model that the authoritarian government chose for Amazonia. Yet, as leaders of the labor movement like to stress, in 1991 they were entering a new phase of activism (what they call *sindicalismo propositivo*²⁵) and they knew that simply protesting against the banks' economic and political priorities would not do them any good. The second reason why they chose BASA as their main target was because the workers had just learned about the possibility of demanding a new credit policy from the bank.

Social Movements and the FNO

The Brazilian Congress created three Constitutional Development Funds in 1988, when it approved the new constitution: FCO (Fundo Nacional de Desenvolvimento do Centro-Oeste), FNE (Fundo Nacional de Desenvolvimento do Nordeste), and FNO (Fundo Nacional de Desenvolvimento do Norte). The goal of these funds was to support development in the three poorest regions of the country (Central-West, Northeast, and North, respectively). In each of these regions the fund is managed by a state-owned bank according to the priorities set by the regional development agency. In the Northeast, the Bank of Northeastern Brazil (Banco do Nordeste Brasileiro – BNB) manages the fund, and the Superintendency for Development of the Northeast (Superintendência de

²⁵ This new strategy was aimed at suggesting new policies instead of simply protesting against the existing ones. The *I Grito*, in 1991, represented the inauguration of this new phase.

Desenvolvimento do Nordeste – SUDENE) guides the use of the fund. In the Central-West region the agencies are the Brazilian Bank (Banco do Brasil – BB), and the superintendency for Development of the Central-West—SUDECO). In the North, BASA and SUDAM are in charge of the FNO²⁶.

During the early trips to Brasília, the leaders of the labor movement got help from a federal representative and former leader of the Santarém STR, who asked his staff to work on finding potential alternatives for financing development in the poor rural areas of Amazonia. The study pointed out that the FNO was the best source for financing small-scale economic activities, including, but not limited to agriculture. The law that regulates the Constitutional Funds states that:

- 1- They are restricted to finance productive sectors of the economy;
- 2- They should be used according to the policies proposed by other governmental agencies;
- 3- They should favor small farmers, micro and small industries, labor intensive activities, and the food production sectors;
- 4- Environmental preservation must be respected;
- 5- Interest rate and grace periods have to be based on social, economic, and geographic conditions of the enterprises;
- 6- Credit has to be followed by technical assistance in sectors presenting technological constraints;

²⁶ These three funds collect 3% of the federal tax revenues. FNE gets 1.8%, and the other two funds get 0.6% each.

- 7- Financing ought to create new productive poles to diminish regional income disparities;
- 8- The managers of the funds (the banks) have to use it in a (financially) sustainable way (SUDAM, 1996).

The workers thought that the FNO could, at least in theory, reverse the development model that had always benefitted large-scale, capital-intensive farms and ranches. As soon as they identified this opportunity they started pressing BASA to start lending them money from the fund. The bank fiercely resisted the workers' pressure, unwilling to use the fund according to the law. Nevertheless, BASA officials claimed that the bank took the initiative to create a credit line designed to help small proprietors, "revolutionizing rural credit in Brazil," according to one of its top managers²⁷. Militant unionists deny these claims, arguing that every single concession from the bank was the result of popular protests, invasions, and patience against the banks' foot-dragging during the bargaining process. In the angry words of one union leader:

No way! Had BASA created the FNO-especial the way it is today, we would not have had to organize the *Gritos*, to mobilize the workers, to close President Vargas Avenue [Belém's main avenue, where BASA's headquarters are located], to confront the police, and to see fourteen of our pals getting hurt inside the Bank's headquarters. Had BASA created the FNO-especial as it is today, all of these would have been unnecessary. I am sure that without the unions we would have been excluded from the beneficiaries of the fund, no doubt. It was all about pressure, and not only here, in Belém, but also in Brasília, pressure on representatives...it was a heavy-weight fight, indeed. BASA said that we were irresponsible, but, fortunately, we had done our homework, and we showed them the numbers, proving that the big projects financed by BASA and SUDAM in the last thirty years owed money to the

²⁷ Interview with BASA's Rural Credit Department general manager. Belém, February, 1998.

bank, not the small proprietors...we made this counterpoint, showing who does not pay the bank back. That was how we got support from society²⁸.

The complaints of this and other leaders of the labor movement are well founded. BASA had already taken the initiative to start using FNO before the workers demanded access to it; however, the Bank had different plans in mind. As the law determined that the managers of the fund had to start loaning the money in 1991, in 1990 BASA called a meeting to discuss the use of the fund. The Bank invited what the local press called “representatives of all the organizations involved in the process of regional development,” which represented a “democratization of the use of the fund.” These organizations involved with the regional development were SUDAM, SUFRAMA, CEPLAC, EMATER, and the states’ secretaries of agriculture, planning, commerce, and industry. Representatives of the subordinate classes were conspicuously absent from the meeting, even though they were surprisingly well organized, at least in Pará. (Tura, 1996).

It comes as no surprise that the proposal BASA sent to SUDAM’s Board (CONDEL) was extremely conservative, and advocated the use of the money according to the Bank’s traditional guidelines. In other words, the document ignored the general priorities set by law no.7827. The proposal excluded most of the fund’s potential clientele by requiring collateral for the loans. Moreover, it disregarded important criteria defined by the law, such as the prioritization of labor-intensive activities. BASA’s proposal defended the primacy of economic efficiency over use of labor, which created the possibility of lending the money to larger businesses. To make the process more difficult, the Bank created a plethora of bureaucratic procedures and legal requirements to approve loans,

²⁸ Interview with FETAGRI’s Agricultural Policy Coordinator. Belém, February, 1998.

turning the FNO into a fund practically inaccessible to those who could not afford paying an accountant or a lawyer.

Even before the public demonstrations during the *I Grito do Campo*, progressive politicians and representatives from several labor organizations, the Catholic Church, and even owners of private companies protested against the rules that BASA was trying to establish. The bank was not only resisting the democratization of rural credit, but also failing to use the money from the fund to promote development. In my interviews, critics of the banks pointed out the financial problems BASA was facing as an explanation for its behavior. BASA is a commercial bank, and its critics claimed that the bank had been using money from the fund in its daily commercial operations, which did not aim at any development purpose, but rather financial profits. As the constitution determines that constitutional funds are not subject to budget cuts, FNO was a sure way to reverse the bank's financial troubles.

It seems that BASA's resistance to change the rules governing the use of FNO only served to turn the workers against the bank. The participants of the Altamira meeting had already raised the idea of using FNO as a source of rural credit before the Bank established the rules for the use of FNO. The federal representative who helped the MPST to identify the FNO as a potential source of financial help, however, argue that few leaders of the labor movements were sanguine about the advantages of borrowing money from the bank. In his words:

There was a dispute going on behind the scenes. We kept doing what we had been doing since I took office: meeting with FETAGRI and CUT and passing all the information to them, but they did not understand our language. It was very hard to convince people to embrace the cause of FNO. (Former Federal Representative Valdir Ganzer, quoted in Tura, 1996: 60)

According to other leaders, they were afraid of telling their rank and file to seek rural credit, because they knew they might become indebted to the bank and get in trouble, even lose everything they had if things went bad. Their concerns were rooted in the problematic nature of traditional rural credit, which required collateral and did not contain subsidies. When the bank purposefully excluded the small farmers from the FNO, the leaders of the movement felt that they had to try to change the very rules of rural credit.

Two main groups, with distinct, but not conflicting agendas, gave the *I Grito do Campo* its general political orientation. On the one hand, a large group of approximately 300 people came from southern Pará, bringing to the event its anti-violence agenda. The *Comitê Rio Maria* epitomized the coalition behind this side of the *Grito*. On the other hand, an equally large group came from the Transamazônica, proposing the improvement of infrastructure in the countryside (transportation and electrification), and extension of rural credit to poor farmers and colonists.

Although the protesters accomplished some tangible gains, they left Belém with a lot of promises from the state government, most of which were never fulfilled. The negotiation with BASA was even more disappointing. Bank officials reluctantly met with some leaders of the movement but refused to accept any of their demands. The workers left the bank without any hopes for a short-term compromise, but they already knew that the struggle was just beginning.

II Grito do Campo

After the *I Grito*, the workers returned home and started discussing the idea of fighting for access to FNO with their colleagues who had not participated in the mobilization. In Santa Luzia do Pará, in the Bragantina region, the STR held a formal

meeting to discuss the issue with its members. In Santarém, the local STR and a group of fishermen met with the managers of the local branch of BASA to learn more about the fund. In Conceição do Araguaia, in the South, the directors of the local STR included the FNO in the agenda of their I Congress of Rural Workers. In Altamira, the MPST decided to take action and invaded the local branch of BASA as a means to force the bank to hear their requests (Tura, 1996). It was becoming evident for the leaders of the labor movement that the FNO could be an useful tool for the improvement of the livelihoods of small farmers. Moreover, it was clear that BASA would not come to their help spontaneously. If they wanted anything from the bank, or from the government, they would have to earn it.

The workers decided to organize a second *Grito do Campo* in that same year. In August, 1991, they went back to Belém. This time there were 1,000 protesters, and they focused their efforts on BASA, although they still scheduled meetings with representatives of the state executive, legislative, and judiciary powers. Their first meeting was with bank officials.²⁹ When the protesters arrived at BASA's headquarters, the police were already there, surrounding the bank. The protesters were not intimidated and occupied Belém's main square in front of the bank, where they camped for the next three days. This strategy had already worked when members of the MPST camped in Brasília. It was a way to ensure that the local population would notice them and learn about their problems and demands. Also, the leaders of the movement realized that it was more democratic and

²⁹ Although there were more rural workers in the second *Grito*, the total number of protesters was higher in the first *Grito* (about 5,000 people, according to the organizers) for they were backed by a broader alliance that included many groups from Belém and adjacencies.

efficient to update the rank and file after every round of negotiation with the bank. By doing so, it would be harder for the bank to trick the representatives of the workers by rushing any agreement. As the workers were camped just across the street, in a “permanent assembly”, any agreement would have to be ratified by vote.

The protesters were also able to gain support from a group of public employees who had just gone on strike. The two movements formally supported each other’s cause and together they occupied Belém’s central square. This alliance with another protesting group was extremely important for the rural workers. Considering the size of the state and the and the financial constraints of the movements, it was very difficult to gather a large number of peasants in the state capital. The urban workers, on the other hand, lived in Belém, and added a large number of protesters to the mobilization. Together, these two groups increased their visibility and capacity to disrupt the lives of those who lived in Belém. By doing so they could draw the attention of state officials.

In the first *Grito*, representatives of the movement had delivered a document that contained their demands to the directors of BASA. Although the bank did not immediately attend to any of those demands, it promised to analyze the proposals and to subsequently respond to the representatives. During the II *Grito*, the directors of the bank felt the pressure more directly from the workers camped outside their headquarters. As a result of this pressure, they opened negotiations and offered a credit line for small farmers. Initially named *FNO-urgente*, this line was designed to attend the needs of those who could not offer collateral to the loans. The collateral, in this case, would be the goods financed by the bank, mostly cattle. Both workers and bank officials proposed, for different reasons, that the loans be made through farmers’ associations. Union leaders thought that by doing

so they would strengthen their movement, engaging more farmers in some form of collective action. Bank officials, on the other hand, thought that associations could be offer some kind of collateral, if not³⁰ tangible, at least moral. In other words, the association would keep an eye on those who had borrowed from the bank, and the borrowers would feel pressed not to forfeit payments or misuse the money. In retrospect, a leader of the movement interpreted this rule as a political safeguard for the bank's top managers: In case things went wrong, the bank would be able to blame the associations and hence the leaders of the workers for the failure.

Although the *FNO-urgente* represented a victory for the workers, it was a very small one. The bank offered to finance up to US\$ 3,500 to 30 members of 5 cooperatives, which was virtually nothing, considering the actual demand and the amount of money already deposited in the fund. The workers considered the offer unacceptable and asked for an increase in the number of cooperatives and farmers that could get access to the fund. Also, they demanded that the groups be chosen by the FETAGRI, rather than by the bank. Other demands included a 1.5 % fee to be charged by the association or cooperative through which the loan was contracted, as well as insurance coverage and free technical assistance. The bank agreed to finance a larger number of farmers, but rejected all other demands. As the mobilization had reached its third day, and the workers had realized that they could not afford camping on the square much longer, they decided to avoid a stalemate and accepted the deal. The final decision was to finance up to 50 members of 25 associations and cooperatives selected by both the bank and the FETAGRI.

³⁰ Approximate value based on the 1997 exchange rate.

III Grito do Campo

It took the bank more than one year to release the loans approved in the *I Grito do Campo*. This delay was due to the bureaucratic intricacies of the credit line and, according to union leaders, to BASA's lack of motivation to help the peasantry. The workers had to keep pressure both on the bank and SUDAM, whose advisory board³¹ – CONDEL – had to approve any policy concerning the use of FNO. It took time for SUDAM to call the council meeting and then for BASA to release the money. The FETAGRI and the CONTAG kept the pressure on state officials in Belém and in Brasília during this period, while the unions and other organizations, like the MPST and some peasant associations pressured BASA's regional offices.

In May of 1992, exactly one year after the first *Grito*, 1,600 rural workers from 84 *municípios* returned to Belém. Once again, they received support from another mobilized group, this time the employees of a state-owned ferry company that was about to be privatized. Also, the rural workers were able to broaden their network of alliances and supporters before the mobilization in Belém. First, they reached out to other FETAGs in Amazonia to convince them that the FNO should be available to small farmers anywhere in the region. They gained support from groups in Rondonia, Acre, and Tocantins. Besides dispatching delegations to Belém, the FETAGs in all states except Tocantins organized local rallies and protests during the three days of the *Grito*. Also, the CUT helped their fellow unionists from Amazonia by including the *Grito* in its *Jornada de Luta* (the organization's list of priorities).

³¹ CONDEL is composed of representatives from the Ministries of Planning and Treasury, the governors of the northern states, and representatives of SUDAM and BASA.

The main points in the workers' agenda were the enforcement of the agreements made in the previous *Grito*, the extension of FNO to other states in Amazonia, and the simplification (*desburocratização*) of the rules of the FNO-*urgente*. One problematic issue concerning the simplification of the rules involved mandatory site visits by an extension agent every two months. As the state extension agency was financially strapped, these visits were impossible and effectively froze the release of new loans and the installments of the approved ones. The directors of the bank initially refused to negotiate with the protesters, who were again camped outside BASA. After two days of protests and intense mediation by some members of the state's *Assembléia Legislativa* (House of Representatives) the president of the bank received a committee in his office. The negotiations broke down, however, when the president asked for a 20-day period to reach a decision.

Frustrated with this response, the workers adopted a more radical posture. Although the police had shielded the bank from the protesters, the workers successfully executed an ingenious strategy to take over the bank. The protesters split into two groups. One of the groups quietly walked around the block and waited until the other group created a distraction in front of the bank. When the police tried to contain the loud protesters, the second group entered the bank through the back door. Once inside the bank, they set up camp and did not leave until the bank's top managers decided to hear them. This strategy surprised the directors of the bank, who had to reopen negotiations to avoid further embarrassment and any possible violent outcome.

The President of the bank and representatives of the workers ratified the commitments made in 1991 and extended FNO-*urgente* to other states. According to this

new agreement, 50 cooperatives and associations would receive the loans in Pará, 12 in Acre, 12 in Tocantins, 15 in Rondonia, and 6 in Roraima. Again, the bank set a limit of 50 loans per organization. Another important victory for the workers was the possibility of getting technical assistance from agencies other than the State Extension Agency – EMATER. Finally, the two parts reached an agreement concerning the interest rates for the loans – a very good one for the borrower. The bank agreed to limit the annual nominal interest rate to 12.5% and to give a 25% rebate on the annual consumer price index. As inflation was high, this rebate meant a real and substantial subsidy.

Table 4.4 shows the overall interest rates for FNO loans between 1989-94. These numbers do not accurately reflect the subsidy for the FNO-*urgente*, for they include other credit programs that used money from the fund. The bank does not have the data for the FNO-*urgente* loans and the conditions established in the negotiations between BASA and FETAGRI do not reflect the actual terms of the loan. Both interest rates and grace periods were renegotiated later. Moreover, with the exception of the loans contracted in 1992, all other loans have not been paid back and their terms are still being negotiated. The numbers do suggest, however, that the loans contained significant subsidies, particularly during the early years, when inflation was higher.

The III *Grito* epitomizes the new framing strategy of the rural workers during the second cycle of mobilization. As they fought against the economic model that the state bureaucracy implemented in Amazonia, they constructed their own image as the antithesis of that model. State-subsidized large scale ranching caused environmental damage, unemployment, land, and income concentration, and failed to promote economic growth. The workers argued that small farmers were responsible for the supply of most food

staples consumed in the country, that their activity employed many more workers than large scale farming and ranching, and was virtually harmless to the environment.

Table 4.4: FNO total disbursements and interest rates, 1989-95.

Year	Total (US\$ 1,000)	Interest rate
1989	2,180	n.a.
1990	108,570	-34.77
1991	92,214	-14.92
1992	27,986	-4.84
1993	82,986	-2.19
1994	242,285	-3.86
1995	234,695	n.a.
Total	790,916	

Source: BASA/COTEC (1996).

The emphasis on the sustainability of small-scale farming became particularly strong in 1992 because Brazil hosted the United Nations' Conference on Environment and Development (UNCED). The document that the workers presented to the press before the III *Grito do Campo* was entitled "Bases para o Desenvolvimento da Amazônia com Conservação Ambiental" (Foundation for the Development of Amazonia with Environmental Conservation) (FETAGRI, 1992). The introduction to the document reads:

This document represents an attempt to compile the issues that have been debated and experienced in the countryside, and that are pointed out by researchers, political parties, and organizations in civil society as alternatives for the development of our region. (...) The destruction of nature calls for a response, a development model that harmonizes with nature. As a response to marginalization and violence against the bulk of our population, we need a development model in which all human beings have their own place. Our starting point is a model based on small and medium-size farming systems, aimed at breaking down the power of the *latifúndio* over land, therefore weakening the oligarchies – an enemy that has been tightening its grip on labor and spreading violence in the countryside. This is not only about who gets land, but also about how to advance toward a new model that could

develop production, a model in which agriculture and nature can coexist. (FETAGRI, 1992: i. The translation is mine)

These claims are true, at least partially. What is interesting, though, is that when they came to the forefront of the protests, the workers had already achieved a high level of organization. They used scientific research and literature on deforestation in Amazonia, produced during the 1980s, to support their claims. The workers not only had access to this literature, but also enlisted some of the researchers that produced it as their allies. Besides the rhetoric in the 1992 document, the workers backed their arguments with data extracted from published research. They used economic data collected by the United Nations Development Program (UNPD), to bash the traditional development model:

Only 102 out of 1,000 projects financed by FINAM between 1975 and 1985 are still working. Three quarters of these projects yielded poor results, with profitability around zero. The government invested US\$ 2 Billion (1985) in these activities and, for each dollar invested, only two cents returned as taxes. The government financed ranching activities that generated less than 1% of the employment in this sector in Amazonia. (FETAGRI, 1992: 05. The translation is mine)

They also used research carried out by the Brazilian Institute for Space Research (INPE) and EMBRAPA to make their point about the environmental consequences of this model:

According to recent research, 75% of the 40,000,000 Ha of forest cleared in Amazonia was due to the ranching projects implemented in the last three decades. Approximately 17,000,000 Ha of cleared forest correspond to pastures, and large proportions of these lands have already lost fertility or are losing it very fast. The cost of recuperation of these areas would be US\$ 150.00/Ha, which would demand approximately US\$ 1.275 Billion, or 65% of the resources that FINAM has already invested in the region. (FETAGRI, 1992: 05. My translation)

Finally, the workers also used data collected by INCRA to illustrate their claim about the concentration of land, showing that 90.5% of the properties in Pará were small (0 - 500 Ha), but occupied only 18% of the area of the state. Properties larger than 10,000 Ha, on the other hand, covered 30.8% of the surface of the state, but were only 0.38% of total number of properties.

Although this framing process was important in broadening the scope and appeal of the movement, it was also crucial to strengthen the relations between the movement and their allies (real or potential), their interlocutors, and society in general, particularly through the press. In their negotiation with the state, the workers did not suggest that the subsidies for rural credit be banned. Rather, they wanted BASA to redirect fiscal incentives toward small farmers, and they succeeded, to a certain extent.

The Next Step: *I Grito da Amazonia*

Since the first meetings, in 1991, the rural workers and their allies within the MPST worked to expand their coalition by supporting and asking for the support of other organized sectors of the society. The extension of FNO to small farmers outside Pará was of particular importance to FETAGRI as a way to attract more support for the movement. The STRs attracted other powerful groups to their coalition: the National Committee of People Displaced by Dams (*Comissão Nacional dos Atingidos por Barragens – CABA*) and the Kayapó Indians, who had successfully fought the powerful ELETRONORTE, a state-owned electricity company, to avoid the construction of a gigantic dam in their territory, near Altamira. With their new allies from inside as well as outside Pará, the workers organized the fourth *Grito*, in 1993. This time it was called the *Grito da Amazônia*.

Although the focus of the mobilization in the *Grito da Amazônia* was still Belém, there was intense mobilization in other capital cities and in several mid-size towns throughout Amazonia. The press announced that:

In the first follow up of the movement, yesterday in the afternoon, the organizers of the movement informed that more than a thousand people are concentrated in front of BASA's office in Rio Branco, Acre's capital. In this same state, more than a thousand rural workers are also on the streets of Tarauacá, Sena Madureira, Manoel Urbano, and Feijó. More than a thousand people are also on the streets of Porto Velho and Pimenta Bueno, in Rondonia. In Tocantins' capital city, Palmas, about seven hundred people are camped. In Pará, besides Belém, the organizers of the protest claim that almost two thousand protesters camped yesterday in Conceição do Araguaia, in the South. (FETAGRI, 1993. The translation is mine)

These numbers might well be a little inflated, but the point is that the movement had reached a mobilizational capacity much higher than just two years before, when the *Grito* was basically restricted to the members of the MPST and the *Comitê Rio Maria*. An important new ally for the rural workers was the Union of Rural Civil Servants of Pará (Sindicato dos Trabalhadores no Setor Público, Agrícola e Fundiário do Pará – STPFA). In 1991, these same extension agents had opposed the FNO-*urgente* as the bank and rural unions proposed it. They claimed that the small farmers were ill equipped to deal with rural credit, and that the extension service could not provide all the support they would need. As the bank had already claimed that the lack of technical assistance was hindering the FNO-*urgente*, bringing the extension agents to their side was crucial to the workers.

Besides forging broader alliances prior to the mobilization, the leaders of the movement organized a large meeting with representatives of several state agencies and private organizations to discuss the movement's agenda. Among these organizations were the State Secretary of Agriculture (Secretaria Estadual de Agricultura – SAGRI),

EMATER, the State Federation of Farmers (Federação da Agricultura do Estado do Pará – FEAEP), the Association of Industrialists of Pará (Federação das Indústrias do Estado do Pará – FIEPA), INCRA, BASA, SUDAM, and the Brazilian Environmental Agency (Instituto Brasileiro do Meio Ambiente – IBAMA). The purpose of this meeting was to promote a discussion with all parties concerned with the development of the region, so that the rural workers could claim that they were fighting for a new mode of development, rather than simply access to public money.

An important point in the worker's agenda was the democratization of SUDAM's board – CONDEL. They felt that their lack of representation in this organization was costly, because CONDEL was, along with the Ministry of Planning, the locus of most important development policy-making for Amazonia. Despite the diverse interests represented in the alliance behind the *Grito da Amazonia*, the rural workers did have a more specific agenda to present to BASA. A key demand was that BASA set differentiated rules for the loans according to the size of the borrower's property. They suggested a 3% annual interest rate plus 70% of the inflation rate for "mini" farmers³². Small farmers, according to this proposal, would pay a 5% annual interest rate plus 80% of the variation of the inflation index. Finally, they also proposed the creation of a credit line for the associations and cooperatives, which would pay a 4% interest plus the full inflation rate, measured according to their formula. By gaining access to credit, the

³² They fought for the use of an inflation index based solely on the prices of agricultural commodities planted in the region, instead of the traditional Consumer Prices Index (Índice de Preços ao Consumidor – GDP). This new formula would link the inflation index to their income, shielding them from any (likely) relative loss of income.

cooperatives and associations would be able to invest in infrastructure projects and machinery that could benefit their members collectively.

The workers did not get the differentiated rule, nor the new formula for calculating the inflation rate; nonetheless, they got a substantial improvement over the conditions bargained in the previous negotiation with BASA, in 1992. The bank agreed to reduce the annual interest rates for FNO-*urgente* from 12.5% to 4% and to increase the rebate on the inflation rate from 25% to 50%, which drastically increased the subsidy to the loans. These rules would apply to both mini and small farmers. Also, they agreed that the cooperatives and associations could finance projects up to 80% of the total value of their members' individual loans. Another innovation was the creation of a 3% fee to be split equally between the association through which the loan was contracted and the rural extension agency (a demand the bank had refused in the II *Grito*).

The workers considered the agreement satisfactory. Their strategy to hold a seminar where they could bargain with the bank in front of other governmental agencies and the press apparently paid off. However, after the meeting, the president of BASA simply refused to sign the agreement. On the last day of the mobilization, the workers were concentrated in front of the state House of Representatives. When they learned that the president of BASA was stalling, they decided to dispatch a small group to the bank to pressure him. As the workers arrived, the police tried to contain them. The confrontation resulted in the destruction of the first floor of the bank's building. Moreover, the police shot one of the protesters and beat another dozen, who had to be hospitalized.

The president of the bank immediately felt the pressure and realized that if the other hundreds of peasants who were protesting a few kilometers away from the bank

decided to retaliate, a tragedy would take place. He immediately signed the agreement accepting all of the terms agreed to the day before. Even though the *Grito da Amazonia* was not a movement targeted at discussing rural credit, the developments in these four days in Belém characterized it as such. In spite of this narrowing of the agenda, the following mobilization significantly broadened its scope. In 1994, it became known as the *I Grito da Terra Brasil*.

Going National: The Gritos da Terra Brasil

From 1994 on, the *Gritos* became a nation-wide protest, and were renamed *Grito da Terra Brasil*. The growth in the size and scope of the protest was in part due to the success of the previous rallies. More importantly, however, was the involvement of the national labor organizations in the movement. In 1994, the CUT and the CONTAG adopted the *Grito* as part of their agenda and promoted demonstration and protests in dozens of cities outside Amazonia. However, the organizers of the movement presented an agenda that was still focused on Amazonia, and particularly on the issue of rural credit. They kept attacking the model of development applied to the region, now fully incorporating the issues of sustainable development and conservation of natural resources into their rhetoric. This was clear in the introduction of the 1994 agenda:

Another typical example is credit for the agricultural sector, where the statistics show the economic, social, and ecological failure. Another indicator of the socially detrimental nature of public policies applied to the region [Amazonia] is the brutal process of land concentration that has happened in the last thirty years. It should be noted too the ecologically devastating nature of this model, which, according the data collected by INPE³³, has already resulted in the deforestation of an area of more than forty million hectares in Amazonia. (FETAGRI, 1994: 1. The translation is mine)

³³ The National Institute for Space Research – Instituto Nacional de Pesquisas Espaciais.

Some of the demands the workers made in 1994 were:

- 1- A survey and legal demarcation of Indian reservations and *Quilombos* (the collective lands of the descendants of fugitive slaves);
- 2- A massive effort to issue title to small farmers and colonists in Pará, reopening filed lawsuits and investigations against the murderers of rural workers, unionists, and priests in the countryside;
- 3- Investigation of allegedly fraudulent issuing of titles in the state of Pará;
- 4- Revamping of the colonization projects in the region (PIN-PROTERRA);
- 5- Extension and simplification of credit lines (PROCERA³⁴ and FNO-*especial*);
- 6- Investments on rural electrification;
- 7- Improvement of rural extension, education, transportation, and health service.

Despite the breadth of the agenda, most of it addressed the issue of rural credit:

Five out of its twelve pages proposed detailed changes in the rules governing the use of PROCERA and, particularly, FNO-*especial*. While no fewer than 66 items detailed the demands relative to credit, the authors of the document dedicated only five lines to both education and health care. Contrary to the expectations that such a broad national movement might have raised, the main victory for the protesters was an extension of the 2-year grace period on the loans. The grace period of the first loans, contracted in 1992, was about to expire, and the borrowers would be hard-pressed to pay them back.

In 1995, the national alliance that supported the *Grito da Terra* was consolidated.

The FETAGRI's 1995 report acknowledged the involvement of a larger number of

³⁴ Programa Especial de Apoio à Reforma Agrária – a credit line to help colonists recently settled by official land reform programs.

organizations in the coordination of the event: CUT; CONTAG, MST, MAB, MONAPE, and CSN³⁵. The organizers claimed that they mobilized 4,500 people in the state of Pará and about 6,000 in Amazonia. In Belém the movement focused their actions on BASA and on the state executive. In Brasília, they concentrated their efforts on the Ministries of Agriculture and Labor. They discussed a new rural credit program with the Ministry of Agriculture. Their main concern in the Ministry of Labor was the delay in the analysis of retirement claims by rural workers. The protesters wanted a faster and simpler process to substitute for the bureaucratic procedures required by the Brazilian Social Security Administration (the Instituto Nacional de Seguridade Social – INSS). Also, representatives of the MPST pressed the Ministry of Transportation to release resources to renovate the Transamazônica highway.

The rural credit issue did not dominate the agenda of the II *Grito da Terra Brasil* to the same extent that it did in the previous year. Instead of focusing on the minutiae of the FNO-e, the authors produced a balanced document that addressed other important issues, like transportation, education, tax policy, energy policy, environment, violence, land reform, technical assistance, and research. This agenda reflected the diverse interests of the groups that supported the movement; however, the rural workers were still the most powerful group in the coalition, and in practice credit still dominated the negotiations.

³⁵ CNS – Conselho Nacional dos Seringueiros (National Rubber Tapers Council); MAB – Movimento Nacional de Atingidos por Barragens (National Movement for the Displaced by Dams); MONAPE – National Movement of Independent Fishermen); MST – Movimento dos Trabalhadores sem Terra (Movement of the Landless Rural Workers).

There was a difference however, between the 1995 proposal and those the workers presented in 1992-94. This time they did not restrict their struggle to the FNO-e and BASA. Rather, they included PROCERA in their agenda (it was already included in the 1994 agenda, but it was never addressed in the negotiations with the government). This change reflected the greater role played by the MST in the alliance. Not only did it expand the demands related to credit, but also included a proposal for the settlement of landless workers in various sites inside and outside Amazonia. These proposals included the expropriation of private lands (and they even suggested which *latifúndios* should be targeted), the establishment of basic infrastructure (roads, schools, and healthcare centers), and the provision of credit and technical assistance to the settlers.

In spite of all these novelties, most of the movement's efforts went to the negotiations with BASA and, again, the results were changes in the rules of the credit policy and new promises by BASA. The bank assured the workers that they would extend the FNO-e to 25,000 small farmers and that the STRs would have some discretionary power over the choice of associations and cooperatives that would qualify for the program.

The bank, however, did not accept the proposal to increase the subsidies on the loans by not charging the inflation rate. Despite this loss, in the III *Grito da Terra Brasil*, in 1996, the workers proposed that the bank charge no interest rates at all, so that the only obligation by the borrower would be to return the principal to the bank (FETAGRI, 1996: 29). The bank obviously refused this proposal, arguing that it would deplete the fund in the long term.

The III *Grito* represented a radicalization of the movement, which was partly the result of the increased participation of the MST. The MST had been successfully promoting the invasion of private and public lands throughout the country. The press coverage suggests that outside Pará, the *Grito* was overwhelmed, if not commanded by the MST. Whereas 300 rural workers convened in Belém, newspapers announced that 1,200 members of the MST gathered in Alagoas, where they would invade a ranch; another 2,000 members met in Curitiba, 400 in Porto Alegre, and 200 in Belo Horizonte (FETAGRI, 1996: 135).

The MST was not the only organization to adopt a radical posture. The workers in Pará blocked the highway that leads to the Tucuruí hydroelectric dam, and refused to leave until ELETRONORTE signed an agreement to extend the power lines to the West, and to supply energy to the towns of the Transamazônica and Tocantins regions. This was an old demand of the workers, but, as with most commitments reached in the *Gritos*, ELETRONORTE had been ignoring it.

Surely, the most important gain for the movement in the III *Grito* was the creation of a new credit line for small farmers by the federal government: the National Program for Support of Familial Agriculture (Programa Nacional de Apoio à Agricultura Familiar – PRONAF). The rural workers negotiated the creation of this program with the Ministry of Agriculture and the Banco do Brasil, which became the manager of the program. The federal government created the PRONAF, but did not respond to the workers' suggestion that the program receive a US\$1.5 billion budget.

In the following two years the participants of the *Gritos* continued to fight BASA for more advantageous conditions for the loans and the extension of the program (they

had been pressing BASA, since 1992, to allocate a larger share of the fund to rural credit). Also, at the national level, they raised the PRONAF to the same priority as the FNO-e in their agenda.

Since 1996, rural workers in Pará and in other states have been pressing the federal government to simplify and to increase this credit policy. Banco do Brasil, however, was reluctant to contract the loans unless the individual proposals were technically sound, and the proponents offered some tangible collateral. Also, they refused to release money if there was no guarantee that the borrowers would receive technical assistance. This concern, as we shall see in the next chapter, was partially based on the initially unsatisfactory results of the FNO-e.

What is interesting in this struggle between the state and the workers is that the latter increased their efforts year after year, making their demonstrations more sensational, whereas their agenda became gradually narrower. The *Gritos da Terra Brasil* represented a consolidation of the alliances made by the workers during the previous mobilizations. Unfortunately, it also consolidated the supremacy of rural credit in their agenda of demands.

Conclusions: Movement Emergence and Transformation

The process of social mobilization that culminated in the creation of FNO is a long and complex one. The five dimensions of the movement listed in the introduction to this chapter (*state capacity to repress, access to participation, policy implementation capacity of authorities, alliance structure, conflict structure*). In fact, these changes started before the onset of social mobilization in Amazonia and were essential preconditions for

mobilization. Other important changes occurred during the process of mobilization, though. Even the very goals of the movement changed during the period studied here. These changes, however, did not represent an instance of goal orientation in which the very maintenance of the organization becomes its main goal – a “conservative accommodation” according to Kriesi (1996, see Chapter 1). Rather, survival and a reorientation of the movement were important because the needs of the workers had not been addressed yet, and the ways to address their needs, as well as the needs themselves also changed.

In the first cycle of mobilization, the workers fought against a corporatist structure that hampered independent unionism and true class representation. In the second cycle, the movement had an important role in the consolidation of democracy in Brazil. As the state became less authoritarian, the movement had to adapt itself to more pluralistic rules – that is exactly what *sindicalismo propositivo* means.

Despite the changes in the goals of the movement, the most important mode of action was the same during both cycles: their disruptive capacity. Although the regime is more democratic today than it was during the military rule, many of the institutions and agencies that the workers deal with were created during the authoritarian period and are not well adapted to political participation. During both cycles the workers had to raise their voice and take the streets to be admitted into the offices of state officials. Although popular mobilization and protests are still the trademark of the movement, the workers added new forms of pressure to their repertoire of action. They increasingly engaged in formal politics: they lobbied congressmen, they elected their own representatives, and they sat in negotiation tables with ministers, secretaries, and lower rank officials.

Participation in formal politics requires organization and resources. Considering the relative poverty of the rural workers, their ability to make alliances was crucial to their success. The Catholic Church was always a reliable ally for the workers. Besides the work at the grass roots level and the importance of Catholicism as a component of the identity of the peasantry, the Church was also active in strategic alliances with the peasantry. Even those sectors of the Church that are not necessarily so connected to the rural workers – particularly the more urban parishes – supported the movement in an *ad hoc* way. An example of this support was the participation of the Bishop of the Diocese of Xingu in the protests against the privatization of the Medicilândia alcohol distillery, in 1984. Also, the Church gave the workers crucial support during the *Gritos* in Belém. This support was both political and material. Catholic bishops and fathers joined the workers in their protests and backed their demands in public. This kind of support was important because it gave more legitimacy and visibility to the workers' cause. The Church also helped supply the workers coming from the interior with food and shelter – two relatively expensive and fundamental items in long mass mobilizations.

Besides the alliances with the Catholic Church and NGOs, the workers have had several occasional allies during these two decades of mobilization and protests. The rural workers of the Transamazônica were particularly good at crafting these alliances. The MPST is the best example of their capacity to aggregate forces: Although controlled by the rural workers, this organization represents the interests of several other groups, such as teachers, health care professionals, and other professional categories that were also suffering from the lack of state resources.

The rural workers entered strategic and transitory alliances with other categories of workers during the *Gritos*. In 1992, for instance, rural workers exchanged support with the employees of ENASA (Empresa de Navegação do Amazonas) – a State-owned fluvial transportation company that was about to be privatized. In 1994, during the I *Grito da Amazonia*, the powerful STPFA joined the rural workers in their march. In 1995, the participation of other groups was even more intense, as the public servants of Pará went on strike and exchanged mutual support with the rural workers. In all these cases, the rural and urban workers were able to make their mobilization more conspicuous and to increase the pressure on their main opponent: the state.

During the first cycle the rural workers, particularly those from Transamazônica, nurtured their image as colonists that were brought to the region by the state and subsequently abandoned. This was a rudimentary framing of their grievances against the state. Yet, this image was true and the framing effective. In the second cycle, the workers framed their cause in much more sophisticated way. They did not portray themselves simply as victims of an unsustainable development model, but rather as an alternative to that model. The introduction of the FNO-e, and later the PRONAF, shows that this image was a powerful one. This framing allowed the workers to attract societal support to their cause and to gain significant concessions from the state. It is worth noting, however, that this image of the rural workers as sustainable alternative model of economic development is not consolidated. Neither is the support that the workers gained during the second cycle of mobilization and their achievements. In Chapter 5, I will show that the outcomes of FNO-e may challenge this identity that the workers constructed so carefully.

CHAPTER 5 THE OUTCOMES OF CREDIT POLICY

The FNO-e had several unanticipated consequences. Some were political and affected the organization of the peasantry, frustrating the expectations of some leaders of the movement. Other consequences were more technical – economic and ecological – but also had an indirect impact on the politics of peasant mobilization in Amazonia.

The clearest political outcome of the FNO-e was the appearance of hundreds of new peasant associations throughout Amazonia. Rural workers initially thought that channeling loans through the unions would strengthen their movement. As this was illegal, they managed to have associations perform the role of mediator between the bank and the peasantry. However, this strategy backfired. Instead of stronger unions, the FNO-e created new opportunities for clientelism and patronage with public money. As a result, a fragmented network of associations emerged, which increased the power of local bosses and state officials.

The credit policy also promoted an expansion of the cattle herds in the Transamazônica region, which had harmful consequences for the environment. As small farmers clear more forest for pasture, the workers' claim that familial agriculture is a sustainable economic activity will become too fragile. As a consequence, the workers stand to lose support for their cause.

In this chapter, I discuss these two consequences of the FNO-e, relying on semi-structured interviews with key informants, as well as two surveys. The first is a survey of

60 colonists, which I conducted in Uruará between October and December of 1997. The second is a survey of 241 farmers, conducted in the summer of 1996, also in Uruará. Although the latter survey was not aimed at collecting data on the FNO-e, it contained valuable information on land use and credit in the *município*.¹ BASA also supplied limited (due to legal constraints) information on FNO-e disbursements.

The Associations

Although the unions and FETAGRI could not legally select those who would qualify for BASA loans, the bank did agree to consult with the labor federation when selecting the associations and cooperatives that would receive the loans. Indeed, the bank and FETAGRI worked together in 1992, when the bank approved and released the first loans. There were no loans in 1993, thanks to BASA's foot-dragging. In 1994, the pressure on BASA to release more loans came not only from the rural workers, but also from politicians who wanted public money to go to their districts so they could mediate the release of the loans. This mediation could occur indirectly, by means of helping some association get the money, or directly, in cases when the politician was the president or one of the directors of an association.

Providing access to public money is a very effective tool to promote patron-client politics, a process that works all the way down to the grass-roots. Some associations were created or overtaken by local bosses, who used them to increase their popularity and political support. Most peasants do not give the unions credit for their struggle to create

¹ This survey was funded by the National Science foundation and was aimed at collecting information on the effects of land tenure on land use. The project was led by Dr. Charles H. Wood, then professor at University of Texas, Austin.

the FNO-e. Less than 30% of the FNO-e beneficiaries in Uruará are members of the local union. In many instances, the leader of the association was the one who politically benefited most, for the peasantry perceived him or her as being, ultimately, the provider of credit, even though they understood that the money came from the bank. This kind of association leader is an exemplary free-rider, who has nothing to do with the mobilization process that culminated in the creation of FNO-e, but reaps its political rewards.

In 1994, Brazil held elections for president, governors, senators, and state and federal representatives, which made public money an even more valuable resource during the political campaigns. The president of BASA himself (the one who dragged his feet to sign the agreements that he had accepted in public, during the 1993 *Grito da Amazônia*) was running for federal representative. Giving access to credit only to members of associations that were linked to the unions was not a very popular idea. First, because it would restrain some politicians from promoting patronage with this money. Second, and even more importantly, most of these associations and the unions were linked to the PT. As the PT candidates were the main opponents of the conservative politicians, the last thing the conservatives wanted was to let the PT get credit and popular support for the FNO-e. Indeed, members of the unions claim that, in 1994, BASA released the loans in a very selective way. By doing so the bank benefited those associations whose leaders could or were willing to support the campaign of BASA's president. Accordingly, they kept the money away from his opponents – the more progressive associations, which supported candidates running under the PT's ballot.

Few colonists got FNO-e loans in 1992, because the bank did not budget much money for this credit line. It is important to note again that the colonists were also

reluctant to become involved with the bank, due to their ignorance of credit and financial operations. Another reason for their fear was that Brazil was still experiencing a period of economic turmoil, with out-of-control inflation reaching double digits every month. High inflation, however, proved to be a blessing for those who took their chances and got the loan from BASA in 1992. The conditions negotiated in 1991 and 1992 included a rebate of 25% of nominal inflation, which, after a 2-year grace period won by the workers, resulted in a substantial subsidy. Indeed, some colonists who got a loan in this first year reported that they bought from six to ten cows with the money and, after two years, they paid the bank back by selling just two or three animals.

These incredible conditions and the profits the few lucky colonists made were more than enough to mitigate the peasantry's suspicion of the bank. Soon, large numbers started applying for an FNO-e loan and the pressure on the unions and BASA built up from the bottom. As the bank decided to bypass the labor movement, associations mushroomed throughout the Transamazônica region.

In Uruará, the first recipients of FNO-e credit were the members of the local cooperative COOMAVUR. The cooperative had been administered by a coalition of unionized and non-unionized workers, until 1992, when the former left the cooperative to form APRUR – the largest local association linked to the union. In 1993, BASA did not budget any money for the FNO-e and the next release, in 1994, was under the new conditions, without the direct involvement of the unions and FETAGRI. The peasants ran to the associations to apply for credit, and the associations started competing among themselves to gather the largest possible number of applicants.

The associations linked to the unions wanted to help as many peasants as they could. As their idea of strengthening unionism was rejected, they decided not to discriminate against non-unionized peasants, particularly because other associations would accept them as members anyway. Another important reason for liberally accepting new members was that the associations were entitled to charge a 3% fee on the projects financed by BASA, which represented an important source of money in a poor region like Transamazônica. Although this money should be saved as security against insolvency of the associations' members, some associations used this fee to increase their assets or to establish a cash flow that could support other projects.

In Uruará, the local cooperative and five associations were able to receive FNO-e money between 1992 and 1995, the last year that loans were released. If the bank had not suspended the program in 1996, more than ten new associations could have applied for credit in the following years. Two of those five associations are linked to the rural worker's union, to whom they voluntarily donate part of the revenues they collect through their fees. One of these associations, APRUR, was the largest association in town, with approximately four hundred recipients of FNO-e. Its size is not a good indicator of the strength of the labor movement, however. The president of APRUR admitted his frustration at not being able to be more selective when accepting new members. The pressure to liberalize access to credit was such that he and the other directors had to forget selection criteria that he and his colleagues within the labor movement considered so important when discussing the implementation of FNO-e.

The other association identified with the labor movement – ASSAVI – had a weaker relationship with the local union. Paradoxically, this association was much more

selective when choosing its members than APRUR. The leaders of ASSAVI were less militant than those of APRUR in the union and were not linked to the PT at all. Despite their weaker linkage to the labor movement, ASSAVI kept more control over the financing process, and tried to use the FNO-e to strengthen their association by means other than collecting the 3% fee they were entitled to. The association decided to restrict membership to those living in their geographical area, which are the vicinities of two side-roads (160 and 165). By establishing this rule, the association may not have strengthened unionism as a whole, but, at least, it became more accountable to members. As most members live close to each other and to the directors, they are able to attend most association assemblies and to discuss its problems during their everyday casual meetings. For APRUR, this geographic restriction was impossible, for it was born amidst the union, whose members are spread all over the *município*. Also, ASSAVI is a small association, with only 58 members (all of them FNO-e recipients).

Two other associations are also geographically restricted, both of them located in the eastern border of the *município*. AGRASAMA is located on side roads 130 and 135 and has 48 members. ASSAGRIL is the association of the colonists from side roads 140 and 150, and has 40 members. Both associations were formed before the advent of FNO-e, and tried to restrict membership to their micro-region, forwarding to the bank the credit proposals of those who were already members of the association before the credit opportunity appeared. Curiously, both associations were founded and presided by the same person until 1996, when the opposition took over AGRASAMA. Despite being

geographically restricted and, in theory, subject to the same control mechanism as ASSAVI, these associations are not as democratic as the former².

The founder of these associations is a perfect example of the free-rider leader described above. She has never participated in the unions or in the struggle for access to credit. In fact, she was not even a worker, but a large property owner, and a political foe of the union and the PT in Uruará. Besides, she was serving her second term as *vereadora* (member of the city council), and was elected speaker of the house in 1996. Her leadership and power over the members of the associations she created have multiple dimensions: political, economic, and cultural. She has an educational level well above the average and has worked as a teacher in the local (km 140) school. Without being involved with the workers' struggle for access to credit, she increased her popular power through FNO-e.

The other association able to provide its members with access to credit was ACAPU, which resembles APRUR in the sense that it was also large and its members were spread throughout Uruará. ACAPU, however, existed long before the introduction of FNO-e, and was created as a collective effort to solve a pressing problem for cacao growers. A few buyers controlled the cacao market in Uruará, dictating the prices and payment conditions. The average cacao price in Uruará was about 50% lower than the average price paid in southern Bahia, the main cacao-producing region in Brazil, for a product of equal grade. Farmers in the Transamazônica region could not sell their cacao in Bahia, due to phytosanitary restrictions on marketing. To resolve this problem, some cacao producers and CEPLAC (Comissão Econômica para o Planejamento da Lavoura

² Members of these “geographically restricted” associations participate more in meetings and assemblies and, in theory, have more control over their leaders.

Cacaueira – Executive Committee for Cacao) technicians decided to form an association to market their cacao and pepper, taking it directly to the nearest port. ACAPU (originally Association of Cacao and Pepper Growers of Uruará) was created then, and a few loads of cacao taken to the port and sold.

When local commodity traders realized that the new association would jeopardize their business, they immediately raised their buying prices to out-compete the association. ACAPU members, not realizing other potential benefits of being part of an association, soon abandoned it, preferring to sell their products to the traders and avoiding the risks and headaches involved in running their own business. In the short term, though, ACAPU did influence prices to the benefit of producers.

The association was left abandoned until 1992, when the introduction of FNO-e made it useful again. ACAPU aggressively recruited new members between 1992 and 1996, without any criteria, just to forward the largest possible number of credit proposals to the bank. At the time of the field work, this association had 400 members, all of them recipients of the FNO-e. Some union leaders consider ACAPU as a perfect example of an opportunistic association, for they not only recruited members to reinforce their bank account, but also clearly misused the money. When the messy financial situation of ACAPU became public, its members held an assembly to force out the directors, causing turmoil that alerted the members of other associations against possible misconduct of their leaders.

Along with the division between the associations linked to the union (APRUR and ASSAVI) and those that are not (AGRASSIL, AGRASAMA, ACAPU, and the cooperative – COOMAVUR), the associations are also divided according to the extension

agency that assists them. EMATER works with the two associations linked to the union, whereas CEPLAC attends to the others. This division is based on local politics. EMATER staff has some involvement with the PT, due to their constant labor struggles against their employer: the state government. Also the union has always been a critic of CEPLAC's working style. Besides, union leaders argue that some CEPLAC technicians have supported the creation of new associations to promote their private political and economic interests.

The Relationship Between Peasants and Their Associations

The problems with FNO-e are evident and almost everyone in Uruará has his own critiques of the credit program; however, there is strong sentiment that, in spite of all the problems, the credit injected money into a region that was desperately in need of resources. The credit came exactly when the local economy was experiencing a crisis caused by low agricultural prices and, especially, by two diseases that had devastated pepper and cacao, the main crops in the Transamazônica. If the FNO-e money did not revitalize the local economy, at least it gave the economy a breath of fresh air, postponing an economic collapse that seemed imminent in the early 1990s. Nonetheless, it is worth emphasizing that FNO-e has been, at best, a palliative against economic decline, not a sustainable solution at all.

Poor planning is an important cause of the failure of FNO-e. Farmers in the Transamazônica region live in 100-Ha plots, and, according to a federal law, must preserve 50% of the original forest (80% for those who settled after 1996). Perennial crops, like pepper, cacao, and coffee, are very suitable to the conditions and needs of the

peasantry in this region. A few hectares of each crop can provide a stable source of income, as the farmer can dry and store the crops on his property, selling them as needed throughout the year. These crops also employ family labor, helping to keep the peasants on their properties, rather than stimulating their going to town to seek informal jobs. When the crops demand more intensive labor, as during harvest or pruning season, colonists exchange labor with their neighbors, which enables them to do the required jobs without having to spend too much on paid labor. It is true that diseases have affected both cacao and pepper, but good management can still make these crops profitable, and appropriate management techniques are available to the colonists.

In spite of the advantages of supporting the cultivation of perennial crops, the FNO-e loans in the Transamazônica region promoted cattle ranching. The original idea was to finance the acquisition of dairy cows, so that the colonists could increase the supply of milk to their families and make some extra cash by selling the surplus. On average, the bank financed the acquisition of ten cows, one bull, a horse, and 1.6 km of fences per household. Also, the projects included one hectare of perennial crops in a consortium. In Uruará, the technicians chose consortia combining two of the following crops: coconut, cupuaçu, and banana. This idea came out of successive rounds of negotiation among the bank, EMATER, CEPLAC, and representatives of the labor movement. For BASA, cattle was an interesting option because the goods financed were the very collateral of the loans. In case of insolvency, the bank can recover the cattle, but could not do the same with crops, since they are worthless without the land and, in this case, land was not used as collateral.

Technicians and bank officials suggested the idea of promoting milk production and establishing the one-hectare consortia. To make their lives easier, they decided to write a standard package for all credit applicants. The most striking problem in this plan is that there is no market in the region for any of the products financed by the bank. Moreover, despite their proximity to the Tucuruí dam, the towns in the Transamazônica region do not have a reliable and affordable supply of electricity. Milk processing is impossible without refrigeration. Also, transportation from the farms to the town is precarious and expensive, and small-scale milk production in Brazil is economically challenging even in the South, where the infrastructure is better. Had the plan to introduce dairy cattle in the region succeeded in facing all these challenges, the milk surplus in the region might have been huge, for ten cows can provide much more milk than a family can possibly consume. Because small-scale dairy production is difficult and risky, this idea seems to have been a poor choice for FNO-e.

Introducing crops that are strange to the peasants was another flaw in the planning. Nobody in the region had ever planted coconut or cupuaçu (a local tropical fruit), and even worse, there was no marketing available for these products. Cupuaçu is used for juices and ice-cream, traditionally consumed in the larger cities of northern Brazil. Although considered a promising crop, little is known about its commercial cultivation, and the fruit is delicate and very perishable. As in the case of milk, lack of energy and reliable transportation makes cupuaçu a bad option for this region. Although not so perishable, coconut palms are also very difficult to grow in the Transamazônica, and there was no effective market for this fruit.

If marketing decisions were equivocal, the technical aspects of the projects were even worse. The technicians not only recommended the same crops to everybody, but also had them buy the same kind and quantity of fertilizers and pesticides. Many times the colonists spent the money on groceries or other necessities, instead of buying fertilizers. In some cases, the farmers had to go to a pre-designated store, purchase the merchandise and take an invoice to the association, which would then reimburse the merchant. In this case, the farmer could negotiate a fake invoice, buying other goods while pretending to be following bank instructions. When neither option was possible, some farmers simply bought the merchandise to sell it later often at less than half the purchase price, so that they would at least make some cash. In fact, interviewees felt as if the bank imposed the consortium on them. They considered it a burden, not a potential source of income. As a result, many of them simply abandoned the consortium, realizing that, when it came time to pay back the bank, the consortium would represent a loss anyway, so they should not invest any money or effort into it.

In general, the peasants resented the fact that they could not shop around. The bank decided that the associations should have some control over the money, and some associations did not give their members any option but to buy from a specific vendor. Many members of the associations claimed that the directors of these associations took bribes from the vendors. Other associations were more flexible and allowed their members to shop anywhere, as long as the seller agreed to be reimbursed later. Besides fertilizers and pesticides, the loans also paid for fence wire that had to be bought under the same conditions.

The deal with cattle was even more disappointing to the recipients of FNO-e. As said before, few peasants in the region had any experience with dairy cattle, which meant they knew little about buying good animals. The average peasant may think that good beef cattle is normally white, because that is the color of Nelore, the dominant beef cattle breed in Brazil. Big ranchers in the region soon realized that they could sell any cattle that was not white as dairy cattle, without regard to the cattle's true purpose.

During negotiations among the workers, bank, and the extension agents, the latter suggested that the bank should increase the maximum buying price for the cattle, so the farmers could buy high quality animals. The projects, written by either CEPLAC's or EMATER's staff, and approved by a bank official, established the quantity and price of cattle each farmer was allowed to buy. Cattle sellers had no difficulty in changing the maximum allowed price into average price. Moreover, the prices established by the bank were high enough for the peasants to buy decent dairy cattle which, however, they could not differentiate from bad dairy cattle or from beef cattle. The drastic result of this combination of factors was that the sellers simply gathered low quality non-white cattle (usually referred to as *pé duro*, in Brazil), selling it dear, as if it were premium dairy cattle.

Also, the ranchers knew in advance when the money was going to be released by the bank, and the bank released all the loans at the same time, helping inflate cattle prices in the region. As transportation in this region is difficult and expensive, and the peasants did not have trucks to bring cattle from outside, they had to buy according to the sellers' terms. Some associations thought of mobilizing their members to rent trucks and to send representatives to southern Pará or to Mato Grosso state to buy cheaper and better

animals; however, most colonists refused, arguing that they could get a better deal by themselves.

After official approval, the bank gave the associations eight days to sign the contracts and get the money. After that, the individual colonists had 90 days to buy their cattle and to send the receipts to the association, who would forward them to the bank. According to the peasants and the leaders of the associations, all the credit recipients rushed to buy their cattle as soon as the bank released the money. The ranchers were anxiously waiting for them. Anyone in Uruará describes the days after the money was released as a period of frenzy in town. Some ranchers sent their representatives to the side roads, to offer cattle to those who had just gotten their money. Curiously, the ranchers knew who the credit recipients were, although this was supposedly confidential information. Other ranchers sent trucks and vans to town to transport the colonists to their ranches where they offered them cattle, sometimes in auctions. As described by one of colonists:

It was incredible, all those *colonos* there, eating beef from the grill, as they never did before, drinking bottles and bottles of *cachaça* and beer. The ranchers calling them by their names, making them feel like they were ranchers too and, indeed, I think many thought that from that point on, things were going to be different, that they were going to become rich and powerful, just because they were going to own cattle. After a few hours, the rancher climbed the corral and started the auction. People were so excited that they would offer even more money than the rancher was asking for those horrible cows. It was a rip off³.

³ This was an unrequested declaration from one of the surveyed colonists. The translation is mine.

This was not the only trick used by the ranchers. Other interviewees declared that when buying cattle they could not select their animals. Instead, the seller offered them lots of ten cows, mixing average animals with diseased or sterile ones. As was the case with fertilizers and pesticides, the directors of some associations forced their members to buy the cattle from a pre-determined rancher. In other instances the bank gave lists of credit recipients to the ranchers, who then dispatched their sales representatives to meet with the peasants. Also, bank clerks introduced cattle sellers to the peasants during their meetings to sign loan contracts⁴, and encouraged the peasants to buy from them, suggesting that the bank endorsed their cattle.

Table 5.1 presents a summary of the characteristics of the peasant organizations that had access to credit in Ururará. The number of effective members is also the number of FNO-e recipients. Since the 1.5 % fee was established by BASA, the associations decided to consider it as the only dues that members should pay. Potentially, these associations have more members, but they do not participate in the meetings, since the bank turned down their credit applications. The interviewees were randomly selected.

Table 5.1: Peasant organizations in Ururará.

Organization	Linked to STR.	Tech. Assistance Provider	Number of members	Members interviewed
APRUR	yes	EMATER	402	18
ASSAVI	yes	EMATER	58	7
AGRASSAMA	no	CEPLAC	48	7
ASSAGRIL	no	CEPLAC	40	6
ACAPU	no	CEPLAC	296	15
COMAVUR	no	CEPLAC	82	7

⁴ These were collective meetings, usually held at the associations' office.

The very fact that the effective members of the associations are the credit recipients says a lot about the impact of credit on the associations. Most interviewees (71.2%) declared that they joined the association for no reason other than getting an FNO-e loan, which is, of course, a legitimate reason. Indeed, the leaders of the labor movement thought that the credit could help not only those who already were members of the movement, but also attract new members. They did not anticipate, however, that they would face fierce competition from leaders who had other interests. Also, it is questionable whether the organizations linked to the labor movement did a better job than the other organizations in serving their members. The leaders of the movement claim that they have been more selective when choosing their members (although the president of APRUR disputed this claim) and more responsible when dealing with them, the bank, and the suppliers of inputs.

I made some comparisons to test whether or not there were significant differences between the associations concerning the relationship between leaders and members. As my sample size is small, I grouped the organizations in two clusters: progressive associations (those linked to the STR) and clientelistic ones. In both cases the majority of the members joined the association solely to get the loans (64% for the progressive associations, 76.5% for the clientelistic ones). It is true that only one member of the clientelistic associations was a member of the union, whereas 60% (15) members of the progressive associations were also members of the union. Out of these 15 unionized peasants, 60% (9) declared that they joined the union to strengthen the labor movement, and 5 said that the directors of the association encouraged them to join the union.

These numbers are an indication that the progressive associations have had some success both at attracting more politicized peasants and at encouraging peasants to join the labor movement. These numbers also suggest that the directors of the clientelistic association were more aggressive in recruiting new members, whereas members of the progressive associations tended to join these groups without encouragement. This trend indicates that the progressive associations had a better reputation, at least for the more class-conscious peasants, or, conversely, that the clientelistic associations scared them away.

The leaders of the labor movement claimed that the members of the associations linked to the STRs were doing better than the members of the other associations. Indeed, all members of the progressive associations said that they had total freedom to buy their cattle, whereas a quarter of the members of the other associations could not choose the animals they were buying (Table 5.2, question 1). There is no support to the claim that the progressive associations gave more support to their members. According to the data, (Table 5.2, question 2), members and directors of all associations spent most of the time in meetings discussing the bureaucratic aspects of the loans, rather than passing along helpful technical information⁵.

It is hard to assess the economic and financial results of individual FNO-e recipients because most peasants had no financial records and, at the time I concluded the fieldwork, they were not yet repaying the bank. The only exception were those who got

⁵ The question was “What was the main subject of the meetings that the association called to discuss the FNO-e?” Most respondents said that these meetings were all about bureaucratic procedures to get the loans (56.5 % of the members of the progressive groups, and 58.1 % of the members of the clientelistic group).

credit in 1992, which included a tremendous subsidy – they paid off the loans and realized a considerable profit. Based on the personal assessment of the borrowers after 1992, however, it is possible to conclude that most of them are likely to be in financial distress when it comes time to repay the loans. In Table 5.2 (question 3) I show the numbers relative to the perception that the peasants have about the financial results of their loans. The question asked was simple: “When it is time to pay back the bank, do you think you will have made some profit or not?” Despite the lack of records, the peasants knew exactly what they had that was financed by BASA (most would say that they did not own the cattle, but the bank did), as well as the price they had paid for the cattle and the current price. Most peasants felt that they would not make any money out of these loans. There was no significant statistical difference between the two groups (progressive and clientelistic) to support the claims of the labor leaders that their members had done better. A related question, however, yielded slightly different results. When asked whether or not they would get another FNO-e loan, if they could; more members of the clientelistic associations answered that they would not. I will return to this point later, but before doing so, it is necessary to consider some other differences between these two types of associations.

A comparison between these two groups of association also shows that there was no significant difference in the proportions of the members that had experience with cattle prior to getting the loans (Table 5.2, question 5). About a fifth of their members to, had never worked with either dairy or beef animals.

Questions 6 and 7 relate to how peasants joined these associations. Although not statistically significant, more members of the progressive associations tended to join their

groups spontaneously. More important, however, was the fact that the directors of the clientelistic associations recruited new members more aggressively than the directors of the progressive associations (statistically significant). Considering these results together, it is possible to draw a few observations about the differences between these two groups. The extensive recruiting by the directors of the clientelistic associations, and the fact that they induced the members of their associations to buy their cattle from specific sellers, suggest that they had private interests in these deals.

Table 5.2: Comparison between clientelistic and progressive associations (% responding yes to each question).

Question	Type of association		N	Sig.
	Progressive (%)	Clientelistic (%)		
1 Chose the cattle when buying	100.00	74.29	60	0.005
2 Recall technical meetings	26.09	22.58	54	0.771
3 Positive assessment of profitability	40.00	28.57	60	0.363
4 Would get another loan	52.00	20.59	59	0.011
5 Had previous experience with cattle	80.00	77.17	60	0.795
6 Joined the association spontaneously	44.00	25.71	60	0.143
7 Was recruited by director of association	8.00	51.44	60	0.000
8 Voted for director of your association	45.00	17.65	37	0.080
9 Meetings to discuss anything other than FNO-e	83.33	54.55	60	0.023

Neither group was selective when accepting new members, and both failed to provide technical orientation to the recipients of rural credit. Many other factors have

certainly contributed to the apparent failure of this credit policy⁶. Nonetheless, the relatively higher proportion of members of the clientelistic group who claimed that they would not get another loan may be due not so much to their actual performance, but rather to the fact that they felt cheated by the directors of their organizations. Question 8 supports this conclusion. Members of the progressive group gave more support to their leaders when they ran in local elections (for mayor and *vereador*) than did members of the other group. Even though the progressive associations did not do much for their members, the members supported the associations and their leaders. They not only voted for them, but also attended meetings to discuss issues other than rural credit (question 9). In other words, the progressive associations did have a more involved rank and file compared to the other group.

Although the members of the progressive associations were slightly more satisfied with the loans (Table 5.2, question 4), when they got the money they had fewer heads of cattle than the members of the other associations. They still had less cattle in 1997, when the data were collected (Table 5.3, question 4). Another important bit of information was the number of calves that had died since the purchase of the cattle with the loan money. The cattle in both groups had high rates of mortality. Moreover, the number of deaths in one group was not significantly different from the number of deaths in the other. This

⁶ Unfortunately for the colonists, besides the problems they faced when buying cattle, they were surprised by a sudden decrease in Brazilian inflation rates, starting in July 1994, when a packet of economic measures, known as *Plano Real*, was launched. We have to bear in mind that what made the first loan under FNO-e a good deal for the peasants was the 25% rebate on the inflation rate, which meant a substantial subsidy during periods of high inflation. When inflation was brought down to less than 10% a year, the loans, for the first time, appreciated by real interest rates, leaving the credit recipients in a shaky financial situation.

information corroborates the idea that the type of association to which the peasant belongs did not affect his economic performance. In this case, the associations did not prevent their members from buying diseased cattle. A particularly important disease in the region is brucellosis, which affects the reproductive system of the animal, causing miscarriages and the death of young calves. All the cattle financed by the bank had to be tested against brucellosis and other important diseases; however, it did not happen. The cattle were not tested, even though the ranchers gave the colonists documents certifying that the animals they purchased were healthy⁷.

Table 5.3: Comparison of cattle herds (number of heads) between two types of associations.

Question	Type of association		N	Sig.
	Progressive	Clientelistic		
Head of cattle before the loan	5.44	15.43	60	0.033
Head bought with loan money	11.32	13.94	60	0.120
Head lost since got the loan	4.61	5.42	56	0.615
Total cattle today	34.32	56.80	60	0.070
Cattle increase	28.88	41.37	60	0.086

Colonists in both groups had a relatively high number of cattle by the time of the interviews (Nov-Dec, 1997). This increase in the herds is important for two reasons. First, the capacity of the farmers to pay back the bank will depend directly on their assets; other things being equal, the more cattle one has, the higher are his chances of paying the bank back (and even making some profit). Second, the increase in cattle herds has important environmental consequences, which is the subject of the next section.

⁷ Later, EMBRAPA technicians sampled this cattle and part tested positive for brucellosis.

As the total number of cattle directly affects the economic performance of the farmer, it is important to understand what affects the likelihood of someone's increasing his herd. Some factors that might explain success in cattle ranching in the context of Transamazônica are education, geographic origin of the head of the household, land tenure, distance of the farm to the road, and the association through which the farmer got the loan. The importance of education is related to access to technical information. As the extension service is precarious, those who can read and understand the technical bulletins that are (seldom) available at cooperatives, associations, and extension offices would, in theory, have better chances of succeeding⁸. Origin is relevant because there is a mix of migrants from the South and Northeast in the region, and southerners are usually assumed to be more experienced farmers and ranchers than northerners. Moreover, most of the migrants from the South came to the region with more resources than those from the Northeast. Land tenure refers to the legal and formal ownership of the land⁹. The closer one lives to the road, the lower are his transportation costs. Also, the farms closer to the road are more developed than those that are farther away.

The only variable that was statistically significant in this model was the initial size of the herd (see Table 5.4). Disregarding how many years of formal education farmer had, whether or not he had title, his region of origin, the distance of his farm to the main road, and the association he belonged to, the only reliable predictor of the size of the herd in

⁸ In this case I treated education as a categorical variable, dividing the sample in three categories: no education, 1 - 3 years of school, 4 or more years of school.

⁹ This was treated as a dichotomous variable, measured according to possession of title to the land.

1997 was the size of the herd before the FNO-e loan was contracted. People who already had more cattle were more likely to have larger herds by the time the field work was done.

Table 5.4: Number of heads of cattle in 1997 regressed on selected indicators (unstandardized OLS coefficients)

Variable	Unstandardized coefficients	Significance
Constant	43.255	.003
Type of association		
Progressive (reference)	-	-.
Clientelistic	- 6.313	.496
Years of school	-1.440	.422
Region of origin		
Northeast (reference)	-	-
South/Southeast	4.154	.666
Title		
No (reference)	-	-
Yes	-12.888	.207
Distance from the road	-.815	.146
Initial size of the herd	1.930	.000
R Squared	.768	

What we can infer from the data is that, although there was little difference between the progressive and clientelistic associations with respect to the way they helped their members to manage the loans, peasants who owned more cattle were more likely to join the clientelistic associations. To further explore this idea, I selected the same variables used in the previous test, but used type of association as the dependent variable in a logistic regression¹⁰ (Table 5.5).

¹⁰ In this case I treated education as a categorical variable, dividing the sample in three categories : no education, 1 - 3 years of school, 4 or more years of school. I assigned values of one and zero to the two categories of each dichotomous variables For the

Table 5.5: Probability of belonging to a clientelistic association regressed on selected variables (Logistic Regression).

Variable	Odds ratio	Sig
Distance to the road	0.997	0.9546
Size of the herd	1.098	0.0348
Years of school	0.822	0.2964
Region of Origin		
South	4.125	0.0979
North (reference)	-	-
Title		
Yes	0.779	0.8008
No (reference)	-	-
Constant	0.262	0.7004

Being from South Brazil increased the probability of someone joining a clientelistic association by 4.12 times. Accordingly, ownership of every additional head of cattle before FNO-e increased the likelihood of joining this kind of association by 1.09. Even though cattle ownership may be linked to geographic origin, the model analyzes these variables independently. This finding runs against the commonly held idea that migrants from the Northeast are more likely to be conservative and to engage in patron-client relations. On the contrary, the poorer and the northeasterners are more likely to be members of associations linked to the labor movement than are the better-off southerners. Those who had more cattle sought membership in the clientelistic associations. These findings suggest that there is a class division within the colonists, and the richer colonists prefer to join the clientelistic associations, even if they dislike the director of these associations, than to indirectly support the labor movement.

variable “Title”, title = 1 and No title = 0. For “Geographic Origin”, South = 1 and Northeast = 0).

Ironically, contrary to the initial expectations of the leaders of the labor movement, channeling the loans through associations and cooperatives does not seem to have strengthened the labor movement. Since the introduction of this credit policy, hundreds of associations have appeared throughout the Transamazônica and most of them are not linked to the STRs. The example of Uruará suggests that these opportunistic associations facilitated access to credit to those colonists who already had relatively large cattle herds (in comparison to the members of the progressive associations). Local bosses and politicians founded many of these clientelistic associations. Contrary to my initial hypothesis, the members of these associations do not tend to vote for their leaders in local elections (Table 5.2, question 8). Nonetheless, these leaders allegedly benefited from the FNO-e by associating with ranchers and cattle sellers¹¹. By doing so they increased their economic power.

Environmental Consequences of the FNO-e

Another negative outcome of this credit program was its environmental impact. The carrying capacity of unimproved pastures in the region is relatively low, usually less than one animal per hectare, which meant that those colonists who financed ten animals had to have at least ten hectares of pasture. This requirement worked as a stimulus for colonists to clear their land for pasture in order to qualify for credit in the following years. Those who will succeed technically and economically are likely to be the ones who stock more cattle, and, therefore, who put most pressure on the environment. Having fifty

¹¹ This was a recurrent accusation in the interviews. Leaders of the labor movement claim that those who benefited most from the FNO-e were a few ranchers and merchants who

animals today, for instance, also means having at least fifty hectares of pasture (the stocking rate is a little below 1 animal per Ha), which is the legal limit of deforestation for an average farm in the region (100 Ha). Keeping pastures clean in the Amazônia also requires the use of fire every year or at least every other year, which increases the emission of carbon dioxide and threatens the surrounding forested areas.

The Crisis of Agriculture

The term “pecuarização” means the tendency of a given group of farmers, or an agricultural district, to adopt cattle ranching as its main economic activity (Veiga et al., 1996). Some authors argue that, in the Transamazônica, cattle ranching is already the main source of income for small farmers (Topall, 1991; Castellanet, 1995). Other authors who conducted research on farming systems in the Uruará region argue that perennial crops are the best economic option for small farmers to increase their income and capital (Walker et al., 1995). Be that as it may, cattle herds in this region have increased dramatically since the early 1990s, and the most important perennial crops in the region – cacao and black pepper – have become less important in the familial agricultural system.

Japanese immigrants brought black pepper (*Piper nigrum* L.) to Brazil in the 1930’s when they started colonizing the município of Tomé Açu, in the state of Pará. Plants that descend from two clones form all pepper groves in the Brazilian Amazon (Albuquerque, 1968; Fearnside, 1980). As the plant is propagated vegetatively, the pepper population has a very narrow genetic variability. As a consequence, virtually all plants are equally susceptible to the same pests and diseases. In 1960, researchers identified the

associated with association directors and sold a large share of the cattle and agricultural inputs financed by the loans.

fungus *Fusarium solani* f.sp. *piperis* as the pathogen causing severe damage and high mortality in pepper groves in the município of Tomé Açu. In the Altamira colonization area, settlers started planting black pepper in 1971, and the first cases of *Fusarium* attacks were reported in 1975.

The damage caused by the fungus was so severe that the productive life of the plant in Amazonia has been reduced from 15 to 8 years. Genetic breeding is already being conducted to increase pepper's resistance to *Fusarium*; however, commercially viable varieties are not likely to reach the market in the near future. The use of chemical fungicides may help to control the disease, but small farmers in the Transamazônica region cannot afford these products. There are some simple procedures for controlling the disease, which are more cost effective, such as the establishment of pepper groves on heavy clay soils where drainage is slow, disinfection of tools, and the use of healthy seedlings. In other words, this is a severe disease, but there are ways to control it.

Wealthier farmers, who have more access to technical information, in the region are already using these simple control techniques. Some are also purchasing healthy seedlings in Belém, but the smaller colonists do not have the means to buy these seedlings, and do not even know that they are available. As a result of this epidemic, pepper production in the region has plunged. Figure 5.1 represents the decline of pepper production in Uruará and in the Altamira region between 1990-95.

The other important cash crop in the region is cacao, which has a relatively stable demand. It can be harvested year around and, like pepper, can be stored on the property, providing a regular cash flow to the farmer. Unfortunately for the local farmers, cacao has also been facing a serious disease problem, even more devastating than the black pepper

wilt. This disease, named witches' broom, is caused by a fungus – *Crinipellis pernicioso* – native to the Amazonia region. It is also present in plantations in Surinam, Guyana, Ecuador, and Trinidad, where it has caused severe declines in cacao production (Lass, 1985). More recently, the fungus reached the extensive plantation areas of southern Bahia, the major cacao production zone in Brazil. Massive resources have been deployed to control the disease, but the results are not encouraging.

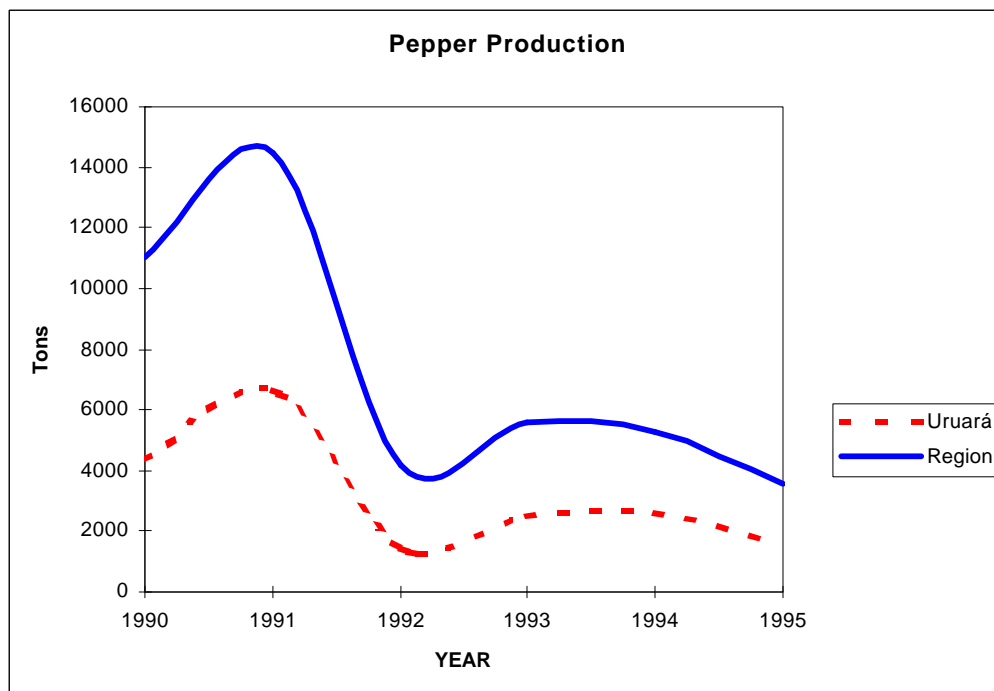


Figure 5.1: Pepper production in Uruará and in the Altamira region, 1990-95.

In Bahia, where eradication efforts were much more intensive than in Amazônia, pod loss ranges from 30 to 50%, with infection levels as high as 80-90%. These numbers seem to be higher in Uruará, where farmers are gradually abandoning the groves due to their total collapse.

CEPLAC and other national and international research centers have been conducting research on the control of this disease. No economically viable control is available. Even if control measures were available, they would be probably beyond the reach of small farmers in the Transamazônica region. Researchers recommend pruning diseased parts of the plants to limit the spread of the infection locally, but the results are too limited. Few farmers are following this advice due to the high labor cost. Even those who are pruning will not necessarily benefit from this technique, for neighboring abandoned and unpruned groves can jeopardize their effort, due to the high mobility of spores, which can travel 50-70 km in air currents (Lass, 1985).

Figure 5.2 represents cacao production in Uruará and in the Altamira region between 1990 and 1995. Unfortunately, IBGE does not have data for the late 1990s, when the decrease in production was more dramatic. However, it is worth noting that even if the production has been relatively stable during the 1990-95 period, the cost of production has increased due to the pruning process, which is very labor-intensive.

At the time of fieldwork, the cost of a day of labor (*diária*) in Uruará, in 1998, was around US\$ 5.00, plus meals. This cost is too high for local standards, especially when compared to the prices of the commodities produced in the region. All the agricultural activities found in the region require high inputs at least during some specific phase, like weeding annual crops, or harvesting the perennials. Farmers used to exchange their own labor to avoid paying *diárias*. This kind of arrangement is limited, however, for the labor demand is relatively high in most farms during the same specific periods of the year.

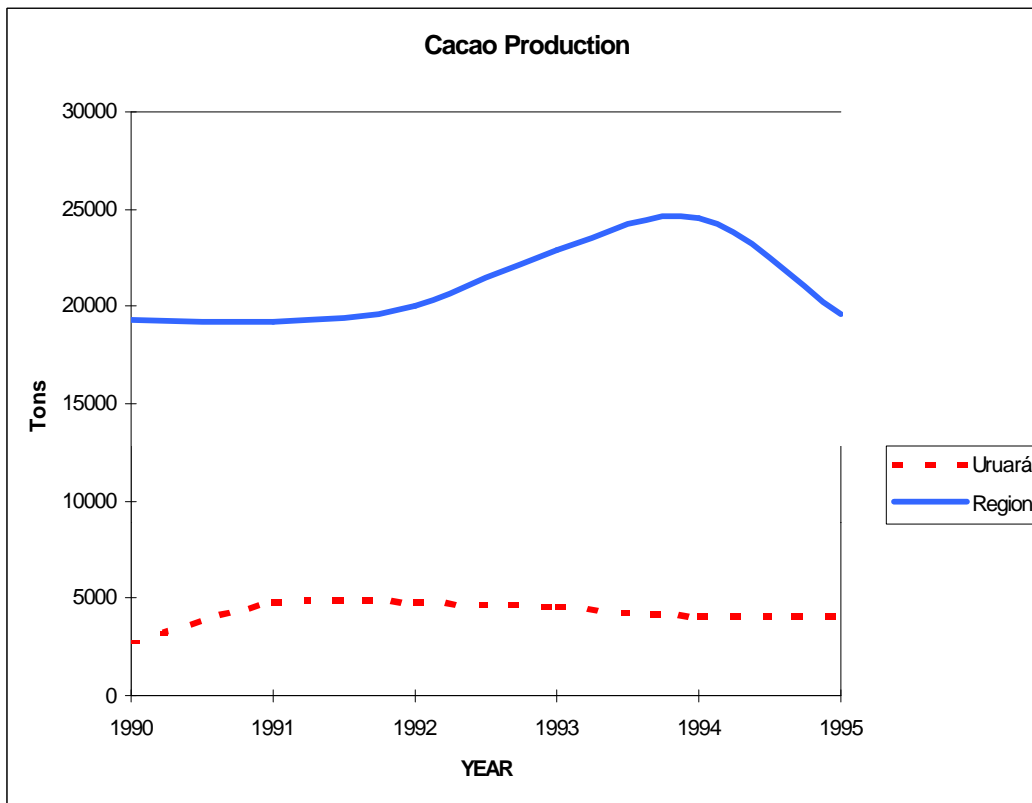


Figure 5.2: Cacao production in Uruará and Altamira region, 1990-95.

The cost of transportation in this region is also high, for farmers do not have trucks or cars and have to pay the services of independent truckers. There are more than three thousand families living in the rural area of Uruará. All these *colonos* have to go to town to sell most of their products, to buy essential products that are not produced on the property, or to have access to the scarce services provided by the state. The high demand and the limited supply create a situation of high price equilibrium. Moreover, the transportation sector is almost a monopolistic one, since there is usually just one truck that regularly enters each *travessão* (from two to six times a week, depending on the location and population). Furthermore, the conditions of the roads are precarious, and the trucks are often damaged. The costs of parts and repairs are high, contributing to the high cost of

transportation. The shipment of any volume and the fare for each person (children included) costs from US\$1.0 to US\$ 3.50. The price varies according to the distance between the farm and the town, which ranges from 5 to 150 km.

Considering the costs and prices, farmers prefer not to market food staples. A sack of rice (60 kg), for example, is worth US\$8.00 at the local market. A sack of beans can be sold at about the same price as rice. Corn is a little cheaper, about US\$ 6.00. Cassava is a very important item in the local diet; however, there is virtually no market for it, since most farmers plant it and have enough for consumption year around. Rice, beans, and corn, to a lesser extent, have a locally restricted market.

In contrast to pepper and cacao, rice, beans, and corn are not linked to a national or global market, and the demand for them is low. Considering the transportation costs and the smaller scale of commercialization (the farmers just sell what exceeds their expected consumption) merchants usually do not pick up these products at the farm gate. If they do so, they wait until there is a significant load nearby, and still charge the transportation (up to US\$2.00 a sack, in this case). Given the low profitability of these products, the farmers prefer to stock and use them in informal insurance arrangements, based on reciprocity, with their neighbors and relatives.

Pepper and cacao have a more stable demand and are much more profitable for merchants. Due to the scale of production, the cost of transportation for these products is lower, and merchants buy them at the farm gate. Nonetheless, these crops are important commodities in a global market and, therefore, subject to sudden fluctuations in the supply and price. The supply of cattle, on the other hand, is more stable and there is a relatively high domestic demand for beef in Brazil. Moreover, the very expansion of ranching in the

region has increased the demand for cattle. In sum, cacao and pepper are risky crops, whereas cattle is safer, although not as profitable. Moreover, cattle is much more harmful to the environment than these two perennial crops.

The lack of technical assistance from governmental agencies is another barrier to the maintenance of cash crops. Fusarium wilt and witches' broom are severe diseases, but they can be managed. Farmers in this region lack basic and simple resources (like information) to deal with the diseases. Despite the existing institutional infrastructure supposed to provide some kind of technical assistance to the farmers in Uruará.

The state rural extension agency (EMATER) has a regional office staffed with three technicians who have two cars to visit the farmers. EMBRAPA has another technician working permanently in the *município* and some researchers from Belém conducting field trials and visiting the region frequently. Another important agency that has a local office is CEPLAC, whose institutional mission is to oversee matters related to the production and commercialization of cacao. The work of these agencies in the region, however, is hardly noticeable. This negligence causes much resentment among the farmers, particularly towards CEPLAC and EMATER.

The “Pecuarização” of Transamazônica

The difficulties that peasants experienced with perennial crops made cattle a very attractive option. While cacao and pepper production dropped in the region, cattle herds increased above the rates observed at the national, regional, and state level. Table 5.6 displays the size of cattle herds in Brazil, the North region of the country, Pará, the micro-region of Altamira, and Uruará. These numbers do not seem to be very accurate,

considering the unusual variation in some intervals. However, they do reflect a strong trend of *pecuarização* in the North region as a whole, in Pará, and particularly in Uruará. On average, each colonist in Uruará bought 12.85 head of cattle (according to the standard proposal submitted to the bank, they should have bought 10). Before obtaining the loans, these farmers had, on average, 11.6 animals. In other words, the FNO-e loans enabled these farmers to double their herds immediately after the release of the first installment (the money for the cattle was released at once). In 1997, the average size of the herds was 48.1 animals, in spite of the high mortality (mostly due to *brucellosis*) of 5 animals per property since the introduction of the new cattle.

When extrapolated to all the recipients of FNO-e (947), the data suggest that cattle herds of the colonists who had access to credit has increased by a factor of four between 1992 and 1997, jumping from 11,038 animals to 45,587 animals. These numbers help explain the overall increase of the cattle herd in Uruará, shown in Table 5.1. Although the table reports data for a slightly different period, the highest growth rates (1993-95) reflect the periods when the bank released most FNO-e loans. The herds that the farmers purchased with the loan had a 10:1 female to male ratio. Moreover, most cows were bought before reproductive maturity, and did not produce their first offspring until 1996. Therefore, the increase in the herds after the period covered in Table 5.6 may be even more dramatic.

Table 5.6: Increase in cattle herds in selected geographic regions.

YEAR	BRASIL		NORTE		PARÁ		ALTAMIRA		URUARÁ	
	x 1000	(%)	x 1000	(%)	x 1000	(%)	x 1000	(%)	x 1000	(%)
1990	147100		13317		6182		409		43	
1991	152135	(3.4)	15362	(15.0)	6626	(7.2)	430	(5.1)	45	(4.7)
1992	154229	(1.4)	15847	(3.1)	6989	(5.5)	442	(2.8)	42	(- 0.7)
1993	155134	(0.5)	17067	(7.7)	7434	(6.4)	446	(0.9)	60	(42.3)
1994	158243	(2.0)	17966	(5.3)	7539	(1.4)	468	(4.9)	75	(25.0)
1995	161227	(1.9)	19183	(6.7)	8058	(6.7)	591	(26.3)	110	(46.7)
Period		(9.6)		(44.4)		(30.34)		(44.5)		(115.8)

Source: IBGE – Pesquisa Pecuária Municipal. Numbers between parentheses mean percentual growth of the herd in relation to the previous year. The final row of the table shows the overall growth between 1990-95.

Credit may not be the only cause of *pecuarização* in the Transamazônica region. It may not even be the most important cause. All the farmers interviewed for this study were recipients of credit. To draw firm conclusions about the effects of FNO-e on *pecuarização*, it is necessary to compare farmers who received credit with farmers who did not receive it. This comparison was possible using data collected in a larger survey carried out in this region in 1996. In this survey, a team of researchers interviewed the owners of 346 randomly selected farms in the *município* of Uruará, and collected data on land use and farming systems. The questionnaires did not contain any question on the FNO-e. However, the interviewers asked questions about previous experience with credit and land tenure status. Using these two variables, I created a dummy variable – TITLCRED – that accounts for the FNO-e. As the FNO-e is the only credit line available to farmers without title to the land, those who did not have title to their lands but received credit must have received an FNO-e loan. Figure 5.3 explains this variable schematically.

		Title	
		No	Yes
Credit	No	No credit	No credit
	Yes	FNO-e	Other credit or FNO-e

Figure 5.3: Dummy variable TITLCRED.

It is worth noting that those who had title to the land and also received credit, may be FNO-e recipients too, because the bank never restricted this credit policy to farmers without title. In fact, two-thirds of the recipients of the FNO-e that I interviewed in 1997 had title to their lands. The numbers on table 5.7 therefore underestimate the number of FNO-e recipients among the farmers interviewed in the 1996 survey. Be that as it may, this variable helped assess the impact of credit and title on *pecuarização* in Uruará. To measure *pecuarização* I used five variables related to land use and cattle: area of pasture, area of crops, length of fences, herd size, and forested area. The differences among the 4 categories are clear: those who had credit tended to have more cattle, more pasture, more fence, more crops, and less forest.

An analysis of variance indicates that the differences among the 4 categories of the dummy variable are highly significant for all six dependent variables (Table 5.8). This difference, however, may be caused either by credit, title, or both. It is not unreasonable to suppose that farmers who have title are probably richer than those who do not have, or care more for their land and investment because of tenure security. To isolate one variable from the other, I ran an ANOVA test to analyze the effects of these two variables on deforestation. Not surprisingly, credit was highly significant, independently or combined with title.

Table 5.7: Effects of credit and title on land use.

TITLCRED		Forest (HA)	Crops (HA)	Pasture (HA)	Sec. Growth (HA)	Cattle (No. animals)	Fence (M)
No title, no credit	Mean	69.822	4.617	13.504	5.6096	6.52	554.42
	N	114	114	114	114	114	113
	Std. Dev.	28.028	6.445	15.917	6.2317	19.22	954.35
No credit	Mean	72.893	6.566	19.233	6.4315	13.57	889.11
	N	73	73	73	73	72	73
	Std. Dev.	41.456	7.572	17.256	9.7636	28.23	1178.01
FNO-e	Mean	63.140	6.317	24.767	3.5933	18.63	1312.10
	N	30	30	30	30	30	29
	Std. Dev.	24.284	4.308	12.216	4.5364	26.00	982.08
Other credit	Mean	56.754	8.666	31.223	8.8617	29.89	2055.95
	N	128	128	128	128	128	128
	Std. Dev.	33.712	8.678	16.803	10.1969	29.97	1386.88

Table 5.8: Significance of the correlation between TITLCRED and selected variables.

Correlation	Sig.
FOREST area and TITLCRED	0.003
Crop area and TITLCRED	0.001
Pasture area and TITLCRED	0.000
Secondary growth area and TITLCRED	0.003
Cattle and TITLCRED	0.000
Km of fence and TITLCRED	0.000

These findings indicate that the FNO-e, as well as other previous credit policies that existed in the region, contributed significantly to the *pecuarização* of the Transamazônica region. According to BASA's local agency in Altamira, the bank has approved 4,122 loans in the micro-region of Altamira (Table 5.9). According to the bank, the borrowers of this money should have acquired 38,913 heads of cattle. We know, however, that credit recipients in Uruará bought 28.5 % more cattle than established by original proposal. Assuming that colonists elsewhere did the same, the size of the herd financed by BASA may have reached 50,000 animals. Accordingly, the recipients of FNO-e are likely to have increased their herd 4.22 times, that is, they had an average of 11.3 animals before FNO-e; they bought 12.85 animals; and, by the end of 1997, they had in average 47.43 animals.

This average increase of 36.13 animals per borrower translates to an increase of 148,928 animals to the regional herd. As the sample size in this analysis was small (60), it is necessary to be cautious when drawing these inferences. Nonetheless, the economic, social, and environmental conditions in the Altamira region are considerably homogeneous (the PIC-Altamira – an area of state-led colonization wherein most colonists are migrants

who received one hundred-hectare land plots from INCRA. Moreover, the same bank officials and cattle sellers dealt with credit recipients in this region).

Table 5.9: Projects financed by BASA in the Altamira region.

	YEAR									
	1992-93		1993-94		1994-95		1995-96		Total	
Município	Loans	Cattle	Loans	Cattle	Loans	Cattle	Loans	Cattle	Loans	Cattle
Uruará	47	385	236	2333	484	4760	180	1760	947	9238
Pacajá	51	457	219	2004	785	7730	190	1840	1245	12031
S. J. Porfírio	23	93	31	229	109	945	100	960	263	2227
Medicilândia	59	496	119	967	432	4200	190	1840	800	7503
Brasil Novo	15	115	28	177	84	785	60	550	187	1627
Altamira	16	120	16	103	311	3030	191	1752	534	5005
V. do Xingu	06	53	08	67	22	152	60	550	96	822
P. de Moz							50	460	50	460
Region	217	1719	657	5880	2227	21602	1021	9712	4122	38913

Conclusions

The rural labor movement has carefully constructed the image of family-based agriculture as a sustainable and environment friendly economic activity. This image was important for the movement to attract allies and to gain societal support that granted legitimacy to their demands. Since the early 1990s, rural credit has been the number one priority among these demands, and, thanks to the labor movement, poor peasants gained access to credit. The rationale for establishing a credit policy like the FNO-e was multiple. First, the leaders of the labor movement wanted to revert a historical trend in credit policy, which benefited large farms and ranches. Second, by reverting this trend, the new credit policy would also revert its environmental consequences (deforestation). Third, this policy

was aimed at attending the needs of those who do not have title to their lands, and, thus, cannot offer their properties as collateral to the loans. Finally, the leaders of the movement thought that channeling the loans through associations and cooperatives would facilitate collective action and strengthen the labor movement in the countryside.

Since the introduction of the FNO-e, associations have been mushrooming in the Transamazônica region. The case of Uruará gives one little hope to expect that this increase in the number of associations will strengthen collective action or the labor movement. On the contrary, the necessity of applying for credit through an association has created new opportunities for patronage and increased the power of local bosses who command the associations that I called clientelistic. On the other hand, the struggle for the implementation of this credit policy was a major victory for the rural workers. Even though the outcomes of the credit policy are mixed, the organized groups behind its creation have open the doors to affect policy making in Amazonia.

Giving peasants access to credit was a remarkable achievement of the labor movement. However, it is worth noting that a higher stratum of the peasantry – those who had title to their lands and more cattle – had ample access to the FNO-e too. The clientelistic associations served the interests of those peasants who, in average, had more cattle, whereas the associations linked to the labor movement, in general, helped a minority of poorer peasants to get the loans. Ideally, the bank should have lent most of the money to the poorest. Nonetheless, a peasant is still a peasant, not a large rancher, and the FNO-e injected financial resources into familial agriculture.

There is little evidence to sustain the workers' claim that familial agriculture is an environmental friendly activity. Cattle ranching is an activity that requires large amounts of

land, particularly in Amazonia, where the carrying capacity of the pastures is low and soil degradation is fast. Moreover, the law requires that the colonist leave 50% of their farms covered with original forest. As the farmers who received the FNO-e have, in average, 50 animals, and the carrying capacity of the pastures is lower than 1 animal/ha, these peasants are likely clearing forest illegally to feed their cattle (the average farm is 100 Ha) or else overstocking, or else overstocking.

Vale (1996) reports that 94% of the 144 farmers they interviewed in Uruará, in 1996 said that cattle is a good option for the small farmers. However, 49% of the respondents also showed concern about the expansion of ranching in the region, claiming that it can diminish food production and increase land concentration in the long run. It is important to stress that cattle was a very rational option for these peasants between 1992-95, due to the crisis in the agricultural sector. Even though ranching normally is not as lucrative as perennial crops, the diseases that attacked pepper and cacao turned cattle into a very attractive alternative for the peasants. Moreover, according to the rules of the FNO-e, the goods that BASA financed are the only collateral to the loans. That is, the cattle purchased with the FNO-e money, but not their offspring, are the only thing that the bank can seize in case of insolvency. It makes sense for the FNO-e borrowers to focus their efforts and resources (including money they diverted from the consortium that most never planted) on the cattle, to increase their herds before starting to pay back the loans.

The growth of cattle ranching may indeed hurt familial agriculture in the long run. In the short term, however, it is very likely to hurt the image of familial agriculture that the leaders of the labor movement have constructed. This image has been crucial for the movement to gain the support they needed to bargain the creation of the FNO-e,

PRONAF, and other policies that have benefited them. As it becomes clear that these small farmers are contributing to deforestation of Amazonia, many allies may withdraw their support to the movement. Even if the negative aspects of the FNO-e do not affect the workers' allies, it will certainly affect their opponents. The directors of BASA, who never felt comfortable lending money to poor farmers are already using these negative outcomes against the peasants. It is important for the leaders of the labor movement to stress that the bank has its share of responsibility, since it was not the peasants alone who decided to use the credit policy to finance cattle.

CONCLUSIONS

The case of peasant mobilization that culminated in the creation of the FNO-e is deeply embedded in the general context of Brazilian politics during the past thirty-five years; however, many conditions that affected the emergence and development of this social movement are unique to Amazonia.

Social movements emerged throughout the country in the late 1970s as a consequence of the weakening of the authoritarian state. The labor movement was particularly strong in this context of political changes. Workers in industrial poles were the strongest and most conspicuous group during this phase of mobilization and protest against the military government. Although not as strong and organized as the urban workers, rural workers also benefited from this shift in the political environment and increased their efforts to organize and mobilize. To do that, however, they had to face spectacular obstacles, such as the transportation and communication problems in the countryside, their lack of material resources, the repressive capacity (and willingness to use it) of federal and state authorities in Amazonia, and violent opposition from ranchers and other powerful private actors.

These obstacles partly explain why rural workers lagged behind urban workers in the mobilization process. Nonetheless, even though these obstacles were probably stronger in Amazonia than anywhere else in the country, the peasants from this region led a remarkable struggle to create an independent (from the state and employers) structure of

rural labor representation. The establishment of independent rural unions and the takeover of unions under the control of *pelegos* were the first goals of the rural workers in Amazonia. After that they took control of the state federation of rural unions and created a new national structure of representation to compete with the still conservative CONTAG. Just a few years later the progressive rural workers seized CONTAG itself and consolidated their control over the majority of the rural labor unions in the country.

If rural workers from Amazonia led this cycle of mobilization, despite the adversities that they faced, some conditions that were unique to this region may have facilitated mobilization. The historical account of mobilization in the region, presented in Chapter 4, corroborated this idea. To interpret these local conditions and how they affected peasant mobilization, I used a framework based on the resource mobilization and political opportunity approaches to social movements. These approaches emphasize the importance of strategic alliances, accumulation of resources (material or otherwise), and social and political changes on popular mobilization.

As shown in Chapter 4, the Catholic Church played a crucial role in supporting the rural workers' movement in its early years. Thanks to the work of progressive priests in Catholic communities, an industrious generation of leaders emerged and took on the job of establishing an independent structure of labor representation. These priests taught the peasants the importance of true class representation and gave them hope of improving their conditions by engaging in collective action. Also, they provided rural workers with basic organizational skills and material resources that allowed them to take the first steps in their struggle to remove the shackles of the existing corporatist labor structure.

The idea of political opportunity helps explain why workers (rural and urban) mobilized in the first place. As seen in Chapter 1, students within this approach argue that grievances exist prior to mobilization, so mobilization is contingent on some other factors that make people collectively react to those grievances. In Brazil, the principal factor that triggered widespread mobilization was the gradual liberalization of the authoritarian regime coupled with the weakening of the military during the mid and late 1970s.

Even if the process of *abertura* helps explain when mobilization happened, it still does not explain how it happened. An analysis of the development of the movement that paid close attention to its availability of resources and alliances was extremely effective in the interpretation of this case. Members of the Catholic Church were certainly the most important allies of the rural workers in the early years of mobilization, and even before that, in a phase of “pre-mobilization.” The church gave the workers resources that were crucial to their success. In other words, the *abertura* of the Brazilian regime was a necessary but not sufficient condition for mobilization in the countryside. Given the fragile conditions of rural dwellers, these external alliances and sources of resources were much more important to them than to urban workers (although they also had important allies, including the Catholic Church).

Using the terminology proposed by Kriesi (1996), this first cycle of mobilization in Pará resulted in the *institutionalization* of the movement. Kriesi argues that institutionalized movements resemble pressure groups and political parties. Indeed, the rural workers took control of a relatively powerful political structure that allowed them to exert considerable pressure on local, state, and even federal governments. Also, they developed very close links to the Workers Party, which frequently defended their interests

in the legislature. This institutionalization was possible due to the intense organizational growth that the movement experienced during this phase.

The increasing flow of resources allowed the workers to professionalize the movement. Many workers became full time paid employees of the unions, in clerical and managerial positions. Also, the workers established and equipped offices to facilitate their job. This is what Kriesi calls *internal structuration*. At the same time, the workers expanded their constituency and slowly sought new allies (*external structuration*). The main goal of rural workers in this phase was to democratize the structure of labor representation and, not surprisingly, once they accomplished that, they felt disoriented and experienced a brief period of crisis.

At this point, the movement had to seek new goals to survive. The workers from the Transamazônica region played a distinguished role in the re-orientation of the movement. Although these workers were active participants in the first cycle of mobilization, they had their own agenda and kept pressuring the government to address some of their pressing local needs. By means of popular mobilization and protests, these workers were able to affect public policy in their region. This involvement with policy represented a shift toward a more issue-specific approach. After the structure of labor representation came under control of the progressive workers, and particularly after the transition to democracy, protesting against corporatist representation and authoritarianism became an anachronistic course of action. The more goal-oriented orientation of the workers from Transamazônica, which became known as *sindicalismo propositivo*, set the tone of the second cycle of mobilization in Amazonia.

What triggered this second cycle, however, was what I called a “micro-opportunity,” in this case, the murder of a labor leader in South Pará, in 1991. When workers from this region went to Belém to protest, their colleagues from the Transamazônica region, who were pressuring the government to attend some of their demands, joined them and organized the *I Grito do Campo*, a mass demonstration that has been held every year, since 1991, in Belém and other capital cities in Brazil. This second cycle was a period of intense *external structuration* of the movement. The movement was already institutionalized and had a professional structure backing it. With the onset of the annual *Gritos*, the workers broadened their alliances and worked on their relationship with state authorities. To draw the attention of these authorities and to force them to negotiate, movement leaders used their lobbying power and, most importantly, their disruptive capacity.

The workers’ demands in this second cycle were very specific, and they always tried to pressure those authorities that had jurisdiction over the policy issues that concerned them. Among those authorities were the state secretariats of agriculture and education, the ministry of transportation, ELETRONORTE, and, especially, SUDAM and BASA, which were directly involved with the policy issue that became the most prominent in the movement’s agenda: rural credit. The workers were successful in negotiating with BASA and SUDAM to create the FNO-e – an unique credit line that, for the first time, gave poor peasants access to rural credit.

The success of the movement in this second cycle has much to do with the new strategies and alliances that the workers sought and the way they framed their grievances. The idea of strategic framing is another contribution that came from the resource

mobilization and political process approaches to social movements. In the case studied here, the workers from Transamazônica were the first group to use framing in a strategic way. They took advantage of their identity as colonists to protest against the government. According to their interpretation, they were taken to this region by the government, which offered them land, education, health, and, ultimately, a better life. After a few years, however, the government abandoned the colonists and left its promises unfulfilled. This framing directed the frustrations of the colonists against the government.

Later, during the second cycle, the rural workers framed their struggle as one against an unsustainable development model that was established by the authoritarian regime. This model led the region to unprecedented levels of environmental degradation, land concentration, and violence. The workers identified themselves not only as victims of this model, but also as an alternative to it. Again, this framing proved to be very useful, particularly to attract new allies to the movement.

The resource mobilization and political opportunity approaches provided a very useful framework for the analysis of peasant mobilization in Amazonia. Curiously, this fact runs against the most common critiques to these approaches, namely, that they are context-specific. In other words, critics argue that these approaches were developed under circumstances that are unique to advanced pluralist political systems, particularly the United States and, therefore, do not apply to developing countries. Brazil during the period analyzed (1964-1997) was anything but a pluralist democracy. Yet, by crafting strategies, amassing resources, and framing their grievances in strategic ways, the rural workers conquered access to state resources and to policy making circles. This struggle certainly represented an important step toward deepening democracy in the country.

In Chapter 5 we saw that this credit policy had some negative outcomes. First, the beneficiaries of the credit invested most of the money in cattle ranching, which requires forest clearing and, thus, contradicts the image of environmentally friendly farmers that the workers constructed of themselves. The impact that ranching has on the environment is likely to make the workers lose some allies and societal support. It is important, however, to stress that cattle was a very rational option for the peasants, considering the economic and ecological constraints that they faced when the credit was released. The diseases that infected cacao and pepper coupled with low prices for these commodities turned cattle into the best economic option for the peasants at that time. Although BASA has already opposed the release of new loans on the grounds that the FNO-e has had a negative environmental impact, it is important to stress that the bank was ultimately responsible for this option for cattle. Bank technicians and state extension agents made the decisions concerning the technical aspects of the loans, including the decision to promote cattle to the detriment of perennials.

The other negative outcome of the FNO-e discussed in Chapter 5 was the increase of opportunities for promotion of clientelism. As the FNO-e loans had to be channeled through peasants associations, myriad new associations were created. Some of these were linked to the rural unions and were aimed at helping individual peasants as well as strengthening the labor movement. The majority of the new associations, however, were controlled by local bosses who sought their private interests. This unexpected outcome frustrated the expectations of the leaders of the labor movement, who were the ones who suggested that the credit be given through the associations.

It is important to stress, however, that those associations linked to the rural union in Uruará were not co-opted. These associations increased their membership and used part of the fees that they collected through the loans to support the union. Also, as seen in Chapter 5, these were the associations that, in general, helped the peasants who were apparently worse off (measured by the size of their cattle herds). These associations kept some money from the loans to implement their own projects, which were selected by the rank and file. Even in the worst cases, when the association leaders were accused of cheating on their members, the rank and file reacted and mobilized in protest. The members of two associations in Uruará removed the presidents of the associations from office and elected new ones. This indicates that most of these peasants were interested in their associations and did not want to simply engage in patron-client relations to get money from the bank. Rather, they wanted to have a voice in their associations.

It is important, therefore, not to underestimate the peasants' capacity to make decisions. Many, perhaps most of them distrusted the leaders of some associations; yet, if joining those associations was the surest way to get the loans, they did that. Considering the apparently favorable conditions of the loans, this was a rational decision for those peasants.

One might argue that this exercise of democracy in the associations came at a very high cost, considering that these loans were subsidized. It may well be the case; however, considering BASA's history, the real issue here is not financial soundness, but rather allocation of state subsidized resources. Since its creation, BASA has primarily financed large enterprises under the auspices of SUDAM. Most of these projects, as seen in Chapter 3, had a poor economic performance. Also, the large-scale ranching projects

subsidized by this bank were responsible for a large share of the deforestation that has taken place in Amazonia in the last thirty years.

The literature on the state discussed in Chapter 2 sheds some light on the role of the governmental organizations that the workers had to deal with in their struggle. Rather than the Marxist and pluralists interpretations, or Nordlinger's idea of state autonomy as vectors of preferences of state officials, the most useful approach to explain the case was the one Skocpol (1985) named "Toquevillian." According to the followers of this approach (Evans, 1989; Skocpol, 1985; Stepan, 1978) institutional and evolutionary aspects of the state affect the way policies are crafted. Frequently, the state implements policies that contradict both societal preferences and the preferences of elected officials.

BASA and SUDAM are state organizations that were created by the military to implement a specific model of development. As seen in Chapter 3, this model aimed to promote large-scale capitalist enterprises in Amazonia, particularly logging, mining, and ranching operations. Peasants clearly did not fit into BASA's and SUDAM's plans, and these organizations have always had difficulties in dealing with the peasantry, which makes the implementation of FNO-e all the more remarkable. It comes as no surprise, therefore, that the directors of the bank refused to bargain with the workers at several points and dragged their feet to implement the FNO-e. Conversely, bank officials acted quickly to interrupt the release of new loans when they realized that this credit policy was yielding some negative financial and environmental outcomes.

The idea of an autonomous and centralized state seeking to implement policies in a harmonious way becomes too unrealistic when one considers the fights between SUDAM and INCRA for control of resources in Amazonia. In many instances these agencies failed

to accomplish the goals of the state because they had their own separate agendas. They represented not only the interests of some private actors outside the state apparatus, but also the interests of the bureaucracy itself. As Migdal explains,

Top personnel in agencies seek to maintain or create clout for their bureaus by linking with a particular constituency and creating internal loyalty among the bureaucrats. These actions only reinforce the distinctive perspective of those within the agency. The common, particular views in a given agency, which develop over time among its top officials about the purposes and functioning of the entire state apparatus, threaten the coherence and, indeed, the stability of the state. (1992: 208)

This lack of coherence among state agencies and officials is contrary to Nordlinger's concept of state autonomy (Nordlinger, 1981). The barriers that exist within the state apparatus are very likely to hinder the capability of the state to turn the preferences of its officials into policies. Officials, however, are not the only ones who face resistance to turn their preferences into policies. This kind of resistance is likely to emerge anyway, no matter whether the source of the new policies is the state or society (as was the case of the FNO-e). The state is not a neutral actor in the political process, a simple "cash register," as pluralists have it. State agencies and institutions can hurt the interests of elected officials as well as those of societal actors. Therefore, the historical, structural, and institutional aspects of the state are particularly important to understand state autonomy.

These institutional aspects of the state represent a serious challenge to the rural workers of Amazonia. If they want to effectively influence policy making, they will need to fight for changes in the state institutions that operate in the region. It seems that they have already realized that. Their struggle during the *Gritos* to gain a seat in SUDAM's advisory board was a small but important step in this direction. The mixed outcomes of the FNO-e placed the workers movement at a crossroads. They invested a great share of

their time and resources in a policy that has yielded limited results. Now it may be time for them to reorient their goals once more, craft new alliances, and plan new strategies to accomplish those goals.

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APPENDIX A
GLOSSARY OF ACRONYMS

ACAPU	Associação dos Cacaicultores e Pepericultores de Ururará (Association of Cacao and Pepper Growers of Ururará)
AEA	Associação de Empresários da Amazônia (Association of Amazonian Entrepreneurs)
AGRASAMA	Associação dos Agricultores do Rio Santa Marina (Association of the Farmers of the Santa Marina River Valley)
AMUTI	Associação dos Municípios da Transamazônica (Association of Transamazonica Towns)
APRUR	Associação dos Produtores Rurais de Ururará (Association of Farmers of Ururará)
ASFORT	Associação dos Fornecedores de Cana da Transamazônica (Association of the Sugar Cane Growers of the Transamazonica)
ASSAGRIL	Associação dos Agricultores do Vale do Rio Ligeirinho (Association of Farmers of the Ligeirinho River Valley)
ASSAVI	Associação dos Agricultores do Vale do Ipiranga (Association of the Farmers of the Ipiranga River Valley)
BASA	Banco da Amazônia (Bank of Amazonia)
BCA	Banco de Crédito da Amazônia (Amazonia Credit Bank)
BNB	Banco do Nordeste do Brasil (Bank of Northern Brazil)
CABA	Comissão dos Atingidos por Barragens (Committee for People Displaced by Dams)
CEPLAC	Comissão Executiva do Planejamento da Lavoura Cacaueira (Executive Committee for the Cacao Sector)

CGT	Central Geral dos Trabalhadores (General Confederation of Workers)
CNBB	Comissão Nacional dos Bispos do Brasil (National Committee of Brazilian Bishops)
CNS	Conselho Nacional dos Seringueiros (National Rubber Tapers Council)
CONDEL	Conselho Deliberativo – SUDAM (Advisory Board – SUDAM)
CONTAG	Confederação Nacional dos Trabalhadores da Agricultura (National Confederation of Rural Workers)
COOMAVUR	Cooperativa Mista Agropecuária Vale do Uruará (Cooperative of Farmers and Ranchers Vale do Uruará)
COTRIJUI	Cooperativa dos Triticultores de Ijuí (Cooperative of the Wheat Growers from Ijuí)
CPT	Comissão Pastoral da Terra (Land Pastoral Committee)
CSN	Conselho Nacional de Seringueiros (National Council of Rubber Tappers)
CUT	Central Única dos Trabalhadores (Workers' Unified Confederation)
ELETRONORTE	Central Elétricas do Norte do Brasil (North Brazil Electricity Company)
EMATER	Empresa Estadual de Assistência Técnica e Extensão Rural (State Rural Extension Agency)
EMBRAPA	Empresa Brasileira de Pesquisa Agropecuária (Brazilian National Agricultural Research Institute)
ENASA	Empresa de Navegação da Amazônia (Amazonia Ferryboat Company)
FASE	Federação de Órgãos para Assistência Social e Educacional (Federation of Social Assistance and Educational Organizations)
FCO	Fundo Constitucional de Desenvolvimento do Centro-Oeste (National Fund for the Development of the Central-Western Region)

FEAEP	Federação da Agricultura do Estado do Pará (Pará State Federation of Farmers)
FETAG	Federação Estadual dos Trabalhadores da Agricultura (State Federation of Rural Workers)
FETAGRI	Federação Estadual dos Trabalhadores da Agricultura dos Estados do Pará e Amapá (Federation of Rural Workers from Pará and Amapá)
FIEPA	Federação das Indústrias do Estado do Pará (Association of Industrialists of Pará)
FNE	Fundo Constitucional de Desenvolvimento do Nordeste (National Fund for the Development of the Northeast Region)
FNO	Fundo Constitucional de Desenvolvimento do Norte (National Fund for the Development of the North Region)
FUNRURAL	Fundo de Assistência ao Trabalhador Rural (Assistance Fund for Rural Workers)
GERA	Grupo Executivo de Reforma Agrária (Executive Group for Land Reform)
GETAT	Grupo Executivo de Terras do Araguaia e Tocantins (Executive Group for the Araguaia Tocantins Lands)
IBAMA	Instituto Brasileiro de Recursos Naturais Renováveis e do Meio Ambiente (Brazilian Institute for Renewable Natural Resources and the Environment)
IBRA	Instituto Brasileiro de Reforma Agrária (Brazilian Institute for Land Reform)
INCRA	Instituto Nacional de Colonização e Reforma Agrária (National Institute for Colonization and Land Reform)
INDA	Instituto Nacional de Desenvolvimento Agrário, (National Institute for Agrarian Development)
INSS	Instituto Nacional de Seguridade Social (National Institute of Social Security)
JOC	Juventude Católica (Catholic Youth Group)

MAB	Movimento dos Atingidos por Barragens (Movement of the People Displaced by Dams)
MONAPE	Movimento Nacional dos Pescadores Artesanais (National Movement of Independent Fishermen)
MPST	Movimento para a Sobrevivência da Transamazônica (Movement for the Survival of the Transamazonica)
MST	Movimento dos Trabalhadores Sem Terra (Movement of the Landless Peasants)
OAB	Ordem dos Advogados do Brasil (Brazilian Bar Association)
PAEG	Programa de Ação Econômica Governamental (Governmental Economic Action Program)
PC do B	Partido Comunista do Brasil (Communist Party of Brazil)
PIN	Programa de Integração Nacional (National Integration Program)
POLAMAZONIA	Programa de Polos Agropecuários e Agrominerais da Amazônia (Program of Agricultural and Mineral Poles in Amazônia)
PROALCOOL	Programa Nacional do Alcool (National Program for Alcohol)
PROCERA	Programa Especial de Apoio à Reforma Agrária (Especial Program for the Support of Land Refrom)
PRONAF	Programa Nacional de Apoio à Agricultura Familiar (National Program for Support of Familial Agriculture)
PROTERRA	Programa de Redistribuição de Terras (Land Redistribution Program)
PSB	Partido Socialista Brasileiro (Brazilian Socialist Party)
PSDB	Partido da Social Democracia Brasileira (Brazilian Social Democrat Party)
PVA	Plano de Valorização da Amazonia (Amazon Economic Valorization Plan)
SAGRI	Secretaria de Agricultura do Estado doPará (Secretariat of Agriculture)

SPDDH	Sociedade Paraense de Defesa dos Direitos Humanos (Pará 's Society for Human Rights)
SPVEA	Superintendência do Plano de Valorização Econômica da Amazônia (Superintendency for the Economic valorization of Amazonia)
STR	Sindicato Municipal dos Trabalhadores Rurais (Municipal Rural Union)
SUDAM	Superintendência para o Desenvolvimento da Amazônia (Superintendency for Development of Amazonia)
SUDECO	Superintendência para o Desenvolvimento do Centro Oeste (Superintendency for Development of the Center-West)
SUDENE	Superintendência para o Desenvolvimento do Nordeste (Superintendency for Development of the Northeast)
SUFRAMA	Superintendência da Zona Franca de Manaus (Superintendency of the Manaus Free-Trade Zone)
UNIPOP	Universidade Popular (Popular University)

APPENDIX B
LIST OF KEY INFORMANTS

- President of the Rural Union of Uruará.
- General Manager of the Uruará Cooperative – COOMAVUR.
- President of AGRASSIL.
- Former President of AGRASAMA.
- Former President and treasurer of ASAGRIL.
- President of ACAPU.
- Former President of ACAPU and current member of the board of the Rural Union of Land Owner's of Pará – RURAPRA.
- President of APRUR.
- General Coordinator of the Movement for the Survival of the Transamazônica – MPST.
- Co-founder of MPST and State Representative elected by the Worker's Party – PT.
- Coordinator for Agricultural Policy of the Pará State's Federation of Rural Unions – FETAGRI.
- General Manager of Banco da Amazônia's (BASA) Rural Credit Department.
- Rural Credit manager of BASA's agency in Altamira.
- Uruará's catholic priest and coordinator of the CPT's northern chapter.
- Former Mayor of Uruará and CEPLAC's agronomist.

- Chief of the EMATER office in Uruará.
- EMBRAPA's research assistant and field coordinator in Uruará.

APPENDIX C QUESTIONNAIRE

Questionnaire No _____ Name of Interviewee: _____

Side Road: _____ Quad: _____ Plot: _____ Distance from main road _____ Km

Farm area _____ Has title? yes () no ()

State of Origin: _____

Years of School: _____

Religion: _____

Groups to which belong (union, association, cooperative, etc.):

Why did you join this (these) group(s)?

Association through which you got the FNO-e loan: _____

When did you join this association/cooperative? _____ When did you sign the loan contract?: _____

Why did you chose this association?

Did you quit another association after you joined this one? Why?

How did you join this association/cooperative?

- a) invited by a director ()
- b) invited by neighbors ()
- c) spontaneously ()
- d) an extension agent (specify)_recommended ()
- e) union directors recommended ()
- f) Catholic priest recommended ()
- g) other _____ ()

Did you use to participate in the association meetings?

- a) before release of the loans ()
- b) after loans were released ()
- c) never ()

What was discussed in the meetings on the FNO-e loans?

What was discussed in the general meetings?

Did you know the directors of the assoc. before you joined it? Yes () no ()

Who? _____

Do you know the current directors of the assoc.? Yes () No ()

Who? _____

Do you know and interact with other members? Yes () No ()

How? _____

Did the association keep part of the loan money?

- a) Yes ()
 b) No ()
 c) Not that I know ()

If yes, do you agree with that, why?

The money was:

- a) Given to you ()
 b) Managed by the assoc. ()

How did you buy your cattle?

- a) chose the animals ()
 b) chose a group of animals ()
 c) could not choose anything ()

Do you agree with this, why?

Amount financed _____

Due on: _____

How did you spend the loan money?

_____ cows a R\$ _____ each
 _____ bulls a R\$ _____ each
 _____ calves a R\$ _____ each
 _____ donkey/horse a R\$ _____ each
 _____ Km of fence
 _____ Ha of consortia () cupu x () café x () coco x () banana x () other
 _____ Ha of forest clearing
 _____ other _____

Did you have previous experience with cattle?

- a) Yes ()
 b) No ()

Already had cattle in your farm?

- a) Yes () _____ animals
 b) No ()

Have you lost any animals since the arrival of the new cattle?

- a) Yes () _____ cows _____ calves _____ bulls
 b) No ()

Personal assessment of the loan

- a) Profiting ()
 b) Breaking even ()
 c) Loosing money ()

How many animals do you have today? _____

Would you get another FNO-e loan? Yes () No () Why?

When you have financial problems, you seek help from:

- | | | | |
|----------------|-----|----------------|-----|
| a) Assoc./coop | () | f) Family | () |
| b) Union | () | g) Friends | () |
| c) Church | () | h) Shopkeepers | () |
| d) Neighbors | () | i) Politicians | () |
| e) Government | () | j) Other _____ | () |

Who should help the colonists?

- | | | | |
|----------------|-----|----------------|-----|
| a) Assoc./coop | () | f) Family | () |
| b) Union | () | g) Friends | () |
| c) Church | () | h) Shopkeepers | () |
| d) Neighbors | () | i) Politicians | () |
| e) Government | () | j) Other _____ | () |

Did the directors run in the last local elections (mayor and *vereador*)? If yes, did you vote for them?

Do you remember who you voted for?

Position	Y	N	Name of the Candidate	Why?
Mayor				
<i>Vereador</i>				

Comments:

BIOGRAPHICAL SKETCH

Fabiano Toni was born on July 1st, 1967, in São Paulo-S.P., Brazil. He received his Bachelor degree in Agronomic Engineering in 1989, from the Escola Superior de Agricultura 'Luiz de Queiroz', ESALQ, a branch campus of the Universidade de São Paulo in the city of Piracicaba-S.P.. After a two-year experience in the private sector, Fabiano started his graduate studies at the University of Campinas, in Campinas-S.P., where he received a Master of Science degree in Science Policy.

Fabiano started his Ph.D. program at the University of Florida in the Spring of 1995, under Dr. Steven E. Sanderson's supervision. After the completion of his Ph.D. program, he will return to Brazil to assume a position as a faculty member of the Department of Social Sciences at the Universidade Federal do Rio Grande do Norte (UFRN), in Natal-R.N. He and his wife, Daniela B. Lopes, who is also completing her Ph.D. at UF, expect to have their first child soon after they return to Brazil, in May 1999.