Expropriating land in Brazil: principles and practices

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Introduction

Land reform is an age-old debate in Brazil either as a government policy or as an imperative to enhance social development defended by various political actors. Since the end of the 19th century one finds in literature vigorous demands to reform one of the most skewed land structures in the world. However, it is perhaps correct to point out that land reform, in fact, was made visible only in two well-defined periods in the political history of the country. First, it emerged in the public agenda in the late 1950s and was abruptly interrupted soon afterwards with the military coup of 1964. The second historical moment was gradually materialized after the Constitution of 1988, when strong political pressures and a growing social demand developed. One of the hottest topics when legislators drafted the new Constitution was to increase access to land for the rural poor and the promotion of land redistribution, because of many disagreements about their mechanisms. As a result of the post-Constitution capacity of rural organizations and social movements to exert pressure, by the mid-1990s an ambitious process of land expropriation was in due course. If measured by the implementation of actual initiatives, therefore, this second historical moment covers the last twelve years, when four successive mandates (including the current one) devised several actions to make land reform a reality in Brazil.

This article summarizes the history of land reform in Brazil and its most decisive facts, moments, achievements and current challenges. Section one briefly sketches the origins of land concentration and the main aspects of that first historical moment when land reform emerged as a heated political issue. It also highlights the military cycle that followed it, when land reform in practice was replaced by projects of colonization in several still sparsely populated and remote regions of the country. Section two discusses how land reform was legally structured in Brazil after the Land Statute of December 1964, indicating its main formal stipulations and the definition of the expropriation program principles. After a synthetic account on how land reform principles evolved and were adjusted over time, section three discusses recent years, especially after 1995, and the main achievements of the land reform program implemented since that year. Finally, before conclusions, section four analyses the most pressing challenges facing this policy nowadays when it is suggested that it is probably reaching its historical end for various reasons, including a diminishing social demand. The article also discusses in passing in different sections the linkages between the expropriation program and actions by social and political organizations and pressures exerted (especially land occupations) in order to reach greater results in the implementation of land redistribution.

Land reform enters the stage: the 1950s and the years of the military cycle

Brazilian land structure, well known as one of the most skewed land distributions in the world, has a historical justification,
starting with the Portuguese colonization and decisions taken over time by that Empire, before independence in 1822. It relates to a dual movement favoring aristocratic groups, on the one hand, and a persistent effort to deny access to land by non-elite members of the white poor. Later in the 19th century, after the rise of coffee as a major international commodity and the end of slavery (1888) and the inauguration of the republic a year later, those measures were also an attempt to avoid former slaves to reach land in order to keep a permanent, large and cheap pool of rural labor for the agrarian oligarchies. As a result, the main facet of agrarian history is the formation and permanence of under utilized large estates throughout rural Brasil, usually termed in local legislation and general literature as “unproductive latifundia”. This was the historical background that established land concentration and was the pattern at least until the period following the Second World War. It was a time when Brazil experienced a cycle of democratization that started with elections in 1945 but came to a blunt end with the military coup of 1964.

The first historical moment when struggles for access to land came into centre stage gradually developed from the mid-1950s onwards in pace with the process of political openness that was typical of that period and until the military takeover in 1964 (Medeiros, 1989). Land reform was then seen as a fundamental policy that would liquidate the political domination of land elites, contribute to improve patterns of income distribution in rural areas and, in particular, it would boost industrialization in Brazil after the formation of an enlarged internal market. It entered the political agenda after the formation of peasant leagues and a series of actions they promoted in some of the traditional sugar cane estates in Brazilian Northeast, particularly in Pernambuco and Paraiba (Hewitt, 1969). At the same time, inspired by the then semi-legal Communist Party of Brasil, rural trade unions, for the first time in the history of the country, were being formed in rural areas known for their commercial activities, like the state of Sao Paulo, for example (Houtzager, 2004). Stimulated by these social forces, a mounting pressure on government to implement rural labor rights and land reform gradually became national. These pressures were even more radicalized during the brief mandate of the reformist government of João Goulart (1962-64), who was eventually deposed by the military coup in April, 1964. In his term, for example, the number of pro-poor rural trade unions spiraled and political spaces for protest and political pressures were more open than ever (Camargo, 1981). Only to illustrate, in 1963 there occurred the biggest strike by rural workers ever in the history of Brazil, when the majority of workers in some Northeastern sugar cane producing areas stopped working to demand the implementation of labor rights in rural areas.

In the period 1955-1964, however, there were two especial barriers to overcome, if any attempt to implement land reform was to be successful. First, the political conservatism of that period, when right-wing parties and political forces were too much powerful in Congress and had large majorities, blocking any discussions, let alone proposals to change the legal precepts on land reform and labor rights in rural areas. Specifically in the case of land reform, however, the second and main impediment was the Constitution itself. It stipulated in its article 176 that any land expropriation eventually signed by the government should compensate the former landowner in cash and before any eviction – and, moreover, the amount paid should reflect fair market prices. Under these requirements, land reform, in practice, was made impossible and no feasible attempts were made to change the Constitution and, even less, to expropriate land under the impracticalities of those stipulations.

Although many actions and political pressures were made in the period, land reform was merely a subject of heated debate in this first historical moment and land expropriation was never materialized. It should be mentioned, however, that agrarian tensions were a major factor affecting the context that eventually led to the military coup in 1964. After this institutional rupture, five
successive military presidents, in face of their conservative nature, never made any serious attempt to implement land reform and only occasional expropriations were made, usually in specific situations of strong social tensions. According to official statistics, in the period 1964-85 (that is, during the military regime), only 77 thousand families were settled, a figure that in Brazilian terms is negligible. As a rule, the military governments preferred instead to design a policy of colonization in rural backlands, justifiable under the political imperatives of forming new human settlements in regions of frontier to colonize remote areas of the country. At least until the end of the military period, in March 1986, no substantial attempts were made to bring land reform back to the political agenda.

The Brazilian legal structure to implement land reform

The most striking characteristic of land reform and related social struggles is a dual facet that is hardly understood for external observers unaware of Brazilian politics. On the one hand, the country developed after the 1960s a detailed and extensive agrarian legislation that, in principle, enables any government to implement ambitious programs of land reform, if there is a political will to do so. On the other hand, however, the country’s political history has demonstrated a vigorous and as yet invincible alliance between large landowners, politicians and conservative sectors capable of preventing the enforcement of Law in due course and a significant process of land reform becomes a reality. Brazilian history is a paradigmatic example that demonstrates the political power of elites to block State and Law enforcement when those policies are against their interests.

The basic legal framework that still sustains land reform in Brasil is the “Land Statute” signed in November, 1964, just after the military coup (Law 5604). Its main focus was to devise ways of dealing with “unproductive latifundia”, apart from creating conditions to force agricultural modernization and increasing access to land to the rural poor. Since the primary barrier to overcome was the then existing Constitution (signed in 1946) and its stringent financial requirements to expropriate land, the first military government signed a constitutional amendment (also in November 1964) which scrapped the need of previous and “fair” payment to land expropriation to be paid in cash. It stipulated that from that date onwards land expropriation would be paid with public bonds that would be fully redeemed only twenty years later after being issued (their values periodically updated after indexes of inflation) and, also crucial, this amendment established the unification of existing legal possibilities and, after it, only the Federal Government would be entitled to decree expropriations for the purpose of land reform. As a result, at least at the level of legal requirements, no factor could prevent the implementation of this policy since it now depended only on political decisions. The constitutional amendment even imposed that landowners would be incapable of disputing in Court decisions to expropriate their land and proprietors would be able only to demand renegotiation of monetary compensations for their land and buildings existing in their properties but not the act of expropriation itself.

The Land Statute also established, for the first time, a mechanism to formalize a typology of establishments in rural areas. All landowners, regardless the size of their farms, were invited to declare details about their properties. After this information was collected, private farms were classified in four different types of land properties, ranging from (i) the small “minifundia”, to (ii) the second type, the (typically medium-sized) rural enterprises and, on the other extreme, the two types of large estates (“latifundia”), the (iii) so defined because of the proportion of non utilized land (more than 50% of the potentially productive areas existing in the farm) and the other (iv) type because
of the absolute size of the rural establishment concerned.

All those categories were defined according to objective criteria listed in the approved Statute. These criteria were basically centered on the concept of so-called “rural module”, a fixed unit of minimum land size in any specific region of the country that, in principle, would be enough to secure subsistence for an “average family” involved in agricultural activities. Depending on the region, proximity to markets, quality of soils, rainfall regimes, and so on, the module was determined for a given region and, after that definition all rural establishments were classified under those four categories. For example, landholdings that are smaller than the module fixed for their region will fall under the group of minifundia, and obviously be exempted from expropriation. Later on legislation was modified and currently no farm that is smaller than fifteen times the fixed module rural for its region can be legally expropriated. With this new databank the Federal Government gradually had a clearer idea about land use, types of rural properties, their main characteristics and an approximate photograph about land structure in the country. The rationale was that land reform could be implemented without many tensions, because decisions to expropriate would be based on objective facts and all farmers would know the rules of the game in advance. In particular, the biggest land estates would be expropriated without any legal chance of avoiding it, but those of significant size (but not so immense) could risk expropriation only if they did not cultivate a substantial part of their agricultural land. Rural enterprises and small farms, on the other hand, were strictly protected under the new Law and could not be expropriated at all.

It is also relevant to mention that the Land Statute of 1964 established a progressive scale of the “rural land taxation” (ITR in its Portuguese abbreviation) which, on paper, would penalize large landowners, forcing them either to sell their estates or radically rearrange their agricultural activities, in order to cultivate most of their land. The biggest landholdings, for example, if not productively cultivating most of their lands would face up to an annual 20% taxation (as a proportion of the market value of the property). If imposed, in few years it would be economically meaningless to keep such a property. This taxation, however, has proven to be hard to collect. The Federal Government left to the municipalities to bill landholders and collect taxes and, in practice, it meant that the local power of the most influential landowners prevailed and in most of Brazil the total amount collected usually has been fairly insignificant. The basic error with this taxation is its direct incidence on “non-used land” and the lax and insuperable disinterest of governments at all levels to collect it. In relation to the first aspect, for example, there is a growing contradiction facing an economic activity that in many areas is becoming strongly technologically organized and more productive and, as a result, is capable of producing more in less arable land. It means that ITR in Brazil is reaching a curious state where it is a burden on those farmers who seek higher productivity because in doing so a larger part of their farms is eventually not used anymore (notwithstanding the higher output in the farm) but they may be charged with a higher taxation (Oliveira, 2007). The main evidence of this contradiction is that the area cultivated with crops in Brazil did not increase substantially in the last twenty years (ranging from 48-54 million hectares) whereas the national production of grains, for example, did experience a remarkable rise. In the period 1990-2005 the area under cultivation observed an annual growth of 1.2% while the total agricultural output increased 6.5% per year. When the Brazilian agriculture is experiencing an impressive growth in production and is gradually becoming highly modernized, this taxation still relies on a moral argument based in historical legacies (that is, land taxation is supposed to force the use of land because of so many “unproductive latifundia”), thus creating a bizarre situation. There is an enormous evasion of information by land proprietors and, in 1992, according to official estimates, more than one
The second moment of land reform: 1995 onwards

For most of the 1980s political conditions surrounding this subject changed after the end of the military cycle and a process of political democratization that eventually made Brazil one of the most democratic countries in the world.

Land reform returned to the centre stage of politics again sometime in the second part of the 1980s, especially during the Congress legislature leading to the signing of the new Constitution, in October 1988. One of the most disputed themes when congressmen were preparing the new carta was precisely the legal requirements to re-define properties available for land expropriation and separate them from those protected from expropriation. These debates galvanized social forces, emerging social movements and several public figures, usually in favor of land reform but the new Constitution did not improve legal possibilities to boost it (Silva, 1988). Therefore, when in the 1990s social movements and organizations representing the rural poor became increasingly vocal and capable of mobilizing support for their demands, legal stipulations they faced were similar to the past.

However, some progressive changes - though rather modest - were approved by Congress and made part of the new Constitution. The generic principle of the “social function of [rural] properties” launched by the Land Statute was incorporated in the Constitution (articles 184 and 186). Another important decree was signed in 1993 (Law 76) which defined faster legal procedures after expropriation of rural properties for the land reform program. Even after these changes intended to enlarge the scope of this policy, results did not improve in relation to the military cycle. Official statistics, for example, indicate that in the first civilian government (1985-1990) only 83 thousand families were settled and in the period 1991-1994 only 57 thousand landless families were offered plots of land in different parts of the country.

As a result, land structure in Brazil in the late 1990s was still reflecting the legacies of the past and showing an immense concentration of land assets in the hands of a few owners. While income concentration in the country is high vis-à-
vis international patterns (Gini index for income is currently around 0.6), land concentration is almost absurd and the current index is 0.843 according to official estimates based on censuses. Given the continental size of Brazil, this index suffers some variations, being lower as an average of those states comprising the South region (0.712) and in the Centre of the country (0.757), but is higher in the regions Centre-West (0.810) and North (0.851). In the Northeast, it reaches 0.811. The resulting picture is one of dramatic asymmetries when land ownership in Brazilian rural areas is concerned: while there are 31.6% of all rural properties in the group of 0-10 hectares and the sum of their areas corresponds to only 1.8% of total area owned by all landowners, in the other extreme one finds the opposite, that is, all properties with 2,000 hectares or more comprise only 0.8% of all landholdings but the sum of these properties corresponds to 31.6% of the total area owned by all Brazilian landowners. Under these social differences it is no surprise that rural poverty is rampant in the Brazilian countryside, where one finds around 5 million families living with less than two official minimum wages per month (at the moment the standard wage corresponds to US$ 190 per month) and the rates of infant mortality are the highest in the country. If these figures are analyzed per region it would be possible to demonstrate that in the rural Northeastern regions there exists the most dramatic levels of poverty and illiteracy in the Western hemisphere. Table 1 below synthesizes land structure in Brazil.

A new and favorable juncture came into being during the two mandates of the former president Fernando Henrique Cardoso (1995-2002), when opposition parties and rural organizations were stronger and, in particular, a difficult economic context strongly affected agricultural activities that made many large landowners to offer their estates for the national program of land reform. Especially in the years 1995-2002 this program observed an extraordinary rise and approximately 400,000 thousand families were settled in those years. For the first time in Brazilian history land reform became a substantial investment by the central government and made headlines for most of those years. Especially in the second part of that decade, the Landless Movement (known by its abbreviation in Portuguese, MST), in association with the national confederation of rural trade unions representing smaller and poor farmers (Contag is the acronym in Portuguese of this organization) came to the forefront and was able to promote a growing series of actions intended to divulge struggles for land reform and exert pressure on the federal government. The record of the MST, in particular, in these years, is impressive and reasonably well documented in literature (Navarro, 2002; Branford and Rocha, 2002; Wright and Wolford, 2003). It must be noted, however, that the historical role of these organizations and their actions in order to stimulate social mobilization in rural areas around land reform and the agrarian question, notwithstanding its relevance, is beyond the scope of this article. In spite of the importance of peasant struggles in many telling situations in the past, their political impact in recent times has diminished. This is only inevitable in face of so many social and economic transformations experienced in the country, especially after the profound structural economic changes promoted in the 1970s after the

Table 1: Brazil. Land structure, 2003

<table>
<thead>
<tr>
<th>Size of rural landholdings (ha)</th>
<th>Landholdings (%)</th>
<th>Area owned (%)</th>
</tr>
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<tbody>
<tr>
<td>0 to 25</td>
<td>57.6</td>
<td>6.3</td>
</tr>
<tr>
<td>25 to 100</td>
<td>27.6</td>
<td>13.7</td>
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<tr>
<td>100 to 500</td>
<td>11.4</td>
<td>23.8</td>
</tr>
<tr>
<td>500 and more</td>
<td>3.4</td>
<td>56.2</td>
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Source: Brazilian Government (Incra)
so-called “Brazilian miracle”. After that decade of high economic rates of growth Brazil emerged as a country destined to be urban and industrial and the agrarian question suffered a fatal blow. It would be only a matter of time that the country would observe some inevitable trends like intense urbanization and the reduction of agriculture’s contribution to GNP or even the loss of the political clout enjoyed in the past by the agrarian elites. These are rather obvious changes in the country, after nearly forty years of growing urban and industrial dominance and current manifestations about the “centrality of the agrarian question” in Brazil represents, in fact, corporatist defense or merely myopic academic readings about reality founded on vulgar ideological lens.

It was in this period that for the first time in Brazilian history a clear strategy to promote land reform was in place, mobilizing several State ministries (including the Armed Forces) and a detailed plan to break social and political resistances. The most spectacular result of that period, apart from a huge rise in the number of families settled and the total area expropriated for the national program was the liquidation, in most rural areas, of the capacity of local large landowners to use all means (licit or not) to avoid expropriation and interrupt the continuity of government procedures. If any observer compares the mid-1980s with the political conditions for land reform in Brazil in recent years, the difference is remarkable. Nowadays, in most parts of Brazil every large landowner knows that land must be intensely utilized or the risk of land occupation becomes higher. If land occupation happens, there are good chances that swift legal actions sanctioned by local authorities in order to evict invaders will not be enforced and eventually that property could be lost to expropriation. This is an extraordinary political achievement that results from that juncture in the late 1990s combining government’s strategy and pressures by rural organizations, in particular the MST, to keep land reform in the political agenda.

In the subsequent administration of President Luiz Inacio Lula da Silva, elected in 2002 and re-elected for a second mandate four years later, the national program was maintained with a single difference, that is, more financial resources were invested. The logistics of it, however, was almost the same. In the first mandate, it was possible to settle 381 thousand landless families in an area of approximately 32 million of hectares (only to give an idea of size, this area is equivalent the size of Belgium, Denmark, Portugal and Switzerland put together). The Federal Government invested almost US$ 2 billion to promote land reform in the first four years and there are solid expectations that at least these figures will be repeated in the second presidential mandate. It means that by 2010 Brazil will have experience a period of 15 years when approximately 1.5 million landless families will be settled.

Also in that decade, another important change in rural politics was the emergence of the notion of “family-based agriculture”, which did not exist in Brazil under this name before. It is not the space here to discuss the reasons for this change. It suffices to say, however, that from the mid-1990s onwards rural organizations defending this group of farmers were able to entrench new policies destined exclusively to family farming. Consequently, it created a crucial cleavage in public funds commonly invested in agriculture, which had formerly been under the sole control of powerful agrarian sectors. Since landless families eventually form new groups of family farming in new settlements, this was in practice a decisive change not only to reduce the political clout of large landowners but also brought additional arguments in favor of land reform. Only to illustrate the point, in the recent period, when rates of new jobs created by economic growth were not high and unemployment was a trademark of the Brazilian economy, the very fact that family farming in the new settlements offers at least three new occupations in each plot of land and a list of indirect new jobs related to the settlements, it has been an important justification for this social policy.
Finally, it must be noted that at the moment the Brazilian program of land reform is structured under two complementary paths, the first one being the conventional scheme based on expropriation in accordance to the legal framework referred to above. It is by far the most applied one and it corresponds to approximately 85% of all land utilized for land reform in Brazil. The second route, usually entitled in the country as “market-based land reform” is a mechanism born out of a small project in place in the state of Ceará (“Projeto São José”) which, in 1996, under the name of “Cédula da Terra” was extended to four states of the Northeastern region and to the Northern areas of Minas Gerais (Navarro, 1998). It was the first market-based land reform project ever approved by the World Bank and followed a new format under which beneficiary associations of poor families obtained financing to purchase suitable agricultural properties after negotiations with willing sellers. At that time macroeconomic conditions prevailing in the country were especially favorable, after the program of monetary stabilization that launched the “Real Plan”. As a result, land prices plummeted, thus creating a new context where promoting efficient land markets could be an important instrument to facilitate access to land. By the end of “Cédula” (in 2003), an estimate 15,200 families were benefited and settled on 609 separate properties at a cost of approximately US$ 3,000 per family. It is worth insisting, however, that economic conditions at that juncture were exceptional, because declining agricultural credit subsidies and low inflation reduced the incentives to hold land as a hedge, increased the supply of land available for sale and lowered its price. This program involved loans to landless families or poor smallholders (renters, sharecroppers, tenants) prepared to form an association and buy a property they were able to find for sale which suited their interests, but additional grants were offered for complementary investments. The main requirement to facilitate access to this program was how poor the claimant was and individuals outside associations also applied for funds in their own capacity.

Before its extinction this project was briefly transformed into a policy implemented in several states (now called “Land Credit”), which offered credit to acquire land under a rationale mainly destined to alleviate poverty, also financed by the World Bank. In 2000, on a parallel initiative, so-called “Land Bank” was established by the Brazilian Government to provide loans for small farmers interested in either buying new properties or only seeking to increase their landholdings. For this reason, loans from the “Land Bank” have been particularly accessed by more modernized small farmers in the South. Until 2003 credit sources under “Cédula” (for a brief period, “Land Credit”) and the “Land Bank” had been the two possibilities opened for those searching for access to land outside the traditional program based on expropriation.

In the initial year of the first mandate of President Luiz Inacio Lula da Silva, paying tribute to pressures based purely on ideological justifications (since “Cédula” resulted from loans from the World Bank) both initiatives mentioned above were abolished but soon replaced by a new program displaying not many substantial differences in relation to the original ones. It was then entitled “National Program of Land Credit” and had several components, the most important ones being “Land Credit - Combating rural poverty” and the “Consolidation of Family-based agriculture”). In their existence, “Cédula” was mainly concentrated in the states of the Northeastern region and the Land Bank was decentralized and most states welcomed its implementation, although especially states in the South stimulated farmers to access it (especially the state of Rio Grande do Sul). Taken together, “Cédula” and the Bank allowed 42 thousand families to be settled in the period 1999 to 2004 and 1,5 million hectares were bought in order to establish new settlements.

In spite of political pressures, the program that replaced the original ones (i.e., the “National Program of Land Credit”) was implemented in 2004 and
the Federal Government has a goal of settling 120 thousand families to be settled under this scheme during the two mandates of the current president (2003-2009). Though there is a subsidy embodied in this second mechanism, usually there is a suspicion that monetary results coming from most agricultural activities in Brazil nowadays do not produce net financial results capable of repaying loans and interest rates under this second route opened to landless families. The financial viability of this program for poor farmers is not as yet consensual among analysts and further research is necessary in order to clarify this aspect. Conditions stipulated for loans were rather favorable on paper but some studies insisted that most farmers would not be able to repay those loans, especially because of low profitability observed in Brazilian agriculture in recent years.

Notwithstanding these doubts, however, the experience of “Cédula” and, in recent years, of the “National Program” have demonstrated that usually the market route to have access to land is cheaper than the conventional pattern of expropriating land. In 2006, the specific credit fund for poor rural families under the “National Program” (named “Land Credit – Combating Rural Poverty”), that follows the principles of market-based land reform, found that the national average cost was an estimate US$ 3,600 per family, in spite of a great range of variation among the states (in some richer states the figure was an approximate US$ 16,000 per family). On the other hand, Marques (2007), who has written the most complete study about costs of land reform under the traditional method of expropriation, has found much higher costs when analyzing the conventional route to land reform in Brazil. He concluded that when land is expropriated, the national average cost per family reaches US$ 16,081, with a variation of US$ 10,622 in the poverty-stricken states of the Northeastern region to a high of US$ 23,919 in the states of the prosperous South. When land is bought by the Government (instead of being expropriated) to form new settlements, the national average skyrockets to US$ 26,938 (again with a variation of US$ 16,564 in the Northeast versus US$ 32,372 in the South). Finally, also according to this author, when land is public and the State simply decides to form new settlements in these areas (which is the case, in particular, of those states in the Amazon region), then the national average cost is US$ 7,824 and he found a variation from US$ 7,466 per family in the Northeast and US$ 6,751 per family in the South). These data (all in US$ of 2005) also demonstrate the crucial importance of land prices when the traditional method of expropriation is the main one used in land reform in Brazil. Occasional comments by those who are in favor of the expropriation route (instead of market-based initiatives) tend to dispute these figures and insist that they are much lower. In face of these differences, there is a tense discussion about the continuity of land reform based on the acquisition of properties by groups of landless families. This matter, however, suffers from strong pressures based on mere ideological perspectives. In particular, the rural organizations mobilized by the so-called “Via Campesina” (a left-leaning coalition that is commanded by the MST) combat this second option on rather controversial arguments. Though land acquisitions do not stimulate a dynamic market, it is curious that those organizations are demanding that the option based on market negotiations is scrapped under the argument that “it promotes a land market”, when Brazil has lived under capitalism for such a long period of time.

The national program has now an automatic operational framework. Land for expropriation is found through various modern techniques, from aerial images taken by satellites to the formal databases organized through statements by landowners forced to do so because of the land rural tax they are supposed to pay. If a specific property appears to fall under the existing criteria and may be expropriated, a visit is made to check its actual conditions and, after that, there are formal steps until the final act represented by a decree signed by the President of Brazil. The main difficulties, in fact, are not to be found in the
operational process to expropriate a rural property, but in judicial manoeuvres sometimes owners are able to use in order to delay expropriation. Beneficiaries should be selected under formal rules and be able to register their interest in the public branches of the executive agency in charge of land reform. In practice, however, in many cases the selection of new settlers is made under a tacit agreement with rural organizations representing the poor families, like the MST or the rural trade unions. Not rarely, this cooperation creates distortion and undue preferences, because those organizations select loyal members and do not pay much attention to more reasonable objective criteria when forming a list of candidates for new settlements.

**Impacts of new settlements**

A controversial aspect of land reform in Brazil concerns its impacts in broad sense. Several studies were carried out in recent years and, in general, there are more favorable findings than arguments against the national program or, alternatively, analysts who propose different social policies instead of land redistribution (Sparovek, 2003). As an illustration, perhaps the study by Leite et alii (2004) is ideal to provide an idea about the contribution of new settlements in Brazilian rural areas. Authors selected six regions where there is a concentration of new settlements formed by the national land reform program in different parts of Brazil and interviewed 1,568 settlers in 92 settlements during a period of almost two years of fieldwork and some findings are worth mentioning.

It was found, for example, that in almost 90% of the cases, the initiative to request the land expropriation came from the landless families themselves, after invading a private land or exerting other pressures. State action in this field has been rather slow and if rural organizations do not promote actions, it is rare that State agencies will offer land in advance for an interested group of landless families, despite updated information available and more reliable administrative procedures. However impressive the number of landholdings expropriated in the last ten years, the fact is that land structure did not change in any visible aspect throughout Brazil. After analyzing data, authors concluded that new rural settlements in Brazil do not alter patterns of land ownership and the Gini indexes for most regions are still the same. Usually this fact also implies that in the regions of new settlements the local power and influence of large landowners is still the same as ever and a process of political democratization does not transform local realities. The survey also indicated that approximately 80% of the population settled lived formerly in the same region and 94% worked in rural activities. These statistics show that although Brazil is a country of migrants, new rural settlements usually attract landless families of the same region and that they are farmers. It means that usual accusations against the mobilization of non-farmers in urban centers, taking advantage of large unemployment rates prevailing in Brazil, are not true and the national land reform program is indeed offering land for families with a tradition in agriculture. This fact also highlights the crucial importance of land reform, offering a reasonable productive occupation to a large population of unemployed rural families formerly living under a very unstable social and economic situation. After being settled, these families usually use intensely their plot of land to produce a long list of crops (and animals) and eventually approximately 70% of their income is produced in the land they cultivate. This ambitious survey also demonstrated that conditions of life improved substantially, in all aspects. Not only housing and better diet for all, but rural settlements, in particular, create stable conditions for the members of a given kinship, including relatives who were not formally settled but who are invited to live with the family that was offered the land. New settlements stimulate the local commerce when they sell their products. Farmers seek credit to implement new initiatives.
and become active “economic actors”, especially when they establish organizations (like co-operatives) and are able to make visible their presence in the local economy. After some time, they are adapted in the local society and are also involved in politics and other social dimensions of those municipalities where the settlements were established. If the town is small, a medium-sized settlement (80-150 families) formed might make a substantial impact in the local economy because many settlers will be entitled to receive government grants and pensions, they search for new credits and eventually there is a new economic dynamics in the municipality. All findings taken into consideration, this important study by Leite et alii (2004) clearly demonstrates the social and economic relevant of new settlements formed under the national program of land reform for most rural areas of Brazil. Its most relevant finding is exactly the sensation by the vast majority of those settled that their lot improved substantially and they find themselves in a much better condition of life.

Current challenges and dilemmas

In recent years, despite the formation of an institutional framework to implement land reform and an increasing favorable political context, this policy is becoming uncertain and is facing growing dilemmas and difficulties. The first aspect to highlight is the diminishing social demand in most Brazilian regions, especially because an unstoppable process of urbanization meant a reduction of landless families demanding access to land.6 The structural spatial change of the Brazilian population is impressive: while in 1960 the total rural population was an estimate 55% of the total population, the current demographic census in course will certainly demonstrate that the rural population is nowadays around only 15% of the total Brazilian population. Not to mention the economic dominance of industrial and services sectors, agriculture does not produce jobs in the same proportions as in the past because of mechanization and an increasing technological rationale prevailing in agricultural activities. The actual number of possible beneficiaries for the national program of land redistribution is highly disputable because of the different statistical sources, which, in this case, are often unreliable. It is also controversial because social demand is not always publicly demonstrated. However, if the demographic census or the so-called “national survey of households” (PNAD) are taken into account, the approximate figure of potential beneficiaries is an estimate total of 3.1 to 3.5 million poor families. These are landless families but it would be possible to include poor small producers (sharecroppers, renters and small farmers with very small plots of lands) and the total would reach approximately 5 million poor rural families as a potential clientele for that national program. This was, in fact, the figure established by the most recent National Plan for Land Reform, most probably representing an over-estimated parameter. This figure does not mean, however, a proper social demand that is politically expressed in all regions (see footnote 7).

A second factor affecting land reform is the cost of implementing it. There is a growing argument that in face of diminishing landless families it would be cheaper to offer a monthly payment for the rural poor, instead of the costly (in administrative and financial terms) process of land reform. At the moment the Federal Government is in charge of a host of social policies for the Brazilian poor (the most effective one being “Bolsa Familia”, a sort of CCT program in which poor families received a monthly payment on the condition that their children attend school). Since most studies demonstrate that new settlers, in most regions of Brazil, are not capable of producing a monthly income bigger than a minimum wage, there are suggestions that instead of maintaining a complex process of land reform, it would be better to enlist them in that social program. However, it must be recognized that the rationale of these
programs are distinct and they are even administered by different areas of the Federal Government. Access to land creates a multifaceted impact in the life courses of landless families, whereas access to additional income provided by “Bolsa Familia” may be simply an occasional benefit. In other words, that comparison would be to narrow and purely financial, disregarding other social factors associated with land reform.

Perhaps one of the most crucial factors that affected the implementation of land reform in Brazil in the period refers to the indexes of land productivity stipulated in Law for all regions and agricultural activities in the late 70s under the then prevailing technological conditions. It meant that those parameters were very low and, even if the Brazilian agriculture showed an impressive development after that decade, they were not updated and landowners were not stimulated to improve their general productivity. If those low levels were reached they would escape land expropriation. With the passing of time, even if political pressures were made to update those indexes, the Federal Government always resisted them. It eventually meant that the stock of land for land reform decreased with the passing of time because the Government was unable to find available landholdings, according to legal requirements, to the process of expropriation, in particular in the most modernized agricultural regions. This is especially the case of the technologically modern agricultural regions of the Centre-South where land prices have soared in recent years. In those regions the Federal Government has been forced to buy land and is unable to recur to expropriation measures because of legal impediments. In the less developed regions of the Northeast and the North regions there are still a great number of underutilized latifundia that are subjected to legal expropriating decrees and in those regions (especially in the Northern state of Para) the Government has concentrated its efforts to settle landless families. That factor, associated with the reduction of social demand, most probably, means that land reform in Brazil is perhaps agonizing in these years and observing its final chapter.

These facts notwithstanding, there is also scope and justifiable reasons to implement land reform in Brazil. For example, if a massive effort were made in order to concentrate land reform in the Brazilian Northeast it could produce significant results in relation to poverty reduction and economic prosperity of a very important proportion of the rural poor. Approximately half of the Brazilian rural poor lives in that region, but the most economic important areas of agricultural production lie outside the Northeastern region. If a concentration of financial and human resources were applied in that region in order to expropriate most of its large landholdings (which exists in great number in the region) a formidable stock of land would be made available and the vast majority of the Brazilian landless families (if not all) could be settled there (Navarro, 2001). It would be possible then to enforce a process of land distribution qualitatively different from the traditional pattern of policies implemented to date. This suggestion is usually received with skepticism because the Northeastern region is plagued by a central and large area of semi-arid conditions where agricultural activities are strongly affected. However, when defending this possibility it is meant an enormous area encompassing the half north of the state of Minas Gerais in the Brazilian centre towards the state of Maranhão, bordering the Northern state of Pará. Within this larger region there are many and relevant areas with satisfactory environmental conditions where agriculture could easily prosper. If this region is the object of an intensive process of land reform, government agencies will find land enough to settle all landless families still demanding access to land in Brazil.

**Conclusions**

Land reform in Brazil is approaching its Rubicon, a “moment of truth” when crucial decisions will be necessarily faced in the coming years. With a social demand that is reduced every passing day and the development of several social
policies that could be cheaper and produce the same results for the rural poor (in terms of income) and, also, with the opening of new agricultural frontiers under the hands of large landowners and Brazil becoming a major player in international markets, it appears that reasons for land reform are not any longer quite clear.

The recent expansion of the national program of land redistribution has produced satisfactory results in many areas and has been justifiable after social pressures and a rationale of offering occupation to the rural landless poor in times when the rate of growth of the Brazilian economy has been dismal and unemployment is too high. With a slight change in these macroeconomic circumstances, however, there is a strong probability that land reform will become a still more controversial policy, perhaps unjustifiable when its costs and complex operational implementation are considered.
End notes

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\(^2\) It reminds us a famous Argentinean writer who wrote that “The Law is like a knife; it does not hurt who holds it” (Cf. Hernández, José, El gauchito Martín Fierro. Buenos Aires: CampNew, 1968 [1872], verse 1093).

\(^3\) However, it must be noted that social inequality and poverty suffered a substantial reduction in Brazil in recent years. If taken as a measure of income distribution, for example, in 2004 the country observed the lowest level of income inequality in its history. For a detailed discussion, see a recent article published by the government think-tank IPEA, which is a part of the Planning Ministry (IPEA, 2007).

\(^4\) In fact, that period is more complex than this mere indication. For example, some large landowners were also attracted by the policies of privatization carried out by the Cardoso government. It is announced that the Federal Government would accept land public bonds from private buyers trying to acquire public enterprises which meant that titles received by proprietors whose land estates were expropriated observed a rapid rise in their titles. Landowners affected by an economic crisis in those years saw an opportunity to sell their properties and enter in the process of privatization in order to reap huge gains. There are also political factors influencing the decision to implement a more ambitious program of land redistribution. The killing of landless workers in Corumbiara (1995) and in Eldorado dos Carajás in the following year, both events in states of the Northern region, caused an enormous impact in public opinion, in particular the second one which was filmed and produced commotion in the country (19 landless workers were brutally murdered by the state police when they obstructed a regional road in order to put pressure on the government). These tragic events also ignited a growing sympathy for the Landless Movement (MST), which took advantage and promoted the famous “march to Brasilia” in April 1997, perhaps the only moment when the then incumbent president, Fernando Henrique Cardoso was actually put against the wall. In the day the march reached the capital, it is estimated that 100 thousand people gathered in the main square of that city in order to protest against impunity for those cited crimes and also to exert a strong pressure in favor of land reform in Brazil (For additional details, see Navarro, 2002).

\(^5\) After the institutionalization of the notion of family farming in the second part of the 1990s, several studies were made to differentiate it from so-called “agribusiness”. They demonstrated, for example, that family farming responds for 84% of all rural establishments and employs 77% of all rural labor. This sector also responds for approximately 40% of agricultural production and it cultivates 30% of the total utilized agricultural land in the country. If the 15 most important agricultural commodities are considered (in value), family farming has a significant proportion in their production for 12 of those commodities. However, this enormous agricultural sector access only a quarter of government credit for agriculture and large properties reap the bulk of credit (mostly subsidized) for agricultural activities.

\(^6\) This picture, in practice, is not as rosy as it might suggest. As an example, in many states land records are in a mess and many presumable proprietors dispute the same land. In addition to this, according to official estimates, only 51% of the total rural area in Brazil is formally registered. Most probably this fact means that a vast area is being illegally utilized, especially for extensive cattle ranching, scattered in the remote regions of the country.
“Demand” here in its political expression, that is, when potential beneficiaries are able to organize themselves and make public their interests. It does not refer to what social scientists would call “potential demand”. The latter is obviously higher but is also diminishing with the passing of time, for the same reasons pointed out in the text.

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