
God, the Devil, and Development in Northeast Brazil

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Glauber Rocha's 1964 film "God and the Devil in the Land of the Sun" (*Deus e Diabo na Terra do Sol*) memorably portrays the harshness and brutality of the lives of a poor family in Brazil's Northeast, the country's most afflicted region. Cheated and beaten by his landowning employer, a cattle herder persuades his wife to join him in becoming a member of a fanatical religious sect led by a messianic leader. Mesmerized by the leader's words, the humble couple consents to the bloody sacrifice of their infant son. Later rejecting the sect, the cattle herder abandons his wife and joins a band of outlaws (*cangaceiros*) who attack, pillage, and destroy the farms and ranches of big landowners. Violence, Rocha seems to suggest, is a recurring response to the misery and oppression of poverty in the Northeast. Advocated both by self-anointed people of God and irreligious bandits, violence is a popular cry of anger and despair of the rural poor. Its repeated occurrence, feared by many and hoped for by others, permeates social relations in the region.

The struggle to find a peaceful path to development, to the fulfillment of the minimal material aspirations of the majority of the region's people, is still occurring in the Northeast. It is the area with the highest concentration of poverty in the Western Hemisphere—more than seventeen million of its roughly forty-two million people live below the poverty line.^{1,2} The Northeast is known for the malnutrition and short stature of its people, the recurring droughts and thin cattle of the arid interior (*sertão*), the struggling small farms of the intermediate (*agreste*) plateau, the enormous sugar plantations and masses of poorly-paid rural workers in the coastal zone (*mata*), the political power of the landed elite, and the decades-long poverty alleviation and drought programs organized by the federal government that never seem to result in significant change. United Nations statistics show that the region lags behind the south of Brazil in almost every indicator of social development, with an average life expectancy seven years shorter, adult literacy 33 percent lower, and gross domestic product per capita 40 percent lower than that of the south.³

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The economy of the Northeast, dominated for centuries by coastal plantation agriculture, is in crisis. Faced with a dynamic global economy based on revolutions in communications technology, the rise of the service sector and the increasing importance of a well-educated, flexible workforce, the Northeast's comparative advantage in exported agricultural commodities such as sugar, cocoa, coffee and cotton looks increasingly unrewarding, especially as global commodity prices continue to slump. The region faces a major challenge of economic, social, and political adaptation.

In the 1990s, a new player in development has emerged in the Northeast: the landless workers' movement (*Movimento dos Trabalhadores Rurais Sem Terra*, or MST). The movement, which organizes marches, land occupations, and sit-ins at government offices, invites comparisons with Mexico's Zapatistas (*Ejercito Zapatista de Liberación Nacional*, or EZLN). Unlike the Zapatistas, the MST is not a guerrilla army, but like them, it has attempted to prod the national conscience and speak for those excluded from the benefits of the modern economy. Using the attention it has garnered, it has demanded political and economic reform, and in particular, land redistribution. A devil to some and a savior to others, the MST is the leading player in the federal government's land reform currently being carried out in the Northeast and the rest of Brazil.

This article explains how and why the MST emerged as an important political player in the Brazilian Northeast. First, it briefly describes the economic, social, and political conditions of the Northeast, and then highlights the emergence and significance of the MST. Next it compares the MST with other organizations claiming to speak for the rural poor, such as rural unions and the now-defunct Peasant Leagues, arguing that to understand the movement's current role, the politics of the early 1960s—also a period of considerable agrarian reform—must be analyzed. The fourth section traces some significant economic and political changes under Brazil's military regime of 1964-85—changes that opened up political space of organizations representing the landless. Finally, the article discusses to what extent new thinking about rural poverty—specifically, proposals to implement market-based land reform—might generate improved and more productive relations between the MST and the government, solving land conflicts and promoting development in Brazil's poorest region.

Development in the Northeast

The Northeast is a region consisting of nine of Brazil's twenty-five states (see map on page 112),⁴ with roughly one quarter of the country's population. This is the oldest, most historic part of Brazil and was the country's economic and political center in the early colonial period. Like the southern United States, the Northeast lost relative importance as industrialization occurred in another part of the country (the south and southeast of Brazil, especially the state of São Paulo). Also like the southern U.S., Northeast Brazil paid heavily for this industrialization, in that the tariffs established to protect southern

industries in the mid-twentieth century resulted in the transfer of capital from Northeastern plantation agriculture to the south.

Geographically, the Northeast is tropical, famous for its white, sandy beaches and palm trees, and a world apart from the semi-tropical and temperate zones of the south, southeast, and southwest. Politically, the Northeast became famous for *coronelismo*, the dominance of landowners (many of whom were also colonels in the national guard), and the “herd vote,” in which rural workers were induced to vote en masse for the candidate of their landlords’ choice. Vertical, patron-client relations between dependent *camponeses* (peasants) and landowners are thus more pervasive than they are in the more industrial and egalitarian south. In this sense, Northeast Brazil can be compared to southern Italy. Culturally, the Northeast is distinctive from the more Europeanized south and southeast of the country, with a much greater presence of indigenous and African influences in the population, and corresponding distinctiveness in styles of food, music, literature, and speech. This distinctiveness has contributed to the existence of some discrimination against Northeasterners in southern cities, so that the large number of Northeastern migrants who work as security guards, construction workers, factory hands, maids, and similar jobs in places such as São Paulo and Rio de Janeiro often congregate in their own communities and retain their distinctive culture.

Comparative data on Brazil's regions reveal that when it comes to economic development, the Northeast is in a league of its own. Infant mortality rates in the region's nine states average fifty-nine per thousand births, compared to twenty-eight in the country's richest state, São Paulo. An average of 48 percent of the region's heads of household are illiterate, compared to 11 percent in São Paulo. Seventy-nine percent of households lack adequate sewage treatment, and 55 percent of households lack running water, compared to 21 percent and 5 percent, respectively, in São Paulo. Forty-nine percent of the region's workers lack a labor card, a basic means of entry into the formal labor market that entitles employees to social security and other benefits, compared with 21 percent in São Paulo. As one might expect, the Northeast also has a population that is younger, on average, than the rest of the country, and more of its households are headed by single women than elsewhere.⁵

The United Nations Development Program reported in 1994 that if the south of Brazil were an independent country, its human development index (a composite index composed of life expectancy, adult literacy, mean years of schooling, and real GDP per capita) would be 0.838, putting it in 42nd place internationally, on par with Portugal. The Northeast, with a human development index of 0.549, in contrast, would be in 111th place, equal to Bolivia and El Salvador.⁶ For this reason analysts of Brazil sometimes refer to the country, with only slight exaggeration, as “Bel-India,” or the combination of the standards of living of Western Europe (Belgium) with those of India.

It is not clear that the recent increase in regional trade between Brazil and the southern cone will benefit Northeastern development. Brazil's 1991 entry into MERCOSUR, a preferential trade agreement between Argentina, Brazil, Paraguay, and Uruguay, gives the Northeast a distinct disadvantage vis-a-vis southern and central-western states; while the latter are close to Brazil's MERCOSUR partners, the Northeast is not, meaning that high transportation costs are a barrier to the Northeast's full participation in the new economic union.⁷

Poverty is thus still pervasive in the Northeast, despite considerable economic change over the last few decades and a narrowing of the gap between the Northeast and south since 1970. While urban deprivation is a serious problem, poverty is still primarily rural and agricultural in nature.⁸ Although the phenomenon has complex roots, one of the principal causes of the Northeast's poverty is limited access to land on the part of the poor, a highly inequalitarian distribution of land and agricultural credit, and a precarious and badly-functioning system of property rights in land. While Brazil is well-known for the high degree of inequality in its land distribution, measured by the Gini coefficient, the Northeast is the most unequal region of all in this regard.⁹

Furthermore, small farmers face barriers that prevent them from fully enjoying private property rights to the land they cultivate. Due to a costly, confusing, slow, and often politically manipulated and corrupt process of land registration, many farmers do not hold titles to their properties. Of the total land area in the Northeast on farms of less than 25 acres in size, only 41 percent of the land is registered; for land on farms between 25 and 125 acres in size, the corresponding figure is 58 percent. In contrast, the percentage of registered land on farms larger than 250 acres averages 87 percent.¹⁰ Small farmers without title to their land are generally unable to obtain credit because they lack collateral; therefore, they are often unable to boost productivity through the purchase of new inputs or the adoption of more efficient techniques. This has a big impact on rural poverty, because studies show that small and medium-sized farms in Brazil generate far more employment per acre, on average, than large ones.

While large landowners dominate agricultural credit markets, they have used their political power to default on loans at a high rate, and have also evaded taxes to a large extent. Regarding the latter, one study showed that 81 percent of producers with wage earners in the Northeast did not fulfill their tax obligations. But the situation with regard to credit was even more serious. In 1995, for example, 53 percent of the value of all outstanding agricultural loans made by the Bank of Brazil, a bank owned by the federal government, were for more than five hundred thousand reals (at that time, the Brazilian real was roughly equivalent to one US dollar). Thirty-three percent of the value of those loans was in default. Default rates on these large loans were particularly high in the Northeast. In Rio Grande do Norte, to take the most extreme case, 93 percent of the value of Bank of Brazil rural loans for more than five hundred thousand reals were in default in 1995. In every

state default rates were 58 percent or higher. Owners of small and medium-sized farms, in contrast, generally repaid their debts. The default rates for loans up to R\$30,000 was only 6 percent of the total loaned value, while the rate for loans up to R\$150,000 was 10 percent.¹¹ The state bank, in effect, was subsidizing the very largest landowners by refusing to subject them to a “hard budget constraint.” This problem was exacerbated in 1995 when large landowners used their political influence to persuade Congress to cancel indexation for inflation on outstanding agricultural loans—a move that cost the Bank of Brazil between R\$1.8 to R\$2.5 billion.¹²

In summary, inequalities in political power in the Northeast perpetuate a model of development that gives little opportunity to the poor. For the latter, access to land is limited, land distribution is highly unequal, property rights to land are precarious, land markets are underdeveloped, and access to credit is dominated by large landowners who use their political influence to renege on their loan repayment and tax obligations. Given this scenario, land reform—increasing the access of the rural poor to land for cultivation and enabling those who have land to use it more productively—remains a powerful potential mechanism for solving problems of development in the region.

The Rise of the MST

A powerful social movement demanding land reform has recently emerged in Brazil. This movement vociferously manifested its presence when, on 7 September 1998—Brazil's Independence Day—thousands of marchers converged on the center of Recife, the capital of the state of Pernambuco in Northeast Brazil. Wearing t-shirts and caps and carrying red banners, the marchers were good-humored and lively, with some of their members playing music on drums, pipes, and triangles. Many wore only plastic flip-flops (*chinelos*) on their feet. The goal of the demonstrators—landless rural workers from all over the state—was to conduct an “alternative” event that contrasted with the traditional military parades taking place on independence day. Declaring their event the “cry of the excluded,” MST organizers staged similar marches in cities across the country, hammering away in speeches at their central theme of faster, more widespread redistribution of land to the rural poor.

Public opinion and the government of Fernando Henrique Cardoso, in office since 1995, were the main targets of the march to Recife. The MST claims that 4.8 million rural families are landless in Brazil,¹³ and that the government—for moral, economic, and political reasons—should accede to their demands for land. In fact, the Cardoso government has significantly accelerated land reform, settling 284,956 families on thirty-six million acres of land in the period of 1995-98, a large increase compared to the 140,569 beneficiary families and nineteen million acres redistributed in 1985-94.¹⁴ However, the MST, unimpressed by what it considers to be timid reforms, continues to

criticize the government and characterizes it as beholden to the interests of large landowners.

The MST is probably the most important social movement in Brazil and one of the largest in Latin America. As the unofficial opposition to the Cardoso government (which was re-elected in 1998), it claims five hundred thousand adherents and has organized hundreds of land occupations throughout Brazil since its inception in 1985. Ideologically, the MST represents a confluence of highly diverse and sometimes competing perspectives, including Catholic liberation theology, the post-Communist leftism of Brazil's Workers' Party (*Partido dos Trabalhadores*, or PT), and the "new unionism" of some of Brazil's industrial trade unions. Its slogans include "occupy, resist, produce" and "Agrarian reform: everyone's struggle."¹⁵

The movement says that because of its land occupations, some two hundred thousand previously landless families have been settled on seventeen million acres of land that was eventually expropriated by the federal government.¹⁶ Movement leaders are usually careful to target properties that are unused or whose ownership is legally uncertain, justifying the takeovers by referring to the existence of large amounts of idle land in Brazil's rural areas and the time-consuming and highly bureaucratic nature of land redistribution carried out under the official land reform program.¹⁷ Those MST members who receive land as a result of occupations pay contributions to the movement, which uses the money to run businesses, distribute a magazine, maintain a web site, and organize ongoing land occupations. The MST runs a sophisticated public relations operation aimed at Brazil's urban population and domestic and international public opinion, and has enrolled the support of celebrities such as photographer Sebastião Salgado, Portuguese writer and Nobel prize winner José Saramago, and singer/song-writer Chico Buarque.¹⁸ Linked to and supported by the Catholic Church's Pastoral Land Commission (*Comissão Pastoral da Terra*, or CPT), the MST is estimated to have an annual budget of more than twenty million dollars, with some eight hundred activists on its payroll.¹⁹

Ten years ago, the MST was a negligible factor in Brazil's Northeast. The movement began in Rio Grande do Sul, a state with some of the most modern and capital-intensive agriculture in Latin America, where many small farmers (many of them descendants of European immigrants) lost their land to expanding agro-industrial enterprises. However, the early success of some of its land occupations and the movement's tireless public relations campaign led to the mushrooming of local and state branches in southern and southeast Brazil and eventually the entire country, including the Northeast.

The MST seems to have had some success in persuading the Brazilian public of the legitimacy of its cause. After a national march on the capital Brasília in April 1997, a public opinion survey found that 83 percent of respondents supported agrarian reform. However, only 40 percent supported land invasions, the MST's tactic of choice,²⁰ and

more recent MST actions such as the “appropriation” of food from trucks and supermarkets has aroused widespread condemnation.²¹ Despite divisions within Brazilian public opinion over its actions, the MST will not disappear anytime soon. There is pressure on the federal government to respond to the land occupations that MST and other rural social movements have organized. Data collected by the CPT at the end of 1997 indicated that there were 463 land occupations in Brazil involving 58,266 families, with the largest number—182, or roughly 40 percent of the total—occurring in the Northeast.²² With the recent economic downturn caused by the devaluation of the Brazilian real, the pressure on the government to deal with rural poverty will not soon fade.

The problem of landlessness and the social protest it has generated in Brazil is not new. To understand the current conflict, it is helpful to go back to an earlier period when reform was in the air, mobilization was occurring in the countryside, and land redistribution was on the political agenda—the years of the U.S. Alliance for Progress initiative in Latin America, in the early 1960s. No region in Latin America was as prominent as Northeast Brazil in the discussions about reform in this period. Understanding the missed opportunity for reform that the Alliance represented is essential to perceiving how and why the MST emerged in the 1990s.

The Alliance for Progress Years

The agrarian reforms of the early 1960s in Northeast Brazil were the result of a convergence of institutions, ideologies, and political projects. The most important institutions were the federal development agency SUDENE (*Superintendencia para o Desenvolvimento do Nordeste*, or Superintendency for the Development of the Northeast), established in 1959, the Vatican II-era Catholic Church, the Brazilian Communist Party, the Federal Ministry of Labor, and various branches of the U.S. government, especially the United States Agency for International Development (USAID), acting under the umbrella of the Alliance for Progress. The region most heavily targeted for reform in this period was the coastal sugar-growing zone around the city of Recife.

In the second half of the 1950s, Peasant Leagues—associations of rural cultivators who defended traditional rights to land—had multiplied rapidly in this area. Responding to the commercialization of agriculture—driven by a growing international demand for sugar—that had led the owners of many large estates to expel tenants and sharecroppers from their land, the Peasant Leagues, led by a lawyer and self-described Marxist-Catholic, Francisco Julião, called for agrarian reform “by law or by force” (*na lei ou na marra*). The growth of the Peasant Leagues triggered reactions from the institutions mentioned above, especially after the 1959 Cuban revolution, which Julião praised as a model for the Northeast.

The Church and the Communist Party began to organize rural trade unions as a bulwark against the Leagues, and emphasized the struggle for better wages and working conditions

for rural workers rather than the redistribution of land. The federal government led by President João Goulart (1961-64) encouraged the establishment of these unions, registering and financing them through the Ministry of Labor, because it feared the influence of the Peasant Leagues, and because Goulart wanted to build up a reservoir of rural political support in the countryside.

The possibility of a Cuban-style revolution in Northeast Brazil deeply troubled the U.S. government. Tad Szulc, then a reporter for the *New York Times*, wrote on 31 October 1960 that “the makings of a revolutionary situation are increasingly apparent across the vastness of the poverty-stricken and drought-plagued” region.²³ The U.S. Alliance for Progress made Northeast Brazil a top priority, supporting agrarian reform as an alternative to revolution. On 15 July 1961, then-President Kennedy declared that “no area is in greater or more urgent need of attention than Brazil's vast Northeast.”²⁴ USAID established a mission in Recife in 1962 to coordinate the various programs funded by the Alliance, while an ABC-TV documentary about Northeast Brazil, “The Troubled Land,” was broadcast to an American audience.

The U.S. government's professed commitment to land reform in Northeast Brazil appeared to challenge the entrenched political elite of the region. Alliance documents proclaimed that “unjust structures and systems of land tenure and use” should be replaced by “timely and adequate credit, technical assistance, and improved marketing arrangements” so that “the land will become for the man who works it the basis of his economic stability, the foundation of his increasing welfare, and the guarantee of his freedom and dignity.”²⁵ U.S. proposals spoke of using land reform to create a class of independent small and medium farmers, remaking a region dominated by an agrarian oligarchy into a middle-class society.

This was a fascinating time in the history of the region, captured by the title of one of the many books about it—Joseph Page's *The Revolution That Never Was*. Paulo Freire, later an internationally-known theorist of education, was engaged in an experimental adult literacy program. Ralph Nader, then a young freelance journalist, wrote articles about the Peasant Leagues for the *Christian Science Monitor*.²⁶ The U.S. president's brother, Edward Kennedy, at the time a district attorney in Massachusetts, made a fact-finding tour to Pernambuco in 1961. Among other activities, he visited the plantation where the first Peasant League was founded.²⁷ Between 1961 and 1963 a string of prominent U.S. visitors arrived in Recife, including Peace Corps director Sargent Shriver, Food for Peace director George McGovern, a professor named Henry Kissinger, former presidential candidate Adlai Stevenson, and the writer John Dos Passos. By 30 June 1963, there were 133 U.S. technicians working for USAID in Recife.²⁸ Never before or since has Northeast Brazil assumed so much importance among influential U.S. citizens and the makers of U.S. foreign policy.

However, the era of the Alliance for Progress was short-lived, nowhere more so than in the key state of Pernambuco. Alliance for Progress administrators mistrusted Miguel Arraes, a national-populist governor of Pernambuco elected in 1962. In May of 1963, Governor Arraes abrogated the state's agreement with the United States Agency for International Development (USAID), alleging that it violated the Brazilian constitution. USAID's relations with the Federal government, led by President João Goulart, an erratic populist, were also strained.²⁹ According to one observer, there was friction between USAID and SUDENE, who accused the Alliance for Progress administrators of emphasizing the short-term containment of agrarian radicalism at the expense of long-term development goals.³⁰ Other observers confirm that, bypassing the federal government's SUDENE and working with selected state governments, USAID actually strengthened the traditional political order and the power of large landowners.³¹ In November 1963, President Kennedy was assassinated and Vice President Johnson became president. The Alliance for Progress gradually became moribund. On 20 March 1964, Assistant Secretary of State Thomas Mann declared in a speech to his ambassadors to Latin America that military and right-wing dictatorships would not necessarily be punished by non-recognition when they overthrew democratic regimes.³² This approach, which came to be known as the "Mann doctrine," appeared to signal a retreat from the Alliance for Progress emphasis on democratic reformism. Eleven days after Mann's speech, the Brazilian military overthrew the Goulart government in a coup d'état. Prominent among those arrested in the first days after the coup were Pernambuco's Governor Miguel Arraes and Peasant League leader (and Congressman) Francisco Julião. These events ushered in a period of military rule that lasted twenty-one years.³³ The military regime relied extensively on the traditional agrarian elite for political support, and land reform as it had been discussed during the Alliance for Progress years was moved off the political agenda.

The most enduring legacy of the Alliance for Progress period was rural unionization. In 1962 and 1963, coastal Pernambuco was racked by a "crisis in the fields," in which rural workers demanded the right to unionize, which had been won by Brazil's urban workers in 1930. The newspapers of those years record that over forty local strikes occurred in 1963 alone, and between 1961 and 1964, thirty-seven unions were founded.³⁴ Landlords resisted worker militancy, calling both the Catholic priests and Communist party activists involved in union organizing subversives and comparing the crisis to the Dutch invasion of Pernambuco in the seventeenth century. Similar conflicts took place throughout the Northeast.

The military coup of 1 April 1964 suppressed the conflict in the fields to the benefit of the large landowners. An estimated fifty thousand people were jailed in Brazil in the first few months after the military take-over.³⁵ Ninety percent of the newly-formed rural unions suffered intervention and the replacement of all or part of their leadership. The military government abolished the Peasant Leagues after ransacking and destroying their headquarters. The army and landlords hunted down their leaders, as well as Communists,

in order to imprison and sometimes kill them. They arrested almost one hundred accused Communists in the Pernambuco sugar zone in the first two days of the coup alone. Members of the Brazilian Fourth Army shot two protesting students on the streets of Recife.³⁶ Amidst the confusion of the military crackdown, Catholic organizers were generally spared. While many landlords wanted to abolish rural unions along with the Leagues, the military regime recognized the right of unions to exist as long as they engaged in “legitimate” functions.³⁷ This had the effect of passing control of the Northeastern countryside to the Catholic Church.

Economic and Political Change Under a Military Regime

The military regime in 1964 inaugurated a period of conservative modernization in agriculture, in which large estates obtained subsidized capital, invested in new technologies and methods, concentrated their holdings, and boosted their share in production. Agricultural policies generally neglected small farmers and favored exporters over producers for the domestic market, especially as Brazil's external debt swelled and the need for foreign exchange became more acute. The administration of agricultural credit by state banks exhibited the classic signs of what we would now call “crony capitalism,” favoring the politically connected rather than the most efficient and allowing favored clients to delay payments and even default on their debts without penalties. This structure contributed to the continued loss of land on the part of tenants, sharecroppers, and small farmers unable to compete in the market, and thus to new forms of “modernized poverty.”³⁸

Despite the military regime's overall emphasis on large agribusinesses, it also encouraged the growth of rural trade unions through the creation of a rural social assistance program unparalleled in the developing world. In the early 1970s, the government established modest but significant medical, dental, and retirement funds for rural workers to be administered by rural trade unions. This created a great incentive for the creation of these unions. While the number of all unions roughly doubled between 1964 and 1980, rural unions increased almost ten-fold from 266 at the end of 1963 to 2,144 in 1980.³⁹ The unions, in effect, established a social safety net for the poorest of the poor, granting them access to small retirement pensions and modest health facilities in regions marked by deprivation.

At the same time, the Church began to play a new role in the countryside. As the military regime became more authoritarian, restricting constitutional rights in a “coup within the coup” in 1968, elements within the Church—initially a supporter of the 1964 intervention—became increasingly critical of the model of development pursued by the government in Brazilian agriculture. The Church itself was transformed from within, as it expressed a “preferential option for the poor” at Medellín in 1968, while some bishops even went so far as to criticize the human rights record of Brazil's military regime and

supported ecclesiastical base communities and other grassroots organizations in rural areas.⁴⁰

The 1970s thus saw three intertwined processes that set the stage for today's agrarian conflicts: the continued concentration of agricultural production in the hands of a fairly small number of capital-intensive, highly productive large estates; the expansion of a network of initially non-militant trade unions that administered social assistance programs set up by the military regime; and the Church's grassroots organizing of rural people unable to find a secure place in the new order. During this period, there was a heavy stream of migration out of the Northeast, where agricultural modernization generally increased production without increasing the demand for labor, to the industrial cities of the Brazilian south, especially São Paulo. Another migratory path led from the Northeast to the Amazon region, where the federal government promoted colonization schemes under the slogan "land without people for people without land." These schemes were largely ill-fated, as colonizers discovered that there were indigenous people in the Amazon with whom they often clashed, and that most of the soil was ill-suited to long-term farming.

By the early 1980s, its legitimacy crumbling and its economic policies in disarray due to two oil shocks, an enormous external debt and a severe recession, the military was devising a political exit strategy. It lifted repressive measures, beginning in the late 1970s, aimed at an increasingly complex civil society that was proving more and more difficult to control. At the same time, its fiscal problems led to an erosion of the rural social welfare programs administered by the unions. This combination of political liberalization and a crumbling of social safety nets led to increasing agrarian radicalism. In this period, a coalition of grass-roots organizations, official trade unions, party political organizers, and Catholic Church activists pushed to place agrarian reform back on the agenda. A petition in favor of agrarian reform presented to the Congress elected in 1986 contained over one million signatures. But the Congress in 1988, influenced by the effective and well-funded lobbies of landowner associations, produced a new constitution that left the laws governing agrarian reform basically intact. It was in the aftermath of this decision—considered by the advocates of agrarian reform as a defeat—that the MST emerged as a significant "voice of the voiceless" in Brazilian politics.

The Promise of the MST and Market-Based Land Reform

The MST began in the mid-1980s as a movement of displaced small farmers in the south of Brazil. It has slowly built up an organization that has a presence at the national, state, and local levels throughout much of Brazil. While this structure appears to be relatively decentralized, many of the movement's most important decisions, especially those concerning the MST's public pronouncements, are made in a highly centralized manner. Only five members of the MST's national directorate have become public figures,

including João Pedro Stédile, José Rainha, and Gilmar Mauro.⁴¹ In national politics the MST usually speaks with one voice.

In addition to its success in winning land for some of its members, increasing levels of violence centered around land disputes have brought attention to the movement. Two well-publicized massacres in particular have thrust the MST into the media's spotlight. Military police surrounded and attacked a group of landless people who invaded a rural property in Corumbiara, Rondônia on 9 August 1995, resulting in the deaths of eleven landless workers.⁴² And on 17 April 1996 in Eldorado de Carajás, Pará, military police attacked 1,500 landless demonstrators who blocked a highway, demanding that the government expropriate a ranch and give them food and transportation. Nineteen landless demonstrators were killed in this incident.⁴³ Both of these events raised the profile of the MST and the latter, in particular, led to pressure on the federal government to appear to make improvements both in the enforcement of human rights and in land reform.

The MST contains elements of both a moderate reformist and a more hard-line agenda. Its reformist wing has engaged in activities that have helped to consolidate democracy and, in the words of the Minister of Agrarian Reform in 1996, have brought "citizenship to the countryside."⁴⁴ This was recognized in December 1995, when the MST received a prize from UNICEF for its school system, which consisted at that time of 1,400 teachers educating 35,000 students in seventeen states. Similarly, King Baudoin's Belgium Foundation gave an award to the MST for its "long struggle to improve the conditions of the poor rural workers" in 1997.⁴⁵

Part of the MST's agricultural program is a common-sense attempt to re-orient the state's agricultural policies so as to give adequate support to small farmers. The failure of Amazonian colonization schemes, the decline in industrial employment,⁴⁶ and the overcrowding and crime of Brazil's major cities make settling or keeping people on the land a particularly sensible and cost-efficient policy. Some of the MST's cooperative farms have proven to be highly productive and successful, going well beyond subsistence agriculture in order to sell for the market. This lends credibility to the MST's reformist agenda, leading *Time* magazine to call the MST "a radical movement that uses the tools of capitalism."⁴⁷ Despite the skepticism of much of the Brazilian media, small family farms are not inherently less "modern" than big ones, and indeed are often far more intensively cultivated and managed than are agribusinesses. Successful capitalist countries such as France and Japan have reached high levels of development without eliminating their small farmers.

The MST therefore represents the aspirations of many Brazilians for the democratization of their market economy, for the broader sharing of the benefits of capitalist development in a country notorious for its economic inequalities and precarious middle class. Its specific demands amount to a wish list for small farmers. They include government price

supports for basic agricultural goods, cheap credit and agricultural insurance for small cultivators, the creation of agro-industries in the countryside to reduce unemployment, and special irrigation schemes for the arid Northeast.⁴⁸ These are fairly unexceptional demands, provided by many states in the developed world. Even the MST's insistence on a radical redistribution of property rights in land has become routinized in many areas. Land occupations have become a recognized repertoire of contention, frequently leading to recognition by the federal land agency INCRA (*Instituto Nacional de Colonização e Reforma Agrária*, or National Institute for Colonization and Agrarian Reform) and the orderly processing of the squatters' claim to expropriation.⁴⁹

However, hard-line elements within the MST coexist with the more moderate wing of the movement. These elements can be seen in the highly centralized form of much of the MST's decision-making and its disciplined, some would say authoritarian, approach to questions of morality and political action; the predilection of many of its leaders for a statist revolutionary socialism that long ago lost coherence as a viable model; and its leaders' sometimes expressed disdain for consensus-building and compromise in the wider political arena. The MST's recent direct actions—such as assaults on trucks carrying food in the Northeast—have had unintended negative consequences, such as a decrease in food shipments and the militarization of the region, as the Army has been called out to protect convoys of trucks. Part of the MST therefore appears to be a vanguardist organization that engages in pseudo-revolutionary rhetoric and confrontation in ways that could exacerbate rural violence and potentially undermine Brazilian democracy. Both the reformist and hard-line elements co-exist within the MST, making its ultimate contribution to development in the Brazilian Northeast difficult to predict.

One determinant of the future path of the MST is the government's handling of the land reform issue. At present, land reform is an expensive, cumbersome, top-down process that relies on centralized government bureaucracies. Expropriations can be legally challenged at many stages in a lengthy process. The government spends an average of R\$20,000 (about \$10,000) per family to buy land, and it would take 50 years to re-settle 3.5 million families on land at the present speed of the reform.⁵⁰ Furthermore, recent economic shocks have eroded both state capacity and resources, further hobbling the government's ability to enact this type of land reform. Given these realities, conflict between the federal government, which wants to control the process of land redistribution, and the MST's program of "land reform from below," involving civil disobedience and criticisms of the official program, is inevitable. Disagreements about the pace of reform and the legitimacy of the MST's demands surface constantly.

One way out of this impasse would be to initiate projects of market-based land reform. Market-based approaches to land reform draw on the work of Douglas North, Hernando de Soto, and other thinkers who argue that public bureaucracies often inhibit, rather than facilitate, the entrepreneurial tendencies of the poor.⁵¹ Instead of promoting development

through top-down programs, the government should more strictly enforce property rights and facilitate the emergence of more open markets. In rural areas such an approach would include titling programs that adjudicate land disputes and legally register the properties of small farmers. This in turn would increase small farmers' access to credit and invigorate markets in land. Furthermore, the strengthening of bank foreclosure processes would require banks to collect agricultural debt or develop land-for-debt programs, in which debtors unable to repay with cash would free up some of their holdings for the land market.

A market-based approach to land reform would be less centralized, less administratively cumbersome, and would rely on market prices for allocation. In giving all rural producers secure titles to land, information about who owns what property, and mechanisms for resolving land disputes, the government could create a more transparent and competitive property rights regime that could—under the right conditions—grant opportunities for those at the bottom of the social structure. These institutional reforms could deepen the rule of law in the countryside and facilitate broadly-based economic development.⁵²

Such an approach is not a panacea. Significant political obstacles would have to be cleared in order for it to succeed. In many cases, simply legalizing the property rights of the poor would not be enough to boost their productivity and incomes unless other, more difficult institutional reforms were also carried out. Nevertheless, the approach is far more promising than conventional land reform initiatives and there is some evidence of the success of such programs. One observer, for example, argues that titling programs begun in 1989 have led to concrete benefits for the urban poor in Peru.⁵³ The World Bank has initiated some pilot projects along these lines in the Brazilian Northeast.

There is some evidence that the MST, with its organizational resources and strong appeal among some of the rural poor, could be an important player in the implementation of such projects. One project sponsored by the World Bank, for example, enabled landless families to buy the land of their choice at market price by granting them low-cost loans with a repayment period of twenty years. In this way the government was removed from the equation and no longer had the role of selecting land for expropriation, determining its market value, compensating landowners, selecting beneficiaries for land redistribution, and settling landless families on the property.⁵⁴ Similar World Bank-funded projects, one in Piauí and one throughout Northeast Brazil, have suggested that market-based land reform can work.⁵⁵ Further initiatives along these lines might diminish the tension and violence surrounding land occupations in the Northeast, and involve the MST in helping to create a new cadre of productive small farmers who can contribute both to the local economy and to the development of rural citizenship.⁵⁶

Conclusion

Glauber Rocha's tragic vision of the Northeast as a place doomed to cycles of recurring violence is not the only possible future for the region. Some of the MST's platform, rhetoric, and activities suggest that it can be a force for democratic reform and development. The MST is neither God nor the devil, neither the savior of the rural poor nor the harbinger of their destruction. It is the product of the failure of the Alliance for Progress, skewed agricultural policies that marginalized the rural poor, and the inadequacy and decay of an ambitious social assistance program designed to pacify discontent. It continues to highlight the costs of contemporary agrarian policies.

At present, market-based land reform seems one of the best hopes for the alleviation of rural poverty in Northeast Brazil. Elements within the MST seem well-disposed to participate in such a reform, but the movement also has a dogmatic and authoritarian streak that could undermine Brazil's recent democratic gains. Which MST and what kind of land reform will prevail in the Northeast? The region faces enormous challenges as it attempts to change its outmoded plantation economy into something viable for the twenty-first century. It remains to be seen whether the MST can play a constructive role in the long-awaited, and perhaps impossible, dream of a prosperous, peaceful Brazilian Northeast.

Notes

¹ The Brazilian government's population figure for the Northeast is 42,497,540. The data is from the last census, conducted in 1991. Fundação Instituto Brasileiro de Geografia e Estatística, *Sistema de Informações Estatísticas e Geográficas* (Rio de Janeiro: CD ROM, 1996). This CD ROM is produced by the Brazilian government agency responsible for the census.

² The figure on poverty is from "Northeast Brazil: Market Assisted Land Reform: Private Property Rights for the Rural Poor" (1998), 4. This is a manuscript that was sent to me for review by the journal *Public Administration and Development* in April 1998. I have been unable to identify its author.

³ United Nations Development Program, *Human Development Report* (Oxford: Oxford University Press, 1994), 90.

⁴ The states are Alagoas, Bahia, Ceará, Maranhão, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, and Sergipe. The Federal development agency responsible for the Northeast, SUDENE (*Superintendencia para o Desenvolvimento do Nordeste*, or Superintendency for the Development of the Northeast, discussed in section III) includes a small part of the state of Minas Gerais in its jurisdiction, so that in some contexts the Northeast is defined slightly differently than it is here.

⁵ Thirty-nine percent of the Northeast's population is fourteen years old or younger, compared to 31 percent for São Paulo. Nineteen percent of the region's households are headed by women, compared to 17 percent in São Paulo. Fundação Instituto Brasileiro de Geografia e Estatística CD ROM. These numbers were produced by averaging the percentages of the nine Northeastern states. Hence, these data would differ slightly from averages produced by adding up the absolute figures.

⁶ UNDP, 91 and 99.

⁷ MERCOSUR is the third largest preferential trading group in the world, after the European Union and NAFTA, with a combined GDP of \$1.2 billion and a population of 208 million. In 1996 Bolivia and Chile became associate members, adding another eighty-four billion dollars in GDP and twenty-one million people to the bloc. From Raymond J. Ahearn, *Mercosur: Formation, Status, Trade Effects, Policy*

Challenges, and U.S. Interests, (Washington, D.C.: Congressional Research Service Report for Congress 98-432F, 6 May 1998).

⁸ In the Northeast, rural poverty rates are almost double urban rates. Furthermore, many of the urban poor are migrants from rural areas who have moved due to lack of access to land and other problems. Finally, while 39.3 percent of the Northeast is now classified as “urban” by the Brazilian census, this includes many people in towns of 5,000 people or more who work in agriculture. The urban population figure is from Fundação Instituto Brasileiro de Geografia e Estatística. The figure on poverty rates is from “Northeast Brazil: Market Assisted Land Reform,” 34.

⁹ The Gini coefficient measures inequality within a range between one (absolute inequality) and zero (total equality). In 1985 the Gini coefficient for the distribution of farm establishments in the northeast was 0.865, compared to 0.854 for the country as a whole, and 0.795 for the north, 0.744 for the southeast and south, and 0.836 for the center-west. *Ibid.*, 33.

¹⁰ *Ibid.*, 39. Hectares of the original data have been converted to acres (a hectare is roughly 2.5 acres).

¹¹ Data on loans refer to outstanding loans on 31 May 1995. The figure on tax payment is from 1984. *Ibid.*, 8, 17, 43, and 45.

¹² *Ibid.*, 16.

¹³ The figure is from 1991. *Ibid.*, 5.

¹⁴ Anne-Laure Cadji, “The Problem of Agrarian Reform in Contemporary Brazil: Conflicts and Co-operation Between the MST Social Movement and the Cardoso Reform Government,” (Oxford: Thesis submitted for the M.Phil in Latin American Studies, University of Oxford, 1998) 83. Hectares of the original data have been converted to acres. The MST disputes the government's figure for those who have received land under the agrarian reform, claiming that the real total is far lower. Despite this disagreement, it seems clear that the government of Fernando Henrique Cardoso has distributed more land than any previous government since military rule ended in 1985. See also Veja, 16 April 1997, 51.

¹⁵ Cadji, 11.

¹⁶ Accurate and uncontested figures on the MST's activities are difficult to obtain; the movement claims to represent more people waiting for land in encampments, for example, than the Federal government recognizes.

¹⁷ One study estimates that there are 7,481 unproductive rural estates comprising 62.5 million acres in the Northeast alone, with a total of 39,158 unproductive estates and 482.5 million unused acreage in the country as a whole. *Ibid.*, 83.

¹⁸ For a publication that draws on the work of all three of these celebrities, see Sebastião Salgado's *Terra: Struggle of the Landless* (London: Phaidon Press Ltd., 1997).

¹⁹ Tim Padgett, “Brazil's Landless Rebels,” *Time* (Latin America edition) 19 January 1998, 14-15.

²⁰ “A longa marcha,” *Veja* April 1997, 34.

²¹ Like data on the MST's activities, survey data on public opinion about the MST is highly variable. One poll conducted by Brazil's National Confederation of Industry in March 1997 apparently found that 77 percent of respondents approved of the MST and 85 percent approved of the non-violent occupation of idle farm land. From Mark Langevin and Peter Rosset, “Land Reform from Below,” *Food First Backgrounder* (San Francisco: Institute for Food and Development Policy, 1997) Fall, Volume 4, No. 3, 2.

²² Comissão Pastoral da Terra, *Conflitos no Campo: Brasil '97* (Passo Fundo, RS: Grafica e Editora Padre Berthier, 1998), 10-11.

²³ Joseph Page, *The Revolution That Never Was* (New York: Grossman Publishers, 1972), 12.

²⁴ *Ibid.*, 12.

²⁵ Tony Smith, “The Alliance for Progress: The 1960s” in *Exporting Democracy: The United States and Latin America*, ed. Abraham Lowenthal, (Baltimore: Johns Hopkins University Press, 1991), 73. The gender-specific language was typical of that time. Smith also notes that “it is the insistence on land reform that makes the charter [the Alliance for Progress] appear so serious politically, indeed so radical. Never

before or again would the United States put itself this squarely on the line with respect to transforming the socioeconomic character of Latin America,” (Ibid, 73).

²⁶ Nader’s articles, which appeared in September of 1963, were sharply critical of the activities of USAID in Recife.

²⁷ Page, 120; Clodomir Morães, “Peasant Leagues in Brazil” in *Agrarian Problems and Peasant Movements in Latin America*, ed. Rodolfo Stavenhagen (Garden City, NY: Anchor Books, 1970), 478.

²⁸ Page, 136.

²⁹ However, on 13 April 1962, Brazil’s President Goulart signed an agreement in Washington D.C. in which the U.S. pledged to allocate \$131 million to the Northeast in two years. Ibid, 73.

³⁰ Ibid, 70.

³¹ Smith, 82.

³² Phyllis Parker, *Brazil and the Quiet Intervention, 1964* (Austin: University of Texas Press, 1979), 63.

³³ For evidence of U.S. support for Brazil’s 1964 coup, see Parker.

³⁴ Anthony W. Pereira, *The End of the Peasantry: The Emergence of the Rural Workers’ Movement in Northeast Brazil, 1961-1988* (Pittsburgh: University of Pittsburgh Press, 1997), 33.

³⁵ Maria Helena Moreira Alves, *Estado e Oposição no Brasil (1964-1984)*, 4th ed., (Petropolis: Editora Vozes, 1987), 59-60.

³⁶ From Marcio Moreira Alves, *Torturas e Torturados* (Rio de Janeiro: Editora Idade Nova, 1966), 51. A film crew was arrested on a Pernambuco plantation on the first day of the Army round-up, and their film confiscated. Some film was being processed in a laboratory at the time and was saved. Twenty-one years later this film was integrated with new footage and the fascinating 1995 film *Cabra Marcada Para Morrer* (“Goat Marked to Die”) about the death of a Peasant League organizer was released.

³⁷ The 1964 coup, in my view, showed that the rural labor movement was highly dependent on federal government assistance and quite weak in political terms. For a contrary view, see Cliff Welch’s “Rivalry and Unification: Mobilising Rural Workers in São Paulo on the Eve of the Brazilian Golpe of 1964,” *Journal of Latin American Studies* 27 (1995), 161-187.

³⁸ Bertha K. Becker and Claudio A. G. Egler, *Brazil: A New Regional Power in the World-Economy* (New York: Cambridge University Press, 1992), 118.

³⁹ Pereira, 58.

⁴⁰ For an examination of the role of the Church and the state in the development of rural social movements in this period, see the work by Peter Pim Houtzager, *Caught Between State and Church: Popular Movements in the Brazilian Countryside, 1964-1989*, (Berkeley: Ph.D. dissertation in Political Science, University of California at Berkeley, 1997).

⁴¹ Cadji, 17.

⁴² The group attacked in this instance had occupied the farm without the MST’s approval. The MST had decided not to occupy farms in the region and eventually expelled the squatters from its organization. Ibid., 52.

⁴³ Ibid., 69.

⁴⁴ Ibid., 45.

⁴⁵ Ibid., 47.

⁴⁶ Industrial employment has declined since the beginning of the Real Plan in 1994, when imports were liberalized and the strong currency cheapened imports and made exporting more difficult, transforming a trade surplus into a deficit. Even though the January 1999 devaluation of the real has cheapened exports, further declines in industrial employment are likely as the country seems unable to avoid a slide into recession. *Brazil Watch* 16, No. 1 (11-25 January 1999).

⁴⁷ Padgett, 47.

⁴⁸ Presentation by MST representative Daniel Correia, New School for Social Research, New York City, 16 April 1998.

⁴⁹ This is not the case with all occupations, as the outbreaks of violence between landlords and the MST attest. However, INCRA officials from northeast Brazil visiting the Massachusetts Institute of Technology in April 1997 indicated that their relations with the MST were cordial and most occupations orderly.

⁵⁰ Cadji, 36.

⁵¹ For an examination of this issue, see also Jeswald W. Salacuse's "From Developing Countries to Emerging Markets: A Changing Role for Law in the Third World," (Medford [MA]: unpublished manuscript, 1999), 16.

⁵² See "Northeast Brazil: Market Assisted Land Reform," 10.

⁵³ David Becker, "Citizenship, Equality, and Urban Property Rights in Latin America: The Peruvian Case," *Studies in Comparative International Development* 31, No. 1 (Spring 1996), 84-87. Becker shows how Hernando de Soto's Instituto Libertad y Democracia (Institute for Liberty and Democracy, or ILD), with funds from USAID, the World Bank, and the United Nations Development Program, registered 150,000 formerly unregistered properties between 1990 and 1994 for an average cost of \$11.30 per property. However, at that point roughly 75 percent of Peru's de facto property owners still lacked legal title (the book that inspired the Peruvian reform is Hernando De Soto's *The Other Path: The Invisible Revolution in the Third World*, New York: Perennial Library/Harper and Row, 1989). See also Kwang Kim's *INDECOPI: A Case Study in Peruvian Autonomous Institutions* (Lima, Peru: PromPeru, forthcoming 1999), for an interesting study of INDECOPI (the National Institute for the Defense of Competition and Intellectual Property), a Peruvian government agency with a mandate to enforce free market competition and foster respect for intellectual property rights. Nobel prize-winning economist Douglas North called INDECOPI "one of the most creative and innovative ideas I have ever seen to improve the functioning of the economy" quoted in Kim, 5.

⁵⁴ This program is described in Cadji's 1998 work, 36.

⁵⁵ The projects, the Piauí Rural Development Project (loan 2015, effective June 1981) and the National Land Administration, Northeast Region Project (loan 2593, effective June 1985) are described in detail in "Northeast Brazil: Market Assisted Land Reform," 21-27.

⁵⁶ Perhaps the best future location for the extension of market-based reform would be the northeastern state of Ceará. Ruled by a reformist party that has made some progress in diminishing infant mortality by means of an innovative community health program, granting incentives to small businesses, and expanding rural employment, Ceará has the advantage of a relatively efficient state apparatus with a track record of institutional innovation. Some of these accomplishments are outlined in Judith Tandler's *Good Government in the Tropics* (Baltimore: Johns Hopkins University Press: 1997). See also Laurentino Gomes, "O Agito Cearense" *Veja*, 10 December 1993, 88-94.