



Encroachment and entrenchment of agro-neoliberalism in the Centre-West of Brazil



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ABSTRACT

From being a net food importer in recent decades, Brazil is now considered a successful case of agricultural production and export. However, this image of triumph and efficiency helps to conceal growing socio-ecological impacts and mounting uneasiness. The complex and contradictory landscape of contemporary Brazilian agribusiness represent a relevant example of the advance of agro-neoliberalism, which is both an economic and technological process of agriculture modernization and intensification, in accordance to liberalizing pressures, and also a politico-ecological phenomenon centred on market-based solutions to old and new production, innovation and justification questions. Based on qualitative research and three fieldwork campaigns, the article discusses recent politico-economic adjustments particularly in the State of Mato Grosso, in the Centre-West region, which is fast becoming the main area of agribusiness activity in the country. Empirical results demonstrate that agro-neoliberalism has been promoted through inventive public-private associations not for the purpose of domestic food security, but primarily for capital accumulation and to support sectoral interests and macro-economic strategies.

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1. Neoliberalizing tendencies in Brazil

Commercial agriculture in Brazil is increasingly seen by the national population and by the international business community as a case of great success. Until the 1980s, the country was a net food importer, but due to a combination of policy instruments, favourable commodity prices, improved production techniques and expansion to new farming areas, agriculture has become one of the strategic export sectors and is now considered an island of prosperity amidst immense inefficiency and comparative lack of economic achievement. Brazil has consolidated its position as a global leader, and even as a 'model' of commercial, integrated crop management (Collier, 2008). The impressive gains in agriculture production and productivity are also magnified by serious mistakes in other sectoral policies (notably, the progressive deindustrialization and re-primarization of the national economy). Nonetheless, the image of success and efficiency helps to conceal growing socio-ecological impacts and uneasiness in old and new production areas. The complex, and often contradictory, results of contemporary Brazilian agriculture represents a relevant example of the intricate relationship between market-based regulatory tendencies

– commonly and generically described as the economic, political and social process of 'neoliberalism' – and the modernization and intensification of agri-food systems. The Brazilian countryside certainly offered fertile ground for the introduction and consolidation of rural economic activities associated with liberalizing state reforms, the influence of globalized markets and the decisive role of transnational corporations.

In that context, this article will contribute towards the interpretation of the unique features of the neoliberalization of agriculture in Brazil – defined below as the historically and geographically contingent process of 'agro-neoliberalism' – focusing on the idiosyncratic synergies between developmentalist and neoliberal agendas, particularly in new leading agribusiness areas, as in the case of the State of Mato Grosso. Different from what some analysts mistakenly concluded, neoliberalism did not end with the 2008 financial crisis, but remains constitutively uneven, institutionally hybrid and chronically unstable (Brenner et al., 2012). However, it is not possible to make sense of current neoliberalizing trends in Brazil without taking into account past legacies and the national political context. Its national agriculture has famously evolved, since colonial times, through the strategic association of export crops and staple food produced by subsistence farming (Moore, 2015), as a politico-economic compromise dominated by powerful rural elites in strong alliance with the apparatus

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of the colonial and, later, national state (Oliveira, 2007). In the first decades of the last century, modern production technologies were already being systematically transferred from the Global North (the main agriculture colleges and research centres were established in Brazil during this period), without altering the overall balance of agrarian power between large- and small-scale farmers.

Agricultural modernization and rural development received a new stimulus during the twenty-one year military dictatorship (1964–1985), with the incorporation of different forms of capital, new methods of production, developmentalist strategies and the formation of agro-industrial chains along the lines of the so-called ‘Green Revolution’ (Gonçalves Neto, 1997). Priority was given by the authoritarian governments of the time to national-developmental policies inspired by Keynesian ideas (Graziano da Silva, 1988); these policies involved fiscal incentives, subsidized credit, efficiency measures and the integration of farming and industry (Delgado, 2012). Intensive crop production was promoted by the federal government throughout the country as an ‘anti-agrarian’ reform that further concentrated land ownership (Oliveira and Stédile, 2005). It constituted a clear case of ‘accumulation by displacement’, predicated on the dispossession of small farmers and encroachment on natural vegetation (Araghi, 2009) that intentionally bypasses old demands for land and jobs (Lerche, 2013).

The transition to neoliberalizing trends in Brazil happened because of the insufficiencies of developmentalism and also in order to benefit from the new opportunities opened by market globalization. After achieving remarkable rates of production growth in the 1970s, the state-centralized mode of agricultural intensification started to show serious limitations, particularly as Brazil was suffering from a public debt crisis, escalating rates of inflation and macroeconomic instability. The Brazilian agriculture sector endured a period of turbulence and uncertainty beginning in the mid-1980s, due to the reduction of support schemes (e.g. guaranteed prices), significantly higher interest rates and a paucity of bank loans. That prompted the transition to what is described by Campanhola and Graziano da Silva (2000) as a ‘new rural model’, characterized by higher levels of agro-industrial integration, more direct intervention from large corporations (including the funding of production) and multipurpose technologies. This new model was directly associated with neoliberal reforms to the state and economy during the 1990s. Events outside the agricultural sector directly affected its transition to agro-neoliberalism, in particular inflation reduction and macroeconomic stabilization policies – known as the Real Plan, launched in 1994 and maintained by President Cardoso (1995–2002) – which strengthened the national currency, the real (R\$), and facilitated agro-industrial imports, while at the same time creating circumstantial barriers to the export of Brazilian goods for most of the decade (Ioris and Ioris, 2013).

All that indicates that a serious trade imbalance, together with higher interest rates, led to a temporary reduction in agricultural profitability and a lowering of land prices in the early 1990s; nonetheless, it soon paved the way for the advancement of agro-neoliberalism as an alternative strategy for the revitalization of national agriculture. Through the affirmation of agro-neoliberalism, the Brazilian agriculture was significantly restructured and underwent a transition from policies designed for a closed economy to a more flexible and open economy (Helfand and Rezende, 2004). Production of crops for export was also encouraged by more favourable exchange rates following the 1999 devaluation of the Brazilian currency (Siqueira, 2004) and by extraordinarily favourable commodity prices in global markets during the early 2000s (Richards et al., 2012). In the end, agriculture became the most dynamic sector of the national economy, although benefited

some farmers and areas more than others (Helfand and Rezende, 2004). The aggregate results have been impressive and Brazilian agribusiness (broadly defined) accounts now for approximately 25% of GDP, 35% of exports and 40% of national jobs in the country (MAPA, 2012). The main argument of this article, however, is that the claims of success by the government and the agro-industrial sector have actually served to reinforce the hegemony of agribusiness and minimize mounting tensions and contradictions. Before assessing the evolution of agro-neoliberalism in Mato Grosso, as an emblematic case study with wide-ranging ramifications, it is necessary to dedicate some conceptual attention to the advance of neoliberalism over agriculture.

2. Meaning and trends of agro-neoliberalism

Although references to the effects of neoliberalism on agriculture are often found in the literature, as in relation to the Brazilian case at hand, their interpretation are not trivial. A significant part of the problem is the very definition of neoliberalism. It is obviously beyond the scope of the present analysis to revisit this vast and controversial literature, but it suffices to emphasize that neoliberalism has been the prevailing regulatory response to the crisis of Keynesian capitalism since the 1970s and that it prioritizes market-based and market-oriented strategies over other possible alternatives. The practices and the discursive constructions around neoliberalism have represented a “historically specific, unevenly developed, hybrid, patterned tendency of market-disciplinary regulatory restructuring” (Brenner et al., 2010, p. 330). Neoliberalism includes a specific set of ideological tenets, schemes and policies primarily aimed to reshape socio-economy in order to regenerate and facilitate the circulation and accumulation of capital. With positive outcomes and political support, neoliberalizing policies expanded and increased in the 1990s, when it reached remote regions and insulated realms of political-economic life, including most public services, local business networks and environmental conservation (Ioris, 2013). Consequently, although some scholars say that neoliberalism is an unhelpful concept, as it seems to incorporate too many ideas and to limit the perception of internal complexities and spatial specificities, neoliberalism retains an analytical role if considered as a political-economic-cultural phenomenon and an explanatory framework to appreciate contemporary regulatory transformations (Peck, 2013). In the end, neoliberalism is both an ideology and a socially constructed process – rather than an isolated event or fully coherent plan – that has produced uneven outcomes and contradictory results around the planet.

Neoliberalism – seen as both the contemporary phase of capitalism (Moore, 2015) and as an inherently variegated ideology of critical importance across scales and regions (MacArtney, 2009) – comprises beliefs and practices centred on the idea that market efficiency is the best mechanism for regulating socio-economic relations and renovating politico-economic strategies (Schmalz and Ebenau, 2012). Despite the anti-state rhetoric, however, neoliberalizing adjustments have been conducted and promoted by the apparatus of the state. In practice, the state and the market realms, which formally operate under separate logics, have developed multiple synergies and interdependencies that are critical for implementation of neoliberalizing reforms (Harvey, 2005). In that perspective, the modernization and intensification of agriculture remain key components of modern-day capitalism (Busch and Bain, 2004) and, in particular, of the transition to novel modes of production under influence of neoliberalizing, post-Keynesian trends (McMichael, 2009). Agri-food has become one of the most globalized sectors in the contemporary economy, as the production and consumption of its products are now truly global affairs (Bonanno

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