

AGRICULTURE IN BRAZIL AND ITS EFFECT ON DEFORESTATION AND THE LANDLESS MOVEMENT: A GOVERNMENT’S ATTEMPT TO BALANCE AGRICULTURAL SUCCESS AND SOCIAL COLLATERAL DAMAGE

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I. INTRODUCTION

Shortly after his inauguration in 2003, Brazil’s first left-leaning president, Luiz Inacio Lula da Silva (“Lula”) stood before hundreds of thousands of international social activists at the World Social Forum in Southern Brazil.¹ He stood tall and proud and pledged to “take on the capitalist world order and strive

1. Henry Chu, *Brazil’s Leftists No Longer See President as Their Champion*, L.A. TIMES, Jan. 26, 2005.

to end hunger in poor countries.”² The former labor leader and leftist firebrand stood like a champion as the environmentalists, human-rights advocates, urban workers, and rural poor chanted his name, for they believed the newly elected president would finally put their causes high on Brazil’s agenda.³ Two years later on the same stage at the same forum Lula stood in front of activists from around the world.⁴ This time, however, the cheers from many left-wing activists were replaced by jeers as the presidential old hand addressed the crowd.⁵ His message was the same, but his superhero status had diminished among the Brazilian and world social community.⁶

Just days after the boos at the World Social Forum, Lula was greeted with a hero’s welcome at the World Economic Forum in Davos, Switzerland by the elite business, financial, and political leaders across the globe.⁷ He spoke about Brazil’s strong economic performance and invited foreign nations and corporations to share in Brazil’s wealth.⁸ It was among the world’s most powerful financial figures, not the activists, where Lula now stood like a champion.⁹ Interestingly, the first ever World Social Forum held in 2001 was organized in opposition to the World Economic Forum.¹⁰

Perhaps the loudest jeers at the 2005 World Social Forum could be heard from environmentalist and rural landless organizations like the Movimento dos Sem Terra¹¹ (movement of landless workers) also known as MST, the “largest social movement in Latin America.”¹² During Lula’s first two years in office deforestation rates continued to be high¹³ and rural landless workers in Brazil received less redistributed land than they did under the previous conservative administration.¹⁴

2. *Id.*

3. *Id.*

4. *Id.*

5. *Id.*

6. *See generally id.* (explaining how past supporters now accuse Lula of betrayal).

7. Richard Lapper, *Bonhomie Fails to Mask Signs of Growing Divide: Radical Populism of Venezuelan Leader is Likely to Clash with the More Cautious Approach of Brazil’s President*, FIN. TIMES, Feb. 11, 2005, at 8.

8. *See* Jonathan Wheatley, *Hold On*, LATIN FIN., Mar. 2005, at 54.

9. Lapper, *supra* note 7.

10. Hira P. Jhamtani, *World Social Forum, a Source of Energy*, JAKARTA POST, Jan. 31, 2003.

11. *See generally* Chu, *supra* note 1 (stating that left-wing activists, environmentalists, and rural poor were furious with Lula).

12. MST - Friends of the MST, <http://www.mstbrazil.org/index.html>.

13. Raymond Colitt, *Brazil Admits Amazon Rainforest is Being Destroyed at Near Record Rate*, FINANCIAL TIMES, Apr. 8, 2004.

14. *Settlements Fall Below Lula’s Goal in 2004*, GAZETTE MERCANTILE, Jan. 20, 2005 (detailing Lula’s land distribution figures); *Special Report: Land Report Dilemma*, BRAZ. & SO.

Lula took over a country that has enjoyed tremendous agricultural success over the past half century.¹⁵ Brazil is the world's leading exporter of soybeans, beef, coffee, orange juice, tobacco, poultry and sugar.¹⁶ Brazilian farm exports account for forty percent of Brazil's total exports.¹⁷ Colin Powell, former U.S. Secretary of State, described Brazil as "an agricultural superpower," during an October 2004 visit.¹⁸ Approximately sixty percent of Brazil, a country roughly the size of the continental United States, is covered by the thick foliage and waters of the Amazon Rainforest.¹⁹ The agricultural sector in Brazil has slowly expanded from the temperate south to the tropical Center-West region.²⁰ As agriculture spread north, farmers and ranchers began to cut through the forest in search of cheap land and good soil.²¹ "During the past two years nearly twelve million acres of rainforest have been destroyed – that's equivalent to about 11 football fields a minute."²²

Besides increased deforestation, the agricultural growth northward and Brazil's long history of land distribution problems, has created violent tension between large landholders and landless peasants.²³ The rural landless are lead by social and quasi political organizations throughout Brazil, the most important such organization being the Landless Rural Movement or MST.²⁴ Under the Brazilian Constitution, "the government has the right to expropriate unused land for

CONE REP., Dec. 21, 2004, *available at* 2004 WLNR 14622547 (detailing former Brazilian President Cardoso's total eight year land distribution figures).

15. *See generally* U.S. Library of Congress, Country Studies: Brazil, *available at* <http://countrystudies.us/brazil/71.htm> (explaining the growth during the horizontal expansion from 1949 to 1969 and conservative modernization from 1970 to present).

16. Serena Parker, *Brazil, a Superpower in Agriculture, Flexes Muscle and Scares US*, BRAZ. MAG., Jan. 26, 2005.

17. *Id.*

18. *Id.*

19. Josef Leitmann, *Lessons from Brazil in Tackling Deforestation*, JAKARTA POST, Sept. 28, 2004.

20. Randall D. Schnepf et al., U.S. Dept. of Agric., *Agriculture in Brazil and Argentina: Developments and Prospects for Major Field Crops 7-8* (2001), *available at* <http://www.ers.usda.gov/publications/wrs013/wrs013.pdf>; *see* Erik Dohlman et al., *Dynamics of Agricultural Competitiveness: Policy Lessons From Abroad*, U.S. DEPT. OF AGRIC. (2003), <http://www.ers.usda.gov/AmberWaves/April03/Features/DynamicsofAg.htm> (stating that the improved rail and highway systems has opened up new production areas in the Central-West region).

21. *See* Steve Connor, *How a Century of Destruction has Laid Bare the World's Rainforests*, INDEPENDENT, July 10, 2004 (stating that scientists believe the rapid expansion of farming and ranching has led to deforestation).

22. *Id.*

23. *See* Kevin E. Colby, *Brazil and the MST: Land Reform and Human Rights*, 16 N.Y. INT'L L. REV. 1, 1-3 (2003) (describing the violent tension between landowners and non-landowners).

24. *Id.* at 2-3.

redistribution to the landless poor.”²⁵ The government, however, has been hesitant to exercise this right because of the powerful hold of the large rural landowners²⁶ and the high cost of redistribution.²⁷ Nearly “one percent of the rural landowners own 46 percent of the land.”²⁸ As a result of the inequality, landless peasants roam the countryside, taking the law into their own hands in an effort to settle the land.²⁹ Unfortunately, the landless’ “squatting” effort has led to great violence among the landowners, the rural poor, and the Brazilian police.³⁰ In the past decade alone Brazil has seen more than 1,500 men, women, and children lose their lives to such violence.³¹

This note will examine the distinct and country-specific social issues of deforestation and the rural landless movement in Brazil. Although these social concerns have existed for many years in Brazil, the northward growth of agriculture into the center-west and Amazon region has impacted both deforestation and the landless movement. This note will examine the growth of agriculture in Brazil and its affect on deforestation and the rural landless movement. Within the framework of this general discussion, this note will focus on Lula’s record on both issues as president and refute in part the argument that Lula has betrayed his loyalists and has forsaken important social issues in Brazil. My conclusion is that, although Lula’s record is mixed, he is exactly what Brazil needs; a pragmatic leader who understands the importance of a strong economy as a means to reach Brazil’s social goals.

II. THE NORTHWARD GROWTH OF FARMING AND ITS EFFECT ON DEFORESTATION

A. *The Northward Growth of Farming in Brazil*

In Brazil, agricultural production is generally focused in two regions: the South and the Center-West.³² “For most of Brazil’s history, crop production and ranching were centered in the densely populated coastal states of Parana, Santa

25. *Id.* at 3.

26. *Id.*

27. *See generally* Special Report: Land Report Dilemma *supra* note 14 (stating the cost of resettlement).

28. Colby *supra* note 23, at 3 (2003).

29. *See generally* Colby *supra* note 23, at 2-3 (describing the reasons for forming the MST and the actions of the MST to resettle the land).

30. Colby *supra* note 23, at 4.

31. *Id.*

32. Schnepf, *supra* note 20, at 7.

Catarina, and Rio Grande do Sul.”³³ The South, with its proximity to major urban centers and the country's three largest ports have historically provided easy access to Brazil and the rest of the world.³⁴ “In recent decades, increasing population density in the South has parcelized family farms and reduced farm size.”³⁵ As a result of the small farm size and the abundant labor force, crop yields have stagnated in Southern Brazil.³⁶ Due in part to government incentives during the 1960's, agriculture began to expand into the Center-West region of Brazil known as the “Cerrado.”³⁷

The Cerrado lies entirely in the humid, tropical zone of Brazil.³⁸ It lies on the southern edge of the Amazon River basin,³⁹ and can appropriately be referred to as the last great agricultural frontier.⁴⁰ “[T]he [C]errado covers more than 510 million acres- an area larger than the Upper Midwest.”⁴¹ Less than one quarter of the region's land is currently developed.⁴² Amazingly, “Brazil is opening an area of cropland the size of Maryland - - each year.”⁴³ The continued growth of agriculture to the north, though good for the agriculture sector in Brazil, has impacted the region's vast forest.

B. Deforestation Rates in the Amazon

“In the early 1990s, the annual rate of forest loss was about 3 1/2 million acres of forest per year. In the late 1990s that went up to about 4 1/2 million acres per year.”⁴⁴ In 2003, the growth rate had climbed to nearly six million acres per year.⁴⁵ “Since deforestation began in the 1970s . . . a sixth of the rain forest has been lost.”⁴⁶ Although these numbers are troubling, the acceleration of deforestation rates began before Lula took office and has actually declined since

33. *Id.*

34. *Id.*

35. *Id.*

36. *Id.*

37. *Id.*

38. *Id.*

39. Kevin Diaz, *Brazil's the New Big Bean on the Block* MINNEAPOLIS STAR TRIBUNE, Mar. 7, 2004.

40. Clint Peck, *Brazil Grows at Night*, BEEF MAGAZINE, Aug. 1, 2002 available at http://beef-mag.com/mag/beef_brazil_grows_night/.

41. Diaz, *supra* note 39.

42. *Id.*

43. *Id.*

44. *Talk of the Nation: Amazon Deforestation* (NPR radio broadcast Apr. 9, 2004).

45. *Id.*

46. David Kaimowitz, *Clearing the Amazon: More Steaks, Less Rain Forest*, INT'L HERALD TRIB., Apr. 15, 2004.

Lula took over Brazil's top spot.⁴⁷ Between 2004 and 2005, more than 7,200 square miles of Amazonian jungle had been deforested.⁴⁸ Although this figure represents an area larger than Connecticut and Rhode Island combined, the deforestation rate was down thirty-one percent from the previous year's figures.⁴⁹ During the same period the year before the deforestation rate reached nearly 10,500 square miles.⁵⁰ Although 10,500 square miles is significant, the rate of destruction from 2002 to 2003 was unchanged.⁵¹ Accordingly, the deforestation rate during Lula's first two years in office was unchanged the first year and dropped thirty-one percent his second year. In 2002, just one year before Lula took office, the total deforestation rates were up an amazing forty percent from 2001, and almost double the rate from the mid-1990s.⁵²

C. The Growth of Beef Production and the Effect on Deforestation

Traditionally, logging was seen as the main source of deforestation in the Amazon.⁵³ Today, however, other agricultural related activities, namely cattle ranching and soybean production, account for much of the destruction.⁵⁴ Cattle ranching has seen tremendous growth in the Amazon over the past ten years.⁵⁵ "In 1990, there was about 26 million head of cattle in the Amazon. Today there's almost 60 million head of cattle in the Amazon."⁵⁶ The force behind such rapid growth is due to the expansion of the export markets.⁵⁷ "Until 1991, the ranchers in the Amazon used to sell their beef [to locals]... but now they have access to the entire world market."⁵⁸ Brazilian beef "[e]xports increased fivefold between 1997 and 2003, making Brazil the world's largest beef exporter. Four-fifths of this growth has come from within the Amazon."⁵⁹ "Exports have been helped by low land prices in the huge Amazon basin, and a devaluation of the

47. See *Brazil: Amazonian Deforestation Down by 31%*, LATIN AM. WKLY. REP., (Dec. 13, 2005) available at 2005 WLNR 20115109.

48. *Id.* (converted to square miles).

49. *Id.*

50. See *Id.* (converted to square miles).

51. See *Brazil Says It Has Halted Rise in Forest Destruction*, N.Y. TIMES, Apr. 8, 2004, at A4.

52. Fred Pearce, *Brazil's Beef Trade Wrecks Rainforest*, NEW SCIENTIST, Apr. 10, 2004, available at 2004 WLNR 3567.

53. See *id.*

54. See *id.*

55. Talk of the Nation, *supra* note 44.

56. *Id.*

57. *Id.*

58. Pearce, *supra* note 52.

59. *Id.*

Brazilian currency, the real.”⁶⁰ Land prices in the center-west region sell for \$100-\$250 per acre compared to \$1,500-\$3,000 in the south.⁶¹ In 1996 the Real was worth about \$1.20,⁶² today it is worth about \$.47 cents.⁶³ “[T]he price that Brazilian ranchers receive for their beef doubled between 1999 and 2003, while their costs went up much less.”⁶⁴ It has become more profitable to cut down trees and plant more grass for grazing.⁶⁵

David Kaimowitz, director-general of the Center for International Forestry Research based in Indonesia, an organization supported by the World Bank, sums up the scope of the beef impact on the rainforest: “Brazil’s deforestation rates are skyrocketing and beef production for export is to blame . . .”⁶⁶ Roads into the rainforest are lined with new slaughterhouses and meat packing plants. The Amazon states of Rondonia, Para and Mato Grosso have seen both the biggest increases in cattle herd size and the fastest deforestation . . .”⁶⁷

Lately the news media has focused on illegal logging and on soybean cultivation in the Amazon. Both are serious problems. They pale, however, in comparison to the spectacular rise in cattle ranching. Over the last eight years, the number of cattle in the Amazon grew to 57 million from 37 million. For each new cow the region lost almost one hectare (about 2.5 acres) of forest, about the size of a soccer field.⁶⁸

D. Soybean Growth and the Effect on Deforestation

Besides beef, the soybean sector has benefited from the agricultural migration northward. “Brazilian farmers have increased soybean area over the past 5 years in an unprecedented historical expansion, with the total national average rising by 65 percent during the period.”⁶⁹ “[I]n 1990, [Brazil] had about 25 million acres of land under soybeans, and today they have about 45 million acres under soybeans.”⁷⁰ “[S]oybean area has risen 97 percent or over 6.1 million

60. *Id.*

61. Paul L. Hollis, *Brazil to Continue Taking U.S. Market Share*, SOUTHEAST FARM PRESS, Nov. 19, 2004, available at <http://southeastfarmpress.com/news/111904-Brazil-agriculture/>.

62. Talk of the Nation, *supra* note 44.

63. Yahoo Finance Currency Converter, <http://finance.yahoo.com/currency/convert> (last visited Apr. 6, 2006).

64. Kaimowitz, *supra* note 46.

65. *Id.*

66. Pearce, *supra* note 52.

67. *Id.*

68. Kaimowitz, *supra* note 46.

69. U.S.D.A., Production Estimates and Crop Assessment Division, Foreign Agricultural Service, *Brazil: Soybean Expansion Expected to Continue in 2004/05* (Aug. 16, 2004).

70. Talk of the Nation, *supra* note 44.

hectares [more than fifteen million acres] since 1998” in the Cerrado, compared to thirty-four percent in the traditional south.⁷¹ “The Cerrado ecosystem and favourable climate allow Mato Grosso farmers to harvest ‘between 3100 and 3200 kilos [roughly 7,000 lbs.] of soybeans per hectare,’ a level of productivity surpassing the national average of 2500 kilos per hectare.”⁷²

Interestingly, the impact of soybean production on deforestation is not direct like ranching. “[M]ost of the soybean production is actually not occurring in the rain forest, it’s occurring in the drier savannas to the south of the Amazon...”⁷³ The contention is that soybean “expansion in the surrounding areas [of the Amazon] drives up land prices and push[es] other less profitable farming operations, like ranching, into the forests.”⁷⁴

The proponents of soybean farming in the north deny that such growth is harming the forest. Homero Pereira, president of the Agricultural Federation of the central-western state of Mato Grosso, the largest state in terms of soy bean production, not only denies such harm but claims that those who grow soybeans are “the biggest environmentalists” and put “conservation into practice.”⁷⁵ Pereira and others contend that soy “crop grows in the areas that were previously deforested or were degraded pastures and improves them by fixing nitrogen in the soil, thus fertilizing the land.”⁷⁶ Geraldo Eugenio de Franàa, superintendent of the Brazilian Agricultural Research Agency, EMBRAPA, “says the country could rationally use 60 million hectares of degraded areas, effectively doubling Brazil’s cultivated area.”⁷⁷ Thus, it is possible to double the production of soybeans and other agricultural products without destroying the forests of the Amazon by using deforested or degraded pasture areas.⁷⁸ “A recent U.S. Agricultural Department report estimated that Brazil can open up an additional 420 million acres of cropland ‘without any additional deforestation in the Amazon basin.’”⁷⁹ The United States, on the other hand, only has 250 million acres of cropland available.⁸⁰

71. *Brazil: Soybean Expansion Expected to Continue in 2004/05*, *supra* note 46.

72. Mario Osava, *Big Soy Fields Imperil Amazon Forests, Activists Warn*, INTER PRESS SERVICE, Oct. 18, 2004, available at <http://ins.onlinedemocracy.ca/index.php?name=News&file=article&sid=3794>.

73. Talk of the Nation, *supra* note 44.

74. *Big Soy Fields Imperil Amazon Forests, Activists Warn*, *supra* note 72.

75. *Id.*

76. *Id.*

77. *Id.*

78. *Id.*

79. Diaz, *supra* note 39.

80. *Id.*

Another indirect consequence of soybean production in the north is the creation of transportation infrastructure, which “also contributes to deforestation by improving access to the vast Amazon Basin.”⁸¹ Currently, the lack of infrastructure is one of the only disadvantages of farming in the Cerrado.⁸² Lula has started where former president Fernando Henrique Cardoso left off and has been working to provide better infrastructure to the region. The government’s largest initiative is called Brazil For All (previously Advance Brazil), a collection “of infrastructure projects that would drastically alter the Amazon”.⁸³ Brazil For All is going to lead to large new road networks, major railroads, river channelization projects, hydroelectric dams, power lines and gas lines.⁸⁴

“One priority is paving a 460-mile stretch of highway BR-163, which connects the central farm state of Mato Grosso with the heart of the Amazon.”⁸⁵ “Soybean growers say the refurbished road will allow them to boost exports by almost \$2 billion a year”⁸⁶ Conversely, opponents argue that the proposed highway will benefit large landowners at the expense of increased deforestation. Nearly “85% of deforestation takes place within 50 km of a road, because a road makes it more profitable to fell trees, first for timber and then for pasture.”⁸⁷ A report by IPAM (Instituto de Pesquisa Ambiental da Amazonia) in 2002 predicts that 22,000-49,000 square kilometers of forest will be destroyed within thirty-five years due to the construction of highway BR-163.⁸⁸

Environmentalists, like Dr. William Laurance, staff scientist at the Smithsonian Research Institute, argue that the new plans for infrastructure contradict the government’s environmental policy:

[U]nfortunately, what we’ve seen in the past in the Amazon, because there is a lot of population pressure, when you open up a new area of forest, this almost inevitably opens a Pandora’s box of illegal colonization and spontaneous predatory logging activity and hunting and incursions by miners. . . . So it’s quite inconsistent for the government on one hand to be saying, ‘Look at these new initiatives. We’re doing what we can to try to slow Amazonian deforestation,’ and yet on the other hand, having huge programs which are clearly going to in-

81. Big Soy Fields Imperil Amazon Forests, Activists Warn, *supra* note 72.

82. See *Asphalt and the Jungle; The Brazilian Amazon*, THE ECONOMIST, July 24, 2004.

83. William Laurance, *Razing Amazonia*, 188 NEW SCIENTIST 34 (Oct. 15, 2005).

84. Matt Moffett, *Brazil’s President Sees Growth in Development of Rain Forest: Dis-mayed Environmentalists Find Former Ally Aiming at the Jungle*, WALL ST. J., Oct. 16, 2003.

85. *Id.*

86. *Id.*

87. *The Brazilian Amazon: Asphalt and the Jungle*, *supra* note 82.

88. *Id.*

crease not only the rate of forest destruction, but the fundamental nature of the Amazonian forest by chopping it up into a series of discrete blocks...⁸⁹

Dr. Laurance may be right, but what choice does the government have? Soybean exports and other agriculture exports is the engine of Brazil's economy.⁹⁰ In order to foster economic growth it is necessary to provide the necessary tools. One such tool that is fundamental to the growth of any economy, and any nation for that matter, is a road. Besides the detailed agricultural growth in the north, the population of Brazilian Amazonia has increased "from around 2 million in the early 1960s to over 20 million today."⁹¹ It would be irresponsible for the Brazilian government to leave the land untouched and force the people of the region to fend for themselves.

The Brazilian farmers' perception of the tension between soybean growth and deforestation may be best summed up by a Mato Grosso farmer: "[t]he sentiment here is that North Americans and Europeans burn fossil fuels like crazy, but we're not allowed to cut down a few trees."⁹² Mato Grosso governor, Blairo Maggi, also known as the soybean king, seems to echo the same sentiment.⁹³ Despite the fact that nearly half of all forest destruction in the Amazon occurred in his state, he contends that he feels "not the slightest bit guilty."⁹⁴ Mato Grosso's soybean sales topped \$600 million in 2004.⁹⁵

E. Government Response to Deforestation

Lula wasted no time implementing a strategy to curb deforestation rates in Brazil. He created a multi-part plan in an effort to slow the level of deforestation.⁹⁶ The plan includes committing the government to reduce deforestation by, improving monitoring and enforcement, bettering land-use planning and providing more support for sustainable agriculture.⁹⁷ This plan was not extraordinary, but it demonstrated Lula's desire to implement a broad environmental strategy.

The lack of monitoring and enforcement of illegal activity have been problems for the Brazilian Government.⁹⁸ The sheer size of the rainforest makes

89. Talk of the Nation, *supra* note 44.

90. See Diaz, *supra* note 39.

91. Laurance, *supra* note 83 at 35.

92. Diaz, *supra* note 39.

93. Laurance, *supra* note 83 at 37.

94. *Id.*

95. *Id.*

96. Kaimowitz, *supra* note 46, at 6.

97. *Id.*

98. See David A. Fulghum, *Flying Proctors*, AVIATION WK. & SPACE TECH., Jul. 12, 2004, at 48.

it difficult for the government to stop ranchers from illegally taking government land.⁹⁹ In an effort to improve the first part of the plan, monitoring and enforcement in the Amazon, Lula engaged a new squadron of specialized, long-range Brazilian air force aircraft, which has been deployed to patrol the region.¹⁰⁰ These aircraft monitor illegal activities, environmental damage, and bring the government to the most remote areas of the Amazon jungle.¹⁰¹ The aircraft provide the only rational system for policing illegal logging, ranching, and farming.¹⁰² Additionally, these aircraft are used to fight drug trafficking and terrorist activities in the region.¹⁰³

In an effort to improve land use planning and support more sustainable growth in the Amazon, Lula increased Brazil's cooperation with environmental organizations like the World Wildlife Foundation (WWF).¹⁰⁴ The "WWF is working with the Brazilian government on a package of measures to safeguard the Amazon's ecological functions" and the "economic zoning of the Amazonian states."¹⁰⁵ Besides promoting proper land use and adopting a sustainable agriculture program, the goal is to establish national forests and provide "financing and tax incentives to encourage responsible forest management."¹⁰⁶

One such measure is the Amazon Region Protected Areas (ARPA) program.¹⁰⁷ The ARPA is an "initiative of the Government of Brazil spearheaded by WWF with partners including The World Bank, Global Environment Facility, Government of Germany, and Brazilian Biodiversity Fund."¹⁰⁸ The deforestation of the Amazon rainforest is a global problem and Lula understands it will take a global effort.¹⁰⁹ "ARPA is the largest, most aggressive effort ever made to protect tropical forests."¹¹⁰ ARPA is expected "to triple the Amazon protected area

99. *Id.*

100. *See generally* David A. Fulghum, *Battle for the Amazon*, AVIATION WK. & SPACE TECH., Jul. 12, 2004, at 47 (describing the operation of the R-99A aerial surveillance and the remote-sensing variants of the R-99B).

101. *Id.* at 46.

102. *Id.* at 47.

103. *Id.*

104. *See* Press Release, World Wildlife Fund, Brazil to Triple Amount of Protected Amazon Rainforest Over 10 Years (Sept. 3, 2002), *available at* http://www.panda.org/news_facts/newsroom/index.cfm?uNewsID=2668&uLangID=/.

105. Press Release, World Wildlife Fund, Brazilian Government Reveals Alarming Rate of Deforestation in Amazon (Jul. 2, 2003), *available at*, <http://worldwildlife.org/news/printPR.cfm?prID=63>.

106. *Id.*

107. *Id.*

108. *Id.*

109. *See id.*

110. *Id.*

system by creating approximately 80 national parks and reserves over the coming decade, surpassing the size of the entire U.S. National Park system.”¹¹¹ Since ARPA was launched in September of 2002, “protected areas totaling over 20,000 square miles have been established in Brazil.”¹¹² “The largest area, Tumucumaque National Park . . . , covers just over 15,000 square miles and is the largest tropical forest national park in the world.”¹¹³ In February of 2005, Lula “announced the creation of two new major protected areas in the Amazon.”¹¹⁴ The two protected areas, in the Terra do Meio Ecological Station and the Serra do Pardo National Park, will shield 3.7 million hectares (nearly 1 billion acres) from deforestation.¹¹⁵

Certainly, deforestation will continue in the Amazon. Furthermore, it is clear that there has been a strong trajectory of increased deforestation over the past decade.¹¹⁶ In light of this reality, it is promising that the 2003 total numbers indicated no marked increases over those of 2002 and the 2004 figures actually showed a 31% decrease.¹¹⁷ Lula has managed to slow down deforestation from the record 55% increase of 2002 and has continued to create new protected areas in the Amazon.¹¹⁸ Remarkably, he has done this and has continued to lay the foundation for continued agricultural growth in the region through infrastructure improvements and foreign investment.

III. LANDLESS REFORM IN BRAZIL

A. *The MST: Movement of Landless Workers*

On August 16, 1999, the largest trial in Brazilian history began in [Northern Brazil]. One-hundred-fifty policemen were brought to trial on charges of murdering 19 land reform activists and wounding over 40 people during a peaceful demonstration. The massacre was [described] by authorities in Brazil as a “failed attempt of crowd control gone horribly wrong.”

111. *Id.*

112. *Id.*

113. *Id.*

114. Press Release, World Wildlife Fund, Brazil Protects Millions of Hectares of Amazon, Feb. 21, 2005, *available at* http://www.panda.org/news_facts/newsroom/news.cfm?uNewsID=18670.

115. *Id.*

116. Talk of the Nation, *supra* note 44.

117. Brazil Says It has Halted Rise in Forest Destruction, *supra* note 51; Brazil: Amazonian Deforestation down by 31%, *supra* note 47.

118. Colitt, *supra* note 13; Brazil Protects Millions of Hectares of Amazon, *supra* note 114 (describing the two new protected areas of the Terra de Meio Ecological Station and the Serra do Pardo National Park).

Autopsies revealed that some of the demonstrators were shot execution-style while others were hacked with their own farm tools. Several of the men killed were leaders of the Landless Rural Workers Movement (Movimento dos Trabalhadores Sem Terra--MST).¹¹⁹

The MST is the largest social movement in Latin America.¹²⁰ The organization began in 1985 with the support of the Catholic Church.¹²¹ It was that year that hundreds of landless rural Brazilians illegally entered a large southern farm and established a cooperative and eventually gained title in 1987.¹²² The MST created a grassroots movement comprised of rural poor who felt pushed out by large scale capital-intensive export agriculture and rich landowners.¹²³ “[T]he MST is a highly organized group” and can be found in twenty-three of the twenty-seven Brazilian states.¹²⁴ The MST strategy is best enunciated in the organization’s slogan, “Occupy, Resist, and Produce.”¹²⁵ The process by which the MST fulfills this strategy is simple: find unproductive land and gather enough people to take control of it.¹²⁶

The growth of agriculture northward has been paralleled with MST growth northward. The manner and effect of the agricultural shift northward has generated even more distaste for large-scale farming operations and large landowners who have benefited from cheap land prices.¹²⁷ Foreign investors and large multi-national corporations have also capitalized on the last great agricultural frontier, which has added fuel to an already blazing MST fire.¹²⁸ Conse-

119. Colby, *supra* note 23, at 1-2.

120. MST: Friends of the MST - United States, <http://www.mstbrazil.org/q=book/print/16> (last visited Apr. 11, 2006).

121. See The Landless Workers’ Movement: About the MST, http://fmst.typepad.com/fmst/about_the_mst/index.html (last visited Apr. 11, 2006).

122. *Id.*

123. Stephan Schwartzman, *Land Reform in Brazil and the Landless Rural Workers’ Movement*, MIT W. HEMISPHERE PROJECT, Jan. 2000, available at <http://web.mit.edu/hemisphere/events/mst-ssed.shtml>.

124. Colby, *supra* note 23, at 19.

125. *Id.*

126. Colby, *supra* note 23, at 20.

127. See Amanda Cassel & Raj Patel, *Agricultural Trade Liberalization and Brazil’s Rural Poor: Consolidating Inequality*, 8 FOOD FIRST 35 (Aug. 2003), available at <http://www.foodfirst.org/pubs/policy/pb8.pdf> (discussing the fact that the MST’s movement in the Northeast has become complicated by competition with agribusiness facilities).

128. See generally MST: The MST’s Manifesto to the Brazilian People, <http://www.mstbrazil.org/manifesto.html> (last visited Apr. 11, 2006) (encouraging Brazilians to resist multinational corporations).

quently, most of the struggle and violence for land is centralized in the Cerrado and Amazonia regions.¹²⁹

B. Legislative, Constitutional, and Judicial Foundation for MST Action

Although the tactics of the movement are controversial, there is legislative, constitutional, and judicial ground for their actions.¹³⁰ The 1964 Land Statute (Estatuto da Terra) provides that latifundia (large estates) and speculative holdings may be expropriated by the government for compensation.¹³¹ “Except for the changes made by the 1988 Constitution [discussed later], the Land Statute remains the primary instrument for expropriative land reform.”¹³² The statute requires three elements to be satisfied for effectuating land transfer: the land must be “unproductive” private lands, expropriated in the public interest, for compensation.¹³³ Although the statute provided a method to expropriate unproductive lands, landowners in the Amazon basin found a way to escape the reach of the statute. Since the statute requires the targeted land be “unproductive” the farmers merely found a way to turn their landholdings into productive lands.¹³⁴ In the Amazon Basin, clearing land for cattle pasture was considered a productive use.¹³⁵ Accordingly, large landowners who were simply holding land for speculative purposes began to clear their land in order to demonstrate a proper use.¹³⁶ The unintended consequence of the statute was that landowners deforested their land in order to escape government expropriation.¹³⁷ Thus, the statute that was enacted to reduce large landholdings became one of the primary forces behind deforestation.¹³⁸

In 1988, the new Brazilian Constitution delineated the grounds for expropriation and reemphasized the “social function” requirement for the expropri-

129. Office of the Brazilian President, Agrarian Reform: Brazil’s Commitment, § 5.3 (1997), https://www.presidencia.gov.br/publi_04/colecao/agraini.htm (last visited May 17, 2006).

130. See Kristen Mitchell, *Market-Assisted Land Reform in Brazil: A New Approach to Address an Old Problem*, 22 N.Y.L. SCH. J. INT’L & COMP. L. 557, 564-570 (2003) (explaining legislative, constitutional, and common law issues regarding land reform).

131. *Id.* at 565-566.

132. *Id.* at 565.

133. *Id.* at 566.

134. See generally *id.* at 567 (stating that landowners will clear land to show proof of “rational use”).

135. *Id.* at 567.

136. *Id.*

137. See *id.* (stating that over two-thirds of the Amazon deforestation is the result of landowners clearing land or raising cattle, not from slash-and-burn agriculture).

138. See *id.*

ated lands.¹³⁹ Similar to the Land Statute, the Constitution does not give the MST the right to expropriate the land by forceful entry; rather it gives the government the right to redistribute the unused lands for social purposes.¹⁴⁰ However, the Higher Court of Justice (Superior Tribunal of Justica), in a habeas corpus decision, declared that the actions of the MST and other landless organizations to settle their own land may be appropriate under the Constitution.¹⁴¹ The Court determined that “a popular movement attempting to institute land reform can not be characterized as a crime. This is a collective right, an expression of citizenship, and it aims in implementing a program based on the Constitution. Popular pressure is an acceptable means in a Democratic State.”¹⁴² Accordingly, even though the Constitution does not allow land seizure by citizens, the high court opened the door for such action.

C. MST Violence

Unfortunately, the process of land invasion is seldom a peaceful one. Landowners do not like the prospect of private citizens entering their property and claiming it as their own.¹⁴³ Furthermore, the MST does not always follow the rules enumerated in the 1964 Land Statute and the 1988 Constitution and often invades land that is legally being used for a productive purpose.¹⁴⁴ As a result, violent conflicts often erupt between MST members, landowners, landowners’ hired guns, and the Brazilian police.¹⁴⁵ An estimated 1,500 people have been killed by police or hired guns over the past decade.¹⁴⁶

The MST ceased land invasions during Lula’s campaign for president in an effort to support Lula’s presidency.¹⁴⁷ Similarly, during his first year in office they decreased the number of invasions in a continued effort to support the government’s intervention of the expropriation process.¹⁴⁸ However, in light of

139. *Id.* at 568.

140. *See id.*

141. Colby, *supra* note 23, at 22.

142. *Id.*

143. Colby, *supra* note 23, at 20 (explaining the reactions of land owners to invasion of their land).

144. *See* Land Report Dilemma, *supra* note 27 (stating that MST does not only invade idle lands but also productive farms and natural reserves).

145. *See* Colby, *supra* note 23, at 4 (stating that there have been cases of torture, wire tapping, harassment, and other human rights violations).

146. Colby, *supra* note 23, at 4.

147. Stan Lehman, *Land Invasions Signal End of Truce with Brazil’s Leader*, ASSOCIATED PRESS, Mar. 6, 2003.

148. *See id.* (discussing a new wave of land invasions that ended “a truce” between the MST and President Lula).

Lula's slow pace of resettlements, the MST boosted land invasions to an unprecedented level. In April of 2004 the MST launched its "Red April" campaign and seized some 150 estates in twenty of Brazil's twenty-seven states, including productive estates.¹⁴⁹ One of the MST leaders, Joao Pedro Stedile, "predicted a red April 'that would turn the countryside into a hell'."¹⁵⁰ Another landless leader, Jamie Amorim, vowed that "the landless would kill 10 landowners for each fatality of their own."¹⁵¹ As a result of "Red April" the total land seizures in the first four months of 2004 "exceeded 240, [which was] more than twice the total of 103 staged in the whole of [2003]."¹⁵² Not surprisingly, rural violence attributed to such land invasions also increased in the first quarter of 2004. According to a congressional commission, the deaths in the first quarter of 2004 exceeded the total number of deaths in 2003.¹⁵³ Additionally, the MST "threatened to stage 12 'red' months in 2005."¹⁵⁴

Although Lulu is a supporter of the principals of the MST he has made it clear that he will not stand for threats or illegal seizures by the group. Lula has declared "[w]e will carry out agrarian reform ... because it is a matter of social justice, but we will not do it under the pressure of shouts [...] neither the shouts of the rural workers nor the shouts of those who oppose them."¹⁵⁵

D. Lula and the MST

The MST was a strong supporter of Lula's presidency bid in 2002.¹⁵⁶ After all, Lula was a devoted union leader and one of Brazil's most recognizable figures on the social reform front. He was elected president of the powerful Metallurgist's Trade Union in 1975 with ninety-two percent of the votes after six years of serving on the board of the organization.¹⁵⁷ On March 10, 1980, Lula, together with other union members, intellectuals, politicians, and social movement leaders formed the liberal Worker's Party (PT).¹⁵⁸ In 1986, Lula was elected as a representative for the State of Sao Paulo.¹⁵⁹ By 1988, the PT man-

149. *Brazil: MST Launches New Season of Invasions*, LATINNEWS DAILY, July 30, 2004.

150. *Brazil: Lula Fails to Curb Land Invasions*, LATIN AM. WKLY REP., Apr. 6, 2004.

151. *Id.*

152. *Id.*

153. *Id.*

154. Juliette Kerr, *MST Threatens to Intensify Campaign for Land in Brazil in 2005*,

WORLD MARKETS RESEARCH CENTER, Oct. 12, 2004, available at 2004 WL 93606648.

155. *Brazil: Lula Fails to Curb Land Invasions*, *supra* note 150.

156. *See* Land Report Dilemma, *supra* note 27.

157. Luiz Inácio Lula da Silva's Biography, <http://www.braseduropa.be/lulain.htm> (last visited May 17, 2006).

158. *Id.*

159. *Id.*

aged to elect 1,000 councilors and 36 mayors.¹⁶⁰ Lula became a permanent fixture on the presidential ballot, losing bids in 1989, 1994, and 1998.¹⁶¹ In 2002, Lula was elected President of the Federative Republic of Brazil, capturing 61.27% of the votes.¹⁶²

Why would the MST be so upset, since they have their man in power? The answer to this question may be best addressed by looking at a manifesto the MST established at its National Congress during the presidency of Lula's predecessor Fernando Henrique Cardoso, entitled "The MST's Manifesto to the Brazilian People".¹⁶³

Our country is experiencing a grave crisis. But this crisis does not affect everyone. The wealthiest continue to earn a lot of money through exploitation. The large multinational corporations continue to send billions of dollars abroad. The banks have never earned as much money as now. But for those who survive from their sweat, living conditions have become increasingly precarious; those who have work earn very little; young people lack quality schools; and universities are no longer public and free. Many people have been forced to leave the rural heartland to live on the periphery of the large cities. There they find misery and violence. What is the cause of this? It is true that our society has always been unjust. Like any capitalist society, the poor have always been exploited and humiliated. And the rich class, earning more and more all the time, has always repressed the people and submitted it to the interest of international capital. But since 1994, with the neoliberal policies of Fernando Henrique Cardoso's government, the problems have become even more acute. This economic policy represents only the interest of the banks and of multinational companies. For these, the government guarantees high interest rates and financial help. Suffice to say: last year the government spent 64% of the national budget servicing the interest on internal and external debt. Despite all the social problems, the government of the Brazilian elites has the nerve to send 50 billion dollars to the rich countries every year. That is why there is a lack of money for education,] health[,] public transport[,] popular housing and employment generation. In agriculture the situation is graver still. The Cardoso government wants to "modernize" the rural areas stimulating large export-orientated estates; handing control of the agricultural market over to the multinational corporations; and allowing agro-industries to control the storage of food products.¹⁶⁴

160. *Id.*

161. *Id.*

162. *Id.*

163. The MST's Manifesto to the Brazilian People, *supra* note 128.

164. *Id.*

As is evident by the MSTs manifesto, there is no question the MST disfavored the policies of the Cardoso administration. But how does disfavor of Cardoso translate into disfavor for the Lula administration? The answer is simple—the MST sees no difference between the so-called neoliberal policies of Cardoso and Lula’s course of action during his first three years in office.¹⁶⁵ This reality is even more painful for the MST because they firmly believed Lula was going to be a strong ally.¹⁶⁶ Interestingly, at the end of the manifesto the MST declared that the only way things were going to change was to “defeat this government and the rich in the next elections, and to elect progressive candidates, which are truly committed to a Popular Project.”¹⁶⁷ The MST got its wish at the 2002 election when Lula, the progressive, was elected.¹⁶⁸ You better be careful what you wish for.

In the beginning Lula had ambitious agrarian reform goals.¹⁶⁹ “In a meeting with the [MST] at the beginning of 2003, Lula vowed to settle 530,000 landless families by the end of his term.”¹⁷⁰ In 2003, however Lula and the Ministry of Agrarian Reform managed to settle just over 37,000 families.¹⁷¹ In 2004, the agrarian ministry put the figure of families placed on rural settlements at 81,000.¹⁷² This figure was far from the government’s 2004 goal of 115,000 settlements.¹⁷³ Despite falling short of the 2004 goal, the Brazilian government “classified the results as the third best in the history of agrarian reform in Brazil.”¹⁷⁴

The MST claims the total settlements were even further from the 115,000 goal of the Brazilian Government.¹⁷⁵ The MST calculates the actual figure to be less than 25,000 in 2004.¹⁷⁶ They allege that the government includes among the settled families those who were already on the land but were simply awaiting

165. *Multiple Setbacks Erode Support for Lula*, BRAZIL & SO. CONE REP., Apr. 20, 2004, available at 2004 WLNR 307727.

166. *Special Report: Land Report Dilemma*, supra note 27 (stating that the MST supported Lula’s campaign).

167. The MST’s Manifesto to the Brazilian People, supra note 128.

168. Luiz Inácio Lula Da Silva’s Biography, supra note 157.

169. *Special Report: Land Report Dilemma*, supra note 27.

170. *Id.*

171. Mario Osava, *Brazil: Lula Presses Agrarian Reform in Illegally Held Lands*, INTER PRESS SERV., June 3, 2004.

172. *Settlements Fall Below Lula’s Goal in 2004*, GAZETA MERCANTIL ONLINE, Jan. 20, 2005, available at <http://www.lexisnexis.com>.

173. *Id.*

174. *Id.*

175. *Id.*

176. *Id.*

official documentation from the government.¹⁷⁷ Regardless of which numbers are representative of the actual resettled lands, it is clear that Lula missed the mark.

E. Cardoso and the MST

During the previous administration under Cardoso, the so-called neoliberal, the annual average number of families settled reached nearly 80,000.¹⁷⁸ In eight years, Cardoso and the Brazilian government resettled some 635,000 families.¹⁷⁹ Furthermore, Cardoso was the first president to focus time and resources to agrarian reform in Brazil. From 1991-1999, Brazil expended R\$ 25 billion (US\$ 8.6 billion) on land distribution and rural settlements.¹⁸⁰

Cardoso based his agrarian policy on the collective efforts of many diverse constituents. In 1996, the Council of the Community Solidarity Program joined other organizations to discuss agrarian reform.¹⁸¹ The participants included the Ministers of Agrarian Policy and of Agriculture, a representative of the rural landowners, and leaders of the MST, among others.¹⁸² Although there was much contention among this diverse group they produced a document that contained seven points of consensus about agrarian reform.¹⁸³ These seven points of consensus guided Cardoso during his tenure as president:

1. a rural development policy is necessary; it should include an agrarian reform program and measures to strengthen family farms;
2. the agrarian reform process requires substantial input from various organizations and from all three levels of government (federal, state and municipal), as well as from the Executive, Legislative and Judiciary powers;
3. the implementation of agrarian reform requires more agile and efficient bureaucratic procedures and greater government administrative capacity;
4. the effective implementation of agrarian reform requires the allocation and timely release of budgetary and financial resources if the government is to achieve its goals;

177. *Id.*

178. *Brazil: Lula Presses Agrarian Reform in Illegally Held Lands*, *supra* note 171.

179. *Special Report: Land Report Dilemma*, *supra* note 27.

180. *Id.*

181. Office of the Brazilian President, *Agrarian Reform: Brazil's Commitment*, Intro. (1997), https://www.presidencia.gov.br/publi_04/colecao/agraini.htm (last visited May 17, 2006).

182. *Id.*

183. *Id.*

5. Brazilian agrarian legislation needs to be updated and the legal procedures must be accelerated;
6. the sustainable development of the land settlements is a necessary condition for the success of agrarian reform;
7. the entire agrarian reform process requires cooperation among the pertinent government and non-government actors.¹⁸⁴

Guided by these seven points of consensus Cardoso attacked the heart of the problem, the latifundio (large estates). Half of Brazil's fertile land is owned by 1% of the farmers.¹⁸⁵ Brazil's historic land ownership structure has concentrated the land in the hands of few, who often leave much of their land idle.¹⁸⁶ In an attempt to effectually transfer land from the powerful landowners to the poor migrant farmers, Cardoso reformed the Rural Land Tax and facilitated expropriation through legislation.¹⁸⁷ The Rural Land Tax takes land left idle and taxes up to 20% of its value, making it less lucrative to own large areas of land.¹⁸⁸

Certainly, Cardoso did not meet all the demands of the MST and may have implemented some programs that were less than effective. However, one can hardly say that Cardoso turned his back to the agrarian problems in Brazil as the MST would suggest; especially when you consider Brazil was just ten years removed from military rule when Cardoso took over the country.¹⁸⁹ At the annual American Sociological Association (ASA) meeting in San Francisco in 2004, Cardoso answered to the MST and other critics' allegation that he led a neoliberal government.¹⁹⁰

In both governments [Lula's and my own], but more so in mine, public spending in the social area expanded.... It increased from 11% to 14% of the Gross National Product. This increase in spending permitted us to create a "social protection network," with school scholarships, programs to combat child labor, food scholarships, and so on. We also settled more than 500,000 families on farms, created lines of credit for family agriculture, and so on. These policies established the basis which allows the current government to continue, and, God willing, even expand social programs to reduce poverty....¹⁹¹

184. *Id.*

185. *Special Report: Land Report Dilemma, supra* note 27.

186. *Id.*

187. Office of the Brazilian President, *supra* note 181, at 8.1.

188. *Id.*

189. *See generally* Office of the Brazilian President, *supra* note 181, at 3.1 (the military overthrew the president on March 31, 1964 and maintained government control for twenty-one years).

190. Fernando Henrique Cardoso, *The Successor*, O ESTADO DE SÃO PAULO, Sept. 5, 2004, available at <http://crab.rutgers.edu/~goertzel/FHCLulaASA2004.html>.

191. *Id.*

F. *The Economics of Land Reform and Potential Solutions*

In order to resettle more land for the landless workers it is imperative that Brazil build a strong economical foundation. Lula understands this, and has been reaching out to foreign investors and focusing on creating an environment where the government receives sufficient revenue to fund agrarian reform.¹⁹² The resettlement of landless workers comes with a hefty price tag for the Brazilian government.¹⁹³ The creation of jobs in rural Brazil is primarily funded by public funds, which differs from local industry and commerce which is bankrolled, in large part, by private enterprises.¹⁹⁴ “It is approximated that the Brazilian government spends more than R\$ 30,000 (US\$ 10,300) on every family that receives land.”¹⁹⁵ Thus, the 2004 agrarian development ministry’s budget of R\$ 3.1 billion (nearly US\$ 1.06 billion) was not enough to reach the resettlement goals outlined by the administration.¹⁹⁶

Besides obvious budgetary constraints, the lack of infrastructure in rural Brazil presents another problem.¹⁹⁷ Without adequate investment in irrigation, transportation, credit for seeds, and technical support, it is difficult for resettled workers to stay on their new piece of land.¹⁹⁸ Unfortunately, only one fifth of peasants, who receive land, fail to earn enough to stay on their land.¹⁹⁹ Independent research done by the national daily *O Estado de Sao Paulo* uncovered that forty percent of the resettled peasants sell their property within one year and re-join the landless reform.²⁰⁰

In light of the high dollar amount the government expends to settle just one property, what good is a resettlement program if only twenty percent of the peasant workers earn enough to stay on their land? Retention does not seem to be a very important part of the government’s agrarian reform. Making sure the peasants learn the necessary skills and have access to the proper tools and resources, including financial resources, should be as important as resettling land. This is the one area that the government, landless reformers, the private sector, and international organizations can join forces to improve.

192. See generally Michael Thomas Derham, *Prudent Populism*, LATIN FIN., Dec. 2004, available at 2004 WL 92824826 (stating that Lula’s economic policies have created credibility with Wall Street).

193. *Special Report: Land Report Dilemma*, supra note 27.

194. *Id.*

195. *Id.*

196. *Id.*

197. *Id.*

198. *Id.*

199. *Id.*

200. *Id.*

One example of successful collaboration efforts occurred recently in the state of Sao Paulo.²⁰¹ The European Union (EU) provided one million Euros to the MST to build a school to teach farming and social sciences.²⁰² “This school is designed to help workers take the power in their own hands,” explained MST member Joao Pedro Stedile.²⁰³ Mr. Stedile could not celebrate the opening of the school without lashing out at President Lula, “[o]nly knowledge makes men free. At first, we believed that electing a left-wing president would be enough but now we have seen that this is not so.”²⁰⁴

The MSTs radical tactics and harsh rhetoric have pushed away corporations and other private organizations from participating in the agrarian reform process.²⁰⁵ Since the MST often resorts to illegal land invasions, the commercial farms have often kept its distance from land reformers, thus, making an effective dialogue difficult.²⁰⁶ The MST views the large landowners as the enemy, while the large landowners see the MST as the enemy.²⁰⁷

Historically, the government has done very little to engage the large landowners in the agrarian reform process.²⁰⁸ The government lacks proper legislation regulating and supporting public-private joint ventures.²⁰⁹ Currently, an important bill regulating a public-private partnership for infrastructure investment is making its way through congress.²¹⁰ Although the bill has been stuck in Brazil’s Congress for nearly one year it should become law shortly.²¹¹ This bill and similar initiatives are necessary for effective agrarian reform.²¹² Since it is unlikely the MST will create joint ventures with large landowners anytime soon, innovative government projects are necessary to engage the help of the powerful corporations.²¹³

201. See *Brazil: Landless Movement Teaches Farming*, ANSA ENGLISH MEDIA SERVICE, Jan. 24, 2005 (discussing the opening of a school to teach farming and owning land).

202. *Id.*

203. *Id.*

204. *Id.*

205. *Special Report: Land Report Dilemma*, *supra* note 27.

206. *Id.*

207. *Special Report: Land Report Dilemma*, *supra* note 27 (discussing perpetual animosity and violence among the landless and the landowners).

208. *Id.* (noting that big commercial farms are not cooperating with the government’s resettlement programs).

209. *Id.* (arguing that lack of legislation is partially responsible for the lack of cooperation in resettlement program).

210. *Special Report: Land Report Dilemma*, *supra* note 27.

211. *Id.*

212. *Id.* (noting the inequality among the small farmers and the large scale farmers, as well as the increase in urban violence due to landless peasants fleeing to the large cities).

213. *Id.* (noting that the radicalism of the landless movements is a reason for the lack of interest big commercial farms have in the government’s resettlement programs).

While Lula may be frustrating the more radical constituency, he has regained popular support among the Brazilian people, continued steady land redistribution, and has attained remarkable economical success.²¹⁴ The Worker's Party government's popular approval rating increased more than ten percent in less than six months at sixty-two percent in November 2004 according to the findings of a poll conducted by the National Confederation of Industry.²¹⁵ At the same time, sixty-three percent of those polled said they had confidence in the president.²¹⁶

On the agrarian reform front, Lula doubled the government's initial 2004 agrarian reform program budget²¹⁷ and is pushing for a federal agrarian court.²¹⁸ The Supreme Court's president, Edson Vidigal, called the agrarian court initiative "a just and democratic concern" and created a special commission in order to study the proposal and draft a constitutional amendment bill to send to congress for debate.²¹⁹ Although Lula has not satisfied his settlement goals, he is both aware of the problem and is building a proper economic foundation for real change.

G. Lula's Economic and Political Record

Some complain that Lula's macroeconomic and social policies are no different than the previous administration.²²⁰ In fact, much of the criticism is coming from radicals within the very party Lula created.²²¹ Fernando Gabeira, a left-wing politician who abandoned the Workers' Party may have said it best when he said, "I was dreaming the wrong dream."²²² However, Lula and his administration continue to defend their macroeconomic policy, which reaped tremendous economic success in 2004.²²³

Brazil's GDP grew by 4.9% in 2004 and 2.3% in 2005.²²⁴ "GDP measures the value of all goods and services produced in a country."²²⁵ 2004 second

214. Santiago Fidipaldi, *Cool Hand Lula*, GLOBAL FIN., Dec. 1, 2004 available at 2004 WL 15850859; Kerr, *supra* note 154.

215. Kerr, *supra* note 154.

216. *Id.*

217. *Special Report: Land Report Dilemma*, *supra* note 27.

218. *See Brazil: Landowners Move Against the Agrarian Court*, LATINNEWS DAILY, Oct. 11, 2004.

219. *Id.*

220. *Multiple Setbacks Erode Support for Lula*, *supra* note 165.

221. Fittipaldi, *supra* note 214.

222. Chu, *supra* note 1.

223. Chu, *supra* note 1.

224. *Brazil's Economy Grows 2.3 percent in '05*, BUSINESSWEEK ONLINE, Feb. 24, 2006.

225. *Id.*

quarter growth of 5.7% was the highest jump since 1996.²²⁶ Trade surpluses in September and October of 2004 alone reached more than \$3 billion.²²⁷ On the debt side Lula has lowered the nation's debt burden by 15%.²²⁸ The growth in 2004 is even more astonishing considering the international financial shock when the populist Lula was chosen to lead the largest country in South America.²²⁹ "Billions of dollars fled Brazil and international banks closed lines of credit," after it became clear Lula would win the election.²³⁰ Lula had to act pragmatically to keep foreign investors from fleeing Brazil and maintain a proper democratic framework for prospective investors.

Lula's government has been described as "financially principled populism" by economist Mohamad El-Erian of Pimco.²³¹ According to El-Erian, "financially principled populism reiterates the importance of overall fiscal discipline and [of] setting reasonable targets. There is also an explicit attempt to increase spending on social issues. Traditionally you do one or the other. Lula's government has tried to do both."²³² Lula has faced fierce objections from members of his party and the public regarding his economic policy.²³³ Party members are concerned that he is spending too much money to service the debt while some grow impatient about social promises.²³⁴ Rather than take the easy road in an effort to ease internal tensions, Lula has remained convinced that good economics will lead to effective social reform.²³⁵

IV. CONCLUSION

Brazil has experienced many changes in the past twenty-five years. On the agricultural front, farming migrated from the South to the Amazon region of the country. On the political front, Brazil shifted from a military regime and has experienced its first left-leaning president. On the economic front, Brazil has seen a drastic increase in exports (primarily agriculture related), a new currency, and increased foreign investment. Finally, on the social front Brazil has seen the

226. Fittipaldi, *supra* note 214.

227. *Id.*

228. Derham, *supra* note 192.

229. See generally Ruchir Sharma, *Brazil is in a Class by Itself*, NEWSWEEK, Feb. 14, 2005, (discussing the progress Lula has made since his election).

230. Jane Bussey, *Outlook for Brazil Raised*, MIAMI HERALD, Mar. 13, 2003, at IC available at 2004 WL 14825009.

231. Derham, *supra* note 192.

232. *Id.*

233. Sharma, *supra* note 229.

234. See *Multiple Setbacks Erode Support for Lula*, *supra* note 165.

235. Sharma, *supra* note 229, at 34.

rate of deforestation increase, and the struggle for land and the resulting violence worsen.

It appears that the many changes Brazil has experienced are often contradictory forces. For example, agricultural exports have increased because farming moved to the North, but, as a result, the deforestation rates have increased. So the prevailing question is: which trends should Brazil reverse in order to protect the contradicting interests in the country? Certainly, if Brazil placed large expansion restrictions on the beef and soy industries the deforestation levels would fall, but exports would drop and the economy may suffer as a result. Certainly, Brazil may allow landless reformers to seize lands without restrictions, but that would drive away foreign investors who own land in Brazil. Is it possible for activist, landowners, the government, the international community, and the people of Brazil to all get what they want? Maybe.

At the end of the day not every interested party will feel completely satisfied. However, Brazil will be better off when the concerned, hard working and passionate individual organizations worked together to solve problems which have existed since the colonial days. The government will have to take the lead. Who better to lead this country than a man who has lived both sides of the argument? Lula's vision for Brazil is one where economic success and social success live side by side. Although his first three years in office have seen mixed reviews on the issues of deforestation and the landless movement, he is the right man at the right time for Brazil.