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Poverty alleviation through access to land

The experience of the Brazilian 'agrarian reform process'

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Abstract

Brazil has not done, has not been doing, neither will do a real agrarian reform. One can argue that the almost 20 million hectares transferred to hundreds of thousands of families settled during the two terms of President Fernando Henrique Cardoso finally broke the century long delay of the Brazilian agrarian reform. Nevertheless, the numbers show that only 8% of the area then controlled by 785 thousand "*fazendeiros*" were transferred to the family sector, increasing the area of its 4 million farms by 15%. Family farmers had 37% of the agricultural land and 42% eight years afterwards. It will continue to be demand as well as pressure for the opening of new settlements. The new governments will continue favoring settling more farm workers. This kind of policy exists around different countries in the world, even in those that carried out massive agrarian reform in the 19th and 20th centuries. Settlements are certainly a necessary but not sufficient condition of agrarian reform; especially when they are made little by little. However, this is a powerful way of poverty alleviation.

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Introduction

Brazil is one of the most shocking examples of opting for corporate farming, or as Hans Binswager puts it, of opting for a premature expulsion model of the work force from agriculture. That is, of disregarding and showing intolerance towards family agriculture. Except for the colonization movement that started in the southernmost part of the country and settled as far as the Southeastern region of the State of Paraná, the agrarian pattern in other regions was formed based on characteristics similar to Eastern European ones, where landowners preferred to block the rural population from having access to land ownership.

Strictly speaking, Brazil's agricultural system began to emerge with the coffee plantations, in the late 19th century. Before that, agricultural and husbandry activities did not consolidate into any type of integrated system. And the way the elite abolished slavery and imported immigrant settlers to work the coffee plantations had the same historical sense as Eastern Europe's "second servitude". A strong pact was formed to bar Blacks, European, and Japanese immigrants from owning land. Only after the 1929 crisis and the long depression that followed were some immigrants able to buy land lots for sale by several bankrupt plantation owners. At the same time, a great population surplus had formed that started to pressure the government for access to land. And starting in the early 60's, the Northeastern "peasant leagues", as well as the Southern "landless movements", almost caused João Goulart's government to opt for family farming.

Throughout 20 years of military dictatorship, the answer the agricultural population surplus found was to migrate, mainly to frontier regions, where these people could settle as squatters. However, the occupation policy of the country's Western territory, basically working with fiscal incentives, reduced the scope of this escape valve. And choosing sugar cane as the only crop in the subsidized alcohol production program (*Proálcool*) helped big farmers advance even further into the family farms of the southeast. In the mid-80's, when the country started its transition towards democracy, the Brazilian agricultural system showed a flagrant contrast when compared to countries that were able to develop throughout the 20th century. But this process of re-democratization increased agricultural workers' chances of having access to a plot of land that would provide their basic needs (food and housing), and perhaps even more if the workers had access to essential public goods (such as education and technical assistance), as well as adequate credit lines.

No one knows how many of those who migrated to the Western region during the military dictatorship were able to acquire farm land. It is only possible to say that the official 'colonization' programs during that 20-year period reached only 115 thousand families (an average of 5.5 thousand families per year). This number is equivalent to the number of families settled by the governments of the different States in the first 10 years

of the re-democratization process, while the National Institute of Colonization and Agrarian Reform (*Instituto Nacional de Colonização e Reforma Agrária* - INCRA) settled a few more. That means that between 1985 and 1994 the chances of a landless family being settled were four times greater than during the dictatorship. And this performance increased much more during the two terms of the FHC administration.

FHC's first term as president started with a very serious economic crisis in the agricultural sector as a result of the perverse indebtedness of many farmers. In mid-1995, rural Brazil had an open wound: nonpayment levels of over 30%. After a tense period of inaction - caused by the obvious lack of confidence with which the government's economic area viewed minister Andrade Vieira - the problem was finally resolved thanks to help from the hegemonic party among the big landowners (PPB political party) in the so-called "bancada ruralista". And this political ability of the group more to the right of the government's support group was consecrated in FHC's second term by the excellent performance of one of the federal government's oldest machines: the Ministry of Agriculture. Lula inherited an agricultural situation that is diametrically opposite to the bottleneck situation in effect in 1995.

The beginning of FHC's first term was also dramatic in dealing with situations known as "social conflicts in the countryside". Two terrible slaughters in Carajás (State of Pará) and Corumbiara (State of Rondônia) were necessary before political support leaders concluded that the agrarian problem could no longer be handled by obscure engineers unable to receive from Congress, economic ministries, and the President, the measures indispensable to the fulfillment of the commitment signed during the 1994 elections. This context produced the Raul Jungmann phenomenon, a former member of the communist youth organization who was running the federal environmental protection agency (Ibama), after having acquired broad operational experience in various posts at the Ministry of Planning. He conducted a real turnaround, which today can be appreciated based on the initial performance of the brand-new Ministry of Agrarian Development on at least two fronts: a) the strengthening of family agriculture, through supplying specific training skills, technical assistance, infrastructure, subsidized credit and commercial channels; b) and expansion of this category by settling former landless rural inhabitants, squatters, land tenants, and very small landowners through different types of settlements.

Unfortunately, this double success - agricultural and agrarian -, the legacy of the so-called "FHC Era", was not very well assimilated by the social bases of the PT, the party of the current president Lula: the Landless Workers' movement (*Movimento dos Sem Terra* - MST) and the National Confederation of Agricultural Workers (*Confederação Nacional dos Trabalhadores na Agricultura* - Contag). This is where there is a risk of backsliding. However, it is not impossible that Lula's government may choose an alternative platform, one made up of the participation of a vast multiparty group of scholars, employees, trade-unionists, NGOs, mayors associations, and representatives of micro and small businesses: the "National Plan for Sustainable Development of Rural Brazil" - PNDRS (*Plano Nacional para o Desenvolvimento Sustentável do Brasil Rural*), the third version of which was approved by the respective Council (CNDRS: www.cndrs.org.br) in November 2002 after being discussed in July with specialists of at

least ten organizations: IDB, World Bank, FAO, Ifad, Undp, Unesco, Eclac, Iica, EU, and Usaid. In sum, this plan advocates that, in addition to deepening the two programs already consolidated in the last two years – agrarian reform settlements and the National Program for Strengthening Family Agriculture - Pronaf (*Programa Nacional de Fortalecimento da Agricultura Familiar*) – the next government shall also consider essential the emergence of two other programs, which are absolutely decisive to the progress of Brazil's rural areas: renovation of education and economic diversification. Now that there is a reasonable level, both for agribusiness as well as for addressing social issues in the countryside, it is necessary to think about rural development, which goes beyond just agriculture and husbandry activities.

The settlement policy

Until 1995, family farmers had no federal policy giving them access to credit, training skills, technical assistance and extension services, commercialization, or essential infrastructure. Agrarian interventions were sketchy and insufficient to fight plantations that did not comply with their social function. Some of the conflicts were resolved without actually addressing the real demand for democratic access to land ownership. Thus, by the middle of the 1990s, an important historical turning point was reached. With the new dynamics acquired by the settlement policy and the rise of the National Program for Strengthening Family Agriculture (Pronaf), there was a clear advance. Still, the absolute need to give immediate answers to the historical demands caused the implementation of these two policies to suffer from lack of integration, lack of definition of priority areas, lack of proper links between land and agriculture, lack of dialogue and coordination between agriculture and the other sectors of rural economy, and a need to combine all this with the local and micro regional evolution processes while implementing these two policies. Even so, in four years, about 280 thousand families of rural workers were settled. And Pronaf counted more than 1.5 million operations that benefited family farming, as well as investments in city infrastructure.

By evaluating results obtained up to 1998, it became clear that there was a need for changes geared to more integrated action between the two policies and their future insertion in a truly sustainable development strategy. As the most obvious consequence of a settlement policy is the emergence of more family farmers, a greater coordination with Pronaf was also imposed. Two credit lines were then unified in the first semester of 1999, with the extinction of the Program of Special Credit for Agrarian Reform Areas (*Programa de Crédito Especial para as Áreas de Reforma Agrária - Procerá*) and the creation of a line of credit called “Pronaf A”, exclusively for agrarian reform settlers, while credit lines “Pronaf B, C, and D” were aimed at other family farming categories.

To operationalize this change, the Ministry of Agrarian Development (*Ministério do Desenvolvimento Agrário - MDA*) was established, encompassing the agrarian reform policy and Pronaf, which was formerly among the duties of the Ministry of Agriculture. It was also during this period that the National Council for Sustainable Rural Development (*Conselho Nacional de Desenvolvimento Rural Sustentável- Cndrs*) emerged with the

mission of planning the future of rural Brazil, composed of representatives from nine federal government ministries, nine entities of “civil society”, and a few other ambivalent institutions.

Though aware that the expansion and strengthening of family farming required innumerable integrated actions, the recently created MDA concentrated its efforts on three main issues:

- a) Settling families through various agrarian actions (mainly expropriation, acquisitions, public land and agrarian credit);
- b) Supplying cost and investment credits for family farmers;
- c) Transferring federal resources to municipal governments that have a significant concentration of family farmers in order for investment in infrastructure through plans approved by the Municipal Rural Development Councils (CMDR).

Besides creating the National Agrarian Reform Program, MDA also created two other – and very recent – federal intervention tools to promote access to land ownership: the Agrarian Reform and Land Fund (*Fundo de Terras e Reforma Agrária*), called “Banco da Terra”, and Agrarian Credit (*Credito Fundiário*) called “Cédula da Terra”. These are two new ways of allowing the acquisition and transfer of property that could not be expropriated through traditional means, since they either are in accordance with their social role, or have an area smaller than the minimum (15 modules). It is estimated that the idle areas alone in very small properties correspond to 40 million hectares.

It should be emphasized that the agrarian reform actions - except for policies developed by “*Banco da Terra*” and “*Cédula da Terra*” – do not meet the needs of those farmers who don’t own enough land, and therefore, need to increase their productive area in order to become truly viable family production units. There is still a need for complementary actions dealing with agrarian regulation. After all, areas offered in the rural land market by farmers who leave their occupation (generally those who retire without heirs) are usually acquired by all types of businessmen, lawyers, doctors, etc., or even by big farmers without offering a purchasing option to those who most need this type of resource: neighboring family farms who, most of the time, are headed by dynamic youths starting their career. Society would certainly gain a lot more if there were some means of increasing the chances that these properties be transferred to rural youths.

Between 1995 and 2001, almost 20 million hectares of land were obtained, half through expropriation, since the properties did not comply with their social function foreseen by the Federal Constitution, and the other half through acquisition and land credit programs. During this period, between actions of land acquisition, installation, and consolidation of settlements, the National Agrarian Reform Program’s budget reached R\$ 13.3 billion (around US\$ 5 billion according to the April 2003 currency exchange rate). These investments contributed enormously to reducing social conflicts and, as a consequence, the number of violent events and deaths resulting from land disputes.

For each settled family, the FHC administration invested a lot in infrastructure and land acquisition. But this high expense with land resources slowly decreased as the program's scale increased, finally reaching something like US\$ 4 thousand per family. As each family establishment counted by the 1995/6 census employed 3.7 people, the cost of creating a job in agrarian settlements was cut by more than half. No other type of public investment of comparable amount was able to create so many new opportunities of income generation, nor was any other type able to distribute so many assets.

Nevertheless, it is necessary to compare the total area of settlements and the total area of farms and ranches, and the number of settled families with the number of families who already had access to land. The almost 20 million hectares of settlements established throughout the eight years of the FHC administration correspond to 5% of the total area of farms and ranches counted by the 1995/96 census. In other words, the program transferred, at most, 8% of the enormous area controlled by 785 thousand corporate farmers to agricultural families made up of more than 4 million small farms and ranches. Through this action, the area of family farms must have increased about 15% as the estimate indicates in the table below.

Brazil's Agrarian Profile at the Turn of the Millennium

	Area in 1995		Area in 2000	
	Millions of hectares	%	Millions of hectares	%
Corporate farms	224	63	210	58
Family farms	130	37	150	42
Total	354	100	360	100

Source: Author's estimate based on the 1995/6 Agricultural Census

The most unbiased and detailed balance of the "FHC Era" agricultural and agrarian policies made by journalist Mauro Malin, editor of *Update* magazine, from the American Chamber of Commerce of São Paulo (www.amcham.com.br), concludes with the following synthesis:

"Fernando Henrique made a settlement policy he calls agrarian reform, with which he avoids a political explosion and attempts to attack the crucial matter of social inequality. The right wing thinks the President is lenient with all the commotion, and wastes money. At the same time, the government renegotiates the big farmers' debts and allows agribusiness to reap the rewards of its competence. The left wing finds therein the proof that Fernando Henrique is working for the right wing, and thus tries to disqualify the agrarian settlement policy. These two opposing perceptions do not work. Taken to the final consequences, the policies that they assume would lead to a catastrophe. It would not be the productivity, the harvests, or herds that would increase in the countryside, but rather confrontation, violence, and despondency. And Brazil would retreat on a terrain that is increasingly more important to its development." (Malin 2002:211)

Methods

Settling agricultural families is guaranteed by the utilization of various instruments for obtaining land that have responded more to social demands than the needs of economic viability, which involves the availability of quality land at low cost. Among the main tools, are:

- a) Expropriation by social interest;
- b) Gathering of public land (mainly in the Northern region), as a means of incorporating useful land up to then without a specific destination;
- c) Acquisition through purchase, as a way to attend emergency necessities;
- d) Vacancies in already established settlements.²

As to the settlements, the following standards should be respected in principle:

a) No settlement project should be created without the guarantee of resources for its implementation and consolidation, which, on average, should occur in three years; b) every family should be granted credit to support their installation, the values of which should be up to date; c) training should be offered to settlers throughout the first two years of the settlement's existence; d) the government should create a permanent rural housing program; e) all basic infrastructure (roads, rural electric lighting, and water supply) should have guaranteed resources before creating the settlement project and its implementation should take no longer than three years; f) implementation of other actions regarding infrastructure and basic needs (health, education, sports and leisure) should be discussed and carried out in a combined action between INCRA, other federal government sectors, and municipal and State governments, preferably before the creation of the settlement projects.

The following intervention tools are also essential to promoting access to land: a) recovery of illegal public land possessions through land regulation allowing ratification of small squatters' areas; b) demarcation (defining location), recognition, regulation, "*desintrusão*" (keeping the area free by reimbursing old inhabitants' improvements) and

² Besides these tools, FHC's administration used a few other actions to complement the traditional agrarian reform mechanisms, such as "*Banco da Terra*", "*Cédula da Terra*", and "*Projeto Casulo*" ("cocoon project"). The first two are known financing programs to purchase land that cannot be expropriated, differentiated by the maximum value of loans and by the level of participation of the communities involved. "*Banco da Terra*" was successful only in the Southern region, whereas "*Cédula da Terra*" remained basically restricted to the Northeastern region. "*Projeto Casulo*" aims at generating jobs and revenue in rural regions close to towns or villages, by settling and assisting small family farmers to develop different activities.

giving land titles to remaining *quilombos*³ which should be subject to public policies that encourage these communities to remain; c) conclusion of the demarcation and legalization of native South American Indian tribal land, with the guarantee that these groups have the right to use the natural resources in their territories (special conditions to access government policies should be guaranteed to tribal groups who live on lands already changed by human action and who survive by means of agricultural and/or extractivist activities); d) provision of simple and fast administrative title to possessions 5 years or older; e) creation of “Resex” (extractivist reserves).

Deficiencies in rural surveying systems have been pinpointed as responsible for the difficulty in collecting taxes and in maintaining precise public records, in addition to facilitating fraud and illegal land possession. But the necessary legal support to resolve these problems lies in the Public Registry Law. Furthermore, until recently, the high costs of land demarcation through conventional topography methods restricted the production of precise record maps. Technological advances, however, in information as well as in satellite coverage, now make it easier to obtain precise measurements and demarcations at an affordable cost. Thanks to more modern surveying methods and their use in land regulating processes, it is already possible to discern institutional requirements that may in the future allow a better performance of land markets. And, if efficiently applied, taxes could also be imposed on potential land use, as a further incentive to improve land use methods and management of natural resources.

Commonly, judgments and interpretations of the law restrict the fulfillment of a property’s “social function” to indexes regarding land production and productivity, ignoring environmental and labor legislation parameters. Additionally, there are legal gaps that allow judicial decisions on reimbursement amounts much higher than the price of lands expropriated for agrarian reform. This constitutes an abusive transfer of wealth to ex-owners and middlemen, in addition to the objective impossibility of settlers reimbursing the actual price of the land.

The National Agrarian Auditor (*Ouvidoria Agrária Nacional* - OAN) established a new system for mediating land conflict processes. It brought important players to the bargaining table— such as the judiciary sector, the Public Ministry, and the police department – with the objective of addressing conflicts related to citizenship. Many states also started to promote agrarian auditors, as OAN’s credibility increased. Establishing a prevention and mediation policy in dealing with agrarian conflicts should focus on strategic planning, carried out in a participative manner, through the democratization of formulation, management, and control of public policies. The recently created Permanent Follow Up and Conflict Resolution Committee (*Comitê Permanente de Acompanhamento e Solução de Conflitos*) is another modern and efficient prevention tool, providing effective answers to issues that could potentially generate conflicts and making proposals for the improvement of agrarian reform actions and support to farming families.

³ Quilombos were hiding places of runaway slaves; many turned into communities existing up to the present day.

Unfortunately, Brazil does not have the institutional bases to establish controlling actions regarding land structures of the agricultural sector (like the French “*Safer*”), even though this type of problem has been well recognized every time the need for “small farm unification” has been mentioned. A great deal of legislative and organizational innovation will be required for Brazil to advance in the area of land consolidation.

Potential Pronaf beneficiaries are all agricultural families, including settlers and /or those assisted by “*Banco da Terra*” e “*Cédula da Terra*”. Loans can be used for costs – financing farm, livestock, commercial, industrial and service activities – and investment – financing implementation, expansion and modernization of the production and services infrastructure on the farm or in nearby rural communities. Pronaf is made up of different credit lines, adapted to the beneficiary’s profile, whose access and payment conditions have been more and more favorable to family farmers. The Lula administration now has the task of eliminating a few obstacles that are still making it difficult for a large number of families to access credit, especially those related to bank bureaucracy.

Around 85% of the country’s agriculture sector establishments are family farms and account for almost 40% of the gross value of production, and over 50% of most food products included in the ‘basic needs basket’ (*cesta básica*). But the category of family farming actually encompasses very distinct social groups: 40% practically do not generate monetary income (amount that varies from 25% in the Southern region to more than 50% in the Northeast). From the standpoint of market integration, 20% of the family farms are generally classified as “very integrated”, while more than 40% are “little integrated” (with a variation of 30% in the Central region and up to more than 50% in the North).

Considering only commercial insertion and gross value of production, family farms tend to be divided into 3 groups:

- 1.4 million are characterized by greater capitalization, structure and market participation, besides producing a considerable amount of food for the internal market;
- 850 thousand families with almost no capital and with poor commercial insertion. Although they produce food for the internal market, they still face problems in accessing loans and financing. These problems are mainly due to lack of technical assistance and a need for training skills;
- Almost 2 million farms generate little or no income from the establishment as the area is basically used for subsistence production.

Results produced by agrarian reform programs and the strengthening of family agriculture could certainly have been greater and more solid if there had been, in the eight years of the FHC administration, an integrated technical assistance policy involving the three spheres of government and society itself. When the technical assistance system (known as Embrater) was dismantled as of the beginning of the 90’s, it also put assistance to farm

families at risk, since actions in this field became very limited and no longer had the universal character of assisting family farmers.

The deficiency of infrastructure and services in rural Brazil is a direct determinant of the precarious living conditions of agricultural families, reflected mainly in the low social indicator values. This deficiency is exposed through poor road and transport conditions, and through lack of or difficulty in product storage. The scenario is aggravated by the lack of electric energy, water supply, and sewage disposal, especially in the Northeastern region. Consequently, living conditions are more precarious and limit production possibilities and added value of products.

The Pronaf-Infrastructure line brought a few differentials in relation to other types of actions: a) it encouraged discussions between family farmers and other local agents on rural development perspectives; b) it innovated in its degree of decentralization and in its coordination of partnerships involving municipal and State governments; and c) it advanced in the definition of municipalities to be supported by means of clear and objective criteria. This Pronaf line contributed to the development of municipalities with a considerable presence of family farms. Nevertheless, budget limitations did not allow “Pronaf-Infrastructure” to attend every eligible municipality. Housing, electric energy, rural roads, water supply, and the sewage system as a whole are still great needs.

Results and impacts

There is great controversy surrounding the actual results of the policy of settlements and about the two types of “Pronaf” credit lines aimed at settlements (individual credit and infrastructure investment). At the end of the FHC administration, there was a great campaign to disqualify the settlements. The government was accused of counting “ghost” settlements and of abandoning families after placing them on land, which resulted in great evasion. But to demonstrate that a few failures could not be used to condemn a whole program, at the end of 2002 MDA invited researchers at the University of São Paulo agronomy school (Esalq/USP) to try to establish an accurate picture of the settlements.⁴ And the results confirm a few old hypotheses.

First of all, settlements are normally (with rare exceptions) in marginal areas, be it from the edaphic-climatic or the economic viewpoint, mainly in terms of connections with other markets (urban agglomerations and ports). This is a result of the agrarian reform institutional framework and the historical period. Very rarely are favorable areas not exploited or under-exploited, which obviously protects them from expropriation. In other words, settlements only come into place in prime areas when: a) conflicts between heirs may leave the land idle, thus leaving the property open to expropriation; b) a change in the destination of public property; c) when the government decides to buy certain real estate.

⁴ This work, which had FAO’s support, turned into a book that best describes the results of the process: “Quality of Settlements in the Brazilian Agrarian Reform” (*A Qualidade dos Assentamentos da Reforma Agrária Brasileira*), by Gerd Sparovek (USP/MDA/FAO: 2003). It confirms and complements conclusions reached by Heredia et al. (2002), and also Leite (2002).

Second, a great number of settled families are made up of social groups victimized by wretchedness and exclusion. These are families who previously had almost no access to housing, health, education, or any type of credit. They tried to survive in any corner of the countryside as laborers, part-time workers, and harvest workers. In short, a great part of settled families previously lived in a state close to lumpen. Only a small portion is made up of the descendents of family farmers who never owned land (sharecroppers, small tenant farmers, squatters), or had insufficient land to guarantee that family members who wished to live as farmers remained in farming.

The outcome of combining marginal land with very unskilled labor, and basically no investment capability, could very rarely turn into activities and occupations capable of generating reasonable income. And all the evidence available on this subject converges to an apparent paradox: the lower the monetary income received by settlers, the greater the number of those who declare themselves satisfied, basically because their previous situation was much worse. In reality, regional contrasts are very strong: in the Northeastern region income is lower and satisfaction is higher, whereas in the South and Southeast the opposite seems to take place. In general, however, access to land caused a few people to jump from a situation of extreme destitution to a situation of poverty; whereas others were able to eliminate the poverty status, but could not reach a satisfactory level if compared, for example, with permanent farm employees, or even with certain types of agricultural day laborers. There are, however, two basic differences that favor the settler, even when his monetary income is very low. The first is the dignity of living on his own land, and to gather his family around a table of their own. The second is having stability that guarantees 'basic needs'.

Sparovek (2003) showed that, in general, both the environmental quality of settlements and the quality of life of settlers are precarious. The four main factors that characterize the poor quality of life are: a) difficulty in accessing health assistance in emergencies; b) difficulty in accessing good quality water; c) difficulty in accessing high schools; d) lack of domestic sewage treatment. And the four main factors that account for poor environmental quality are: a) lack of conservation areas defined by law; b) disrespect regarding the maintenance of legal areas of native vegetation; c) illegal extraction of natural resources; and d) erosion. However, the author emphasizes:

“components of social assistance in agrarian reform actions (credit for installation and for housing, as well as basic infrastructure), are not the most important points, nor the ones that mostly attract rural workers.” (Sparovek, 2003:170).

If they were, continues the author, indicators of abandonment and illegal selling of land plots would not be so insignificant. This emerged as the great surprise of the research. Contrary to what was pronounced over and over by the disqualification campaign waged against the FHC administration agrarian programs at the end of 2002 by one of the main Brazilian newspapers, Sparovek says that the effectiveness of land distribution was significant. And the main factor highlighted is the small number of vacant or unified plots.

Lessons and perspectives for the future

The FHC administration's settlement program was globally successful because it elevated a considerable amount of families above the poverty line thanks to promoting access to land. It showed that it is possible to settle around 100 thousand families per year, even having a series of legal and financial limitations related to expropriations. That means, 100 thousand families per year began – at least – to have access to housing and nourishment. But a *sine qua non* condition of this performance was a strong drop in the price of land in the years that followed monetary stabilization, coupled with several mechanisms of obtaining these land assets. It was possible to reimburse big landowners according to market prices and to buy land easily that could not be expropriated.

However, as the process of settling families rose in scale and rhythm, it was not possible to maintain the program's quality, which was not that great to begin with. And this results mainly from a serious institutional problem: the absurd centralization of actions within the arena of the federal government, mainly within one agency: INCRA. When there is little involvement of the state and municipal governments, settlements are viewed as “territorial enclaves” of the federal government in a region. To improve the quality of settlements it will be necessary to transfer many of INCRA's tasks to the state Land Institutes. It is with them that farm workers' unions (Contag and its state federations), landless organizations (like the MST), NGOs, municipal governments, and other local entities will be able to consolidate present and future settlements. Only this type of collective action will improve the settlers' performance.

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