Transcript of Panel 1: “Models of Development: An Assessment of the Last 20 Years of Public Policies for the Amazon Region”

1. Why 20 years?: Introduction
Manuela Carneiro da Cunha

This panel was organized with the legacy of Chicago Mendes in mind. Chico Mendes was assassinated 20 years ago, and we are here to celebrate his memory. We also pay tribute to the memory of Claude Lévi-Strauss, who played a prominent role in teaching us how to understand Amazonian people. He taught us an approach very different from those that had come before, and he will inspire generations to come. The speakers will be Roberto Smeraldi, of Friends of the Earth Brazil; Phillip Fearnside, an ecology and deforestation researcher in Manaus; and Jorge Viana, environmental engineer and former governor of Acre.

2. Neocolonialism or development? The same dilemma, twenty years later.
Roberto Smeraldi (Journalist; Director of Friends of the Earth, Brazilian Amazon, São Paolo)

Looking back over the past twenty years, in preparation for this talk, I found a passage from what was the first in a long series of publications on public policy, and which reads like it could have been written today:

“The most important aspect overlooked by programs and projects is a strategy to link up to national and international economic policies and practices that affect deforestation and social aspects in the Amazon. […] Projects and policies should be evaluated on the basis of their contribution to the well-being of the inhabitants of the region as well as their descendents. This priority ought to reflect recognition of the fact that the Amazon region cannot offer further solutions to the socio-economic problems of other regions of Brazil and countries. […] To maximise the internal benefits of development, we should facilitate the creation of an "Amazon Economy", replacing the present Frontier Economy” (Friends of the Earth 1990).

Competitive globalization is not new in the Brazilian Amazon. It began with early disputes between State monopoly, Jesuits, and Carmelites, and in relation to external markets, that initiated the economic cycles in the region. The best known of those cycles are those of the 18th Century, driven by markets for cacao, pepper, *tragada brasilica* (a fashionable panacea). The lesser known, but no less important cycles are those of the 19th Century. I would like to recall one in particular: that of the extraction of fat from tortoise eggs, which between 1840 and 1850 drove the predation upon and processing of billions of eggs per year, mostly in the regions of...
Santarem and Rio Negro, and which eventually led to the collapse of the species. This was perhaps the first case of the exportation of biocombustibles from Brazil.

Over the 20th century, these cycles have grown ever shorter and more intense. Rubber, gold, minerals, timber and cattle have all been at the center of cycles such as these. Though cattle has been present for a long time, this is the most recent cycle, having begun in this decade. Between 2005 and 2008, production capacity has trippled over the whole region, and its future is unclear. The whole cycle could be repeated with cycles of carbon, or of services. Well-intentioned environmentalists have introduced the cycle of biodiversity.

Nevertheless, these cycles all have something in common. They are all driven by attractive products or services which are consumed outside the region. These products and services are subject to volatile market values, and the lion’s share of that value (usually greater than 80%) is accumulated outside of the region in which it is produced. These cycles also tend to drive the opening of frontiers. These cycles have been historically unsustainable in conception rather than as a consequence of practice. They rely on sudden, rapid activity followed by a rapid and broad collapse. They depend on migratory and itinerant labour. They inhibit the formation of a regional economy by impeding the critical mass necessary to initiate effective development processes.

The differences between Amazonas twenty years ago and now reflect the nature of these cycles. Twenty years ago, there was a population of 14 million people and 12 million cattle, where 42% of the people lived on less than $2 per day. Now, there are 21 million people, 70 million cattle, and 45% of people live on less than $2 per day. That means that the same percentage of the population were living in poverty in 1990 as are in 2009. In Amazonas, the total population has increased by 7,4 million people. In the rest of Brazil, the total number of people living in poverty has decreased by 7 million. Amazonas has seen an increase of 2,6 million living in poverty. Who are these new poor? They are not the newly empoverished, nor are they the newly recorded in census data. They are the poor of the rest of Brazil.

Over the past twenty years, the government program of agrarian reform has resulted in the distribution of public lands to 2.5 million people -- the same number of people that have entered poverty. Historically, 88,74% of the area of agrarian reform of Brazil is located in the legal
Amazon region. Under the Lula government, the Amazon’s share has reached 93.8%, with 41 million hectares of land privatised. The Amazon region receives 12% of overall federal investment in the area of logistics, 15% of overall federal investment in the area of energy (a greater share per capita than average), but only 7% of federal investment in the social area (far lower than average per capita). If the Amazon is receiving a substantial percentage of the country’s poor, absorbing new externalities, and is historically underdeveloped, how is it that it still receives such a minor part of the country’s social investment?

If we want to see a change in patterns of development in the Brazilian Amazon, and a turn away from the neocolonial project of resettlement, we need to start a real program of development that breaks the boom and bust cycle. The development of a viable forest economy would be one of the most rapid and direct forms of aide to the regional economy. The concept of a forest economy is unclear for many. It does not simply mean forest management. Rather, it means installing industries in the region, and an economy of scale. It represents one of the most interesting opportunities for a diversified chain of production, from cosmetics, to foods, to furniture, to design.

It would be a biomimetic project, that is, a project of innovation based on the observation of nature. The imitation of natural systems should be the basis of the development of new products and systems. Indeed, the imitation of life can offer solutions to global warming and to protect habitat. Unlike an extractive, boom and bust economy, an economy based on indirect use and peripheral services would stabilize regional industry, ensure environmental protection, and allow for regional participation in a global carbon economy. In contrast to the region’s historical dependence on the foreign value of commodities, on boom cycles, the forest economy ties the value of the forest’s existence into the larger economy, into sectors that until now are disconnected from it. It makes the very existence of the forest a value. A forest economy would also generate new markets based in future value. Thus, the forest economy is an investment in the future.

In summary, how is a forest economy different from one based in specific extractive activities or commodities? Rather than focusing on particular goods, a forest economy identifies an entire territory with a productive chain and a chain of value production. It provides more
options for development by removing the limits otherwise placed on rural territories as agricultural zones of production. It involves more than simply forests as raw materials; it makes the forest a resource precisely because of its diversity, and not just as the source of specific commodities of temporary value.

3. Brazil’s environmental policies for the Amazon: Lessons from the last 20 years

Philip Fearnside (Instituto Nacional de Pesquisas da Amazônia (INPA), Manaus)

This paper will consider what lessons can be taken from the past twenty years of environmental policy in the Brazilian Amazon, through one example. It is worth recalling Santayana’s notable warning that “those who cannot remember the past are condemned to repeat it.” The planned reconstruction of BR-319 is a microcosmic example of the problems the region has faced over the past twenty years, and of the ease with which they reoccur when we forget their history.

The BR-319 highway was built between 1972 and 1973, during the military dictatorship, without any analysis of its economic or environmental impact, and as it turns out, with no economic justification. In 1980 it was finally abandoned, along with bus service between Porto Velho, Rondônia, and Manaus. Since then, NW Rondônia has become the principal source of migrant to the rest of the country. This area has been totally deforested, aside from Indigenous and ecological reserves. The proposal to reopen the BR-319 entails drastic consequences for the large surrounding forested region.

Thinking back on the past twenty years, much progress has been made in the protection of Brazil’s Amazon region. Improvements have been made at the level of institutions, government (e.g. the creation of the Ministry of the Environment), research, environmental policy, the organization of civil society, and the creation of new NGOs. In spite of these advances in conservation, however, deforestation has continued in the Departament of Amazonas, encompassing an area greater than Spain and Portugal combined. Conservation has gained ground, but so has destruction. Arguably, not much has changed from the time of the military dictatorship, when the state would simply send in the Army to build roads. This is precisely what is being done now.

Similarly, the new plans for the BR-319 neglect economic consequences for the region. At the moment, Amazonas is one of the five riches states. This is largely because of Manaus’
manufacturing industry and industrial port. It also has double the population of Maranhão or Rodônia. Teixeira has shown that shipping reduces the cost of transport between Manaus and São Paulo by 37% when compared to current modes of transport. By BR-319, however, the costs would increase by 19% in relation to the current route, which uses the waterway to Belém. In fact, Manaus’ industrial representatives have indicated that, at the moment, the highway would have little importance for the industrial pole of Manaus.

The Brazilian Government has committed to reducing national deforestation rates by 72%, but its planning does not consider any connection between the construction of roads and highways and rates of deforestation in areas made newly accessible by lateral roads. Plans for the BR-391 continue with priority, in spite of the evident consequences it will have for deforestation in the surrounding area. Learning to not repeat past errors in this case means recognizing the value of this forest for environmental services.

4. The Challenge of Sustainable Development in the Amazon with the Involvement of Local People. Jorge Viana (Environmental Engineer, Ex-Governor of Acre, Rio Branco)

It is a pleasure and a privilege to be here, with these colleagues, at this important conference dedicated to the memory of Chico Mendes. My compliments to Manuela, Mary, and the coordinators of the CLAS for their work in bringing us together.

Today I will speak about the challenge of sustainable development in the Amazon with the involvement of traditional people. I will try to take a balance of the advances that have been made and the problems that persist over these past twenty years, and then consider what might be the best steps for us to take from this point forward. Roberto Smeraldi gave us a rather hard reading of what we have achieved in the past two decades. As Philip Fearnside suggested, it is true that if we do not constantly read our history, we are bound to repeat it. But this is true for both pessimist and optimists.

What has happened until recently in the Brazilian Amazon has been more than an accidental effect of human action, or the consequence of a few particular activities. What has happened has in fact been the result of public policy. It has not been a consequence or a side effect of public policy, but rather has been driven and focused by explicit policy which ensured that what has happened could happen. The installation of a predatory model of development in
Amazônia, with high carbon emissions and large-scale environmental degradation, has not been the result of the spontaneous actions of society or the market, rather it has depended upon the orientation of the State and its public policies. The popular slogan promoting “terra sem homens para homens sem terra” (land without men for men without land) reveals a focus in this policy on land, rather than on the forest or even on work. This model has brought serious consequences, and has been equally devastating in social, economic, and environmental terms.

Chico Mendes, following Indigenous Peoples movements, and the People of the Forests movement, reacted to precisely this development model advanced by the Brazilian Government. Their denunciations helped create a network of alliances within and beyond Brazil. When it became, later, a movement with positive proposals, it became interesting to a large number of people. Since then, Mary Alegretti, Roberto Smeraldi, Manuela Carneiro da Cunha, and Mauro Almeida have been essential to the formation of a network of activism, connecting scientists and researchers to popular movements. What began as a problem became the cause of the construction of a new proposal. New concepts and a new model of development were defined. What is emerging from all of their work is a model of sustainable use; a positive proposal with local people rather than the federal government as its subject. What this proposal envisions, in contrast to the conservation model of twenty years ago, is the formation of a sustainable forest economy. This alternative is a development model based on the involvement of local populations, the valorization of local culture, and a sustainable forest economy.

In spite of immense sacrifices, the movement obtained significant victories and generated changes in the paradigm of public policy for Amazônia and the larger society. The most important results have included 1) the fact that regional and federal governments are incorporating concepts of sustainability; 2) Environmental legislation is being drafted and debated as we speak; 3) the regulation of land use and the reduction of deforestation; 4) large-scale changes in public opinion and in Brazilian and global agendas. There has been, in brief, a reduction in negative factors (deforestation, CO2 emissions, social problems) and an increase in positive ones (the creation of Conservation Units, firmer laws and stronger institutions, growing forest economy).
Today the State, socio-environmental movements and networks of alliances face new challenges. We face the challenge of turning successes into models, at once economic, social, sustainable. What is pressing at this point for all actors is first, to reinforce established alliances; second, to develop infrastructure; and third, to involve traditional peoples.

More specifically, the State must work to implement the 126.9 millions of hectares of Conservation Units that were created in the last twenty years. This designation could lead, if we are not careful, to a net increase in deforestation, because of the allowance for 20% cutting within the Conservation Units. The Codigo Forestal Brasileiro is a good tool for this. The State is also responsible for administering fundiaria, the MP458/2009, and the Brazilian Forest Code Law 4.771/1965.

Socio-environmental movements need to accompany and actively participate in the process of land regulation, that is, in the implementation of the MP458/2009. They must be involved in the construction of a sustainable, forest-based economy. They must also turn the Conservation Units, like the Reservas Extrativistas, into the new focus of social movements, into an example of success for Brasil and for the world, from the economic, social and environmental points of view. To become benchmarks for policy, success relies on connecting progress in these three domains. Economic progress will be marked by a competitive carbon-based economy subject to market logic. Environmental progress will be achieved when we reach zero deforestation, zero emissions, and a net carbon credit. Social progress will be defined by radical changes in the social indicators (IDH/IDF). From this point on, social movements have to return to the vanguard position. They must direct change, reaffirming our role in the present moment of Amazonia, and they should do so by focusing on the carbon-based economy and its success stories. The flourishing of local jewelry industries is only one example of these with minimal environmental impact and economic and social success.

Beyond this, it is necessary to reinforce the network of allies, involving Institutions, NGOs, researchers, and scientists, that has been built over the last twenty years. We need to spend less time on resistance and denunciation, and prioritize instead the carbon-based economy, with more research on the use of biodiversity and the improvement of social indicators. It is necessary to think of the implantation of infrastructure in Amazônia based in new paradigms. We need to
consider new concepts, and a new model of development focused on land use, on the use of natural resources, on the involvement of local peoples, on the valorization of local cultures, and on the creation of a sustainable forest economy. It is possible and urgent to obtain an extraordinary scientific advance, beginning in Amazônia, with the involvement of the traditional peoples who are capable of establishing the parameters of a new moment in human civilization. Like the rest of the nation, social movements need to evaluate what has been accomplished over the past twenty years in order to know how to move forward.

5. Response: Mary Alegretti (Antropóloga, Consultora Independente, Curitiba).
Thanks to CLAS, Dain Borges, and Josh Beck for providing an opportunity to take an in-depth account of the last twenty years with researchers, government and leaders of social movements meeting together in the same space. The people at this table have been the protagonists of the social movements upon which we are reflecting. They can attest that, over the past twenty years, two things have been true at the same time: first, that everything has changed, and second, that everything is also the same. Indeed, this is the complex reality of life in contemporary Amazônia. Much, and nothing, has changed.

I think Chico Mendes would be amazed by the progress that has been made, but also apalled at the persistence of the policies and acts against which he worked so hard. Smeraldi articulated the connection between deforestation and conservation, and along with it the a persistent dilemma in the struggle for conservation. The same model advanced by Roberto and Jorge, is in many ways the same one advanced by the military dictatorship, and has not been changed in the last 20 years. But what should we do? Are we simply importing the Rodônia model as a new one? Describing the opening of territoritories with a tendency toward increasing land use, the creation of protected lands, but with increasing protection on those lands? Are the creation of the Conservation Units simply a repition of this same model? This is indeed a dilemma because we also want them to be examples of the possibility of sustainable use and development.

This is also an example of finding our dreams concretized through state projects, of the fact that they can bring into being things even beyond what we imagine. It is for this reason that the
government initiatives are worth evaluating. Acre, for example, managed to include non-sustainable processes in its model of sustainable development -- this was, in fact, why the government stayed involved. But sustainability was not excluded from the development model; rather it was made the primary condition of the economy. The issues raised by Philip, lead us to ask whether we are in the middle of the construction of a new economic model, or simply repeating the existing one?

Social movements are living a profound identity crisis. They are questioning Lula’s model even while it is having effects. They are working closely with the state governments, working at local levels. Friends of the Earth are actually one of the few that continue working on a larger level. Overall, we have lost the regional and national perspectives. What about leadership? Who is providing development alternatives now? Who has filled the space for the construction of alternatives? Large NGOs with international roles, that offer the best jobs and the greatest effectiveness, have taken on a leadership role, but to the detriment of small local initiatives. The scenario presented at this table reflects precisely the complex mosaic of the current situation. Amazonia is living a generational shift in its governmental and local representatives and in its migrant populations. It is experiencing a change in protagonists, and as a result, a change in society. It is possible that a model based on the industrialization of diversified forest products, which Roberto defended as an alternative, could unite old and new protagonists.

The situation has changed and is changing. What remains from Chico Mendes’ era, though, is the importance of nationalizing the role of Amazonia. In this, we face a huge challenge, and need a new pact. Above all, we need an opportunity to sit down and see who are the new protagonists and the new leaders of this movement.