



**Impact of Restrictive Legislation and Popular Opposition
Movements on Foreign Land Investments in Brazil**
The Case of the Forestry and Pulp Paper Sector and Stora Enso

Debora Lerrer & John Wilkinson

**LDPI
Working
Paper** **45**

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by Debora Lerrer and John Wilkinson

Published by:

The Land Deal Politics Initiative

www.iss.nl/ldpi

landpolitics@gmail.com

in collaboration with:

Institute for Development Studies (IDS)

University of Sussex

Library Road

Brighton, BN1 9RE

United Kingdom

Tel: +44 1273 606261

Fax: +44 1273 621202

E-mail: ids@ids.ac.uk

Website: www.ids.ac.uk

Initiatives in Critical Agrarian Studies (ICAS)

International Institute of Social Studies (ISS)

P.O. Box 29776

2502 LT The Hague

The Netherlands

Tel: +31 70 426 0664

Fax: +31 70 426 0799

E-mail: iss.icas@gmail.com

Website: www.iss.nl/icas

The Institute for Poverty, Land and Agrarian Studies (PLAAS)

School of Government, Faculty of Economic and Management Sciences

University of the Western Cape, Private Bag X17

Bellville 7535, Cape Town

South Africa

Tel: +27 21 959 3733

Fax: +27 21 959 3732

E-mail: info@plaas.org.za

Website: www.plaas.org.za

The Polson Institute for Global Development

Department of Development Sociology

Cornell University

133 Warren Hall

Ithaca NY 14853

United States of America

Tel: +1 607 255-3163

Fax: +1 607 254-2896

E-mail: ta12@cornell.edu

Website: polson.cals.cornell.edu

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Published with support from the UK Department for International Development (DfID), Atlantic Philanthropies, Inter-Church Organization for Development Cooperation (ICCO), Ford Foundation and Miserior.

Abstract

The Southern Cone countries have become the leading focus of global investments in the forestry and pulp paper markets. In this paper, we analyze the impacts of these investments on local communities and the opposition movements that these have provoked, through a focus on a leading foreign firm in this sector – Stora Enso. This firm is active in both of the major investment regions in Brazil – the State of Bahia and Rio Grande do Sul – and is an ideal case for studying these opposition movements. These opposition movements include a wide range of actors from social movements, NGOs, and local populations to different actors in the public sector and have been a decisive factor in frustrating investment plans in the sector. We also analyze the way in which pulp and paper investments have been affected by, and are responding to, Brazil's restrictive legislation on foreign land investments, and here again Stora Enso is an ideal case. Through an examination of both these aspects, we show how combinations of public regulation and social movements can prove effective against leading transnationals, while at the same time capturing the ways in which such transnationals are permanently repositioning their strategies to adapt to and accommodate both regulatory restrictions and social movement opposition.

About the Author

Debora Lerrer is a lecturer in Social Science and faculty member at the Graduate Centre for Development, Agriculture and Society (CPDA), Federal Rural University, Rio de Janeiro. She is also journalist and author of two books focusing on the public debate about agrarian reform in Brazil. She has been researching the Brazilian agribusiness and the MST (Landless Rural Working Movement) in the past recent years.

John Wilkinson is an Associate Professor and Director of the Graduate Center for Development, Agriculture and Society (CPDA), Federal Rural University, Rio de Janeiro. Publishes widely on current transformations in the agrofood system. Recent concerns include: consumption, land, biofuels, global trade and investment dynamics.

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1 Introduction

The higher profitability of the forestry/pulp sector in the Southern Cone of Latin America has established Brazil as one of Stora Enso's main investment targets. The company, now a leading global player in this sector, was created in 1998 through the fusion between the Swedish company "Stora" and the Finnish company "Enso". The principal owner of this giant forestry company is the Finnish State, with a 12.3% share. The Swedish "Stora" company was already in Brazil at this time, having bought part of the Odebrecht Group's¹ share of the Veracruz Florestal company created in 1991 in Eunápolis, in the south of Bahia. In 2000, the leading Brazilian pulp exporter, Aracruz, bought the remainder of Odebrecht's share in Veracruz and created Veracel, a joint venture with Stora Enso. After the 2008 financial crash, Aracruz was sold to Votorantim Celulose and became Fibria.

Since 2004, Stora Enso increased its investments in Brazil recording a Eur123 million profit² in 2008. Its advance, however, has been blocked by the opposition of local environmentalist and socio-environmentalist NGOs, by social movements like Via Campesina (the international peasant organization in which the MST – Landless Workers Rural Movement– has a leading role in Brazil) and the MLT (Fight for the Land Movement). This opposition has been strengthened through the support of state actors and institutions, such as João Alves da Silva Neto, the state prosecutor of Eunápolis, and the National Institute for Colonization and Agrarian Reform (INCRA) officials in Rio Grande do Sul.

Bahia and Rio Grande do Sul are the Brazilian states where Stora Enso has expanded its investments since 2005 and where opposition from social movements, NGOs and state agents has acquired great public visibility through land occupations and judicial measures. In the extreme south of Bahia and in Espírito Santo, the struggle against the expansion of eucalyptus plantations dates back to 1991, when the Green Desert Alert Network was created, a broad civil society network that brought together NGOs, associations, social movements, local communities, unions, churches and citizens mainly from four Brazilian states: Rio de Janeiro, Espírito Santo, Minas Gerais and Bahia. These groups were mobilized by the continuous expansion of eucalyptus plantations and its social and environmental impacts. The expulsion of Indians and peasants from their traditional lands, many of them "quilombolas",³ was already evident, as well as the devastation of the forests leading to a profound impact on people's livelihoods in the region.

The Center for Studies and Research on the Development of the South of Bahia (Cepedes), an NGO also founded in 1991 in Eunápolis by teachers, citizens, students and religious who were also involved in the creation of the Workers Party in their municipality, has been part of this network since its outset. According to its general coordinator, Ivonete Gonçalves de Souza, their fight against forest devastation and the expansion of eucalyptus plantations led them at first to being severely socially stigmatized in Eunápolis. Born and brought up in this, then-small town where everybody knew each other, the young founding members of Cepedes were boycotted by their neighbors. Veracruz's promises of development and 40,000 jobs led to them being treated with hostility, given their continuous denunciation of the new venture and its promises. In June of 1993, the Dutch priest

¹This Brazilian construction company is owned by Norberto Odebrecht. Today it's the biggest Latin American engineering and construction company and 25th in the world. Gaspar, M.A., Oliva, F.L., Zebinden, W.S. A "Internacionalização da Construtora Norberto Odebrecht."

<http://www.ead.fea.usp.br/eadonline/grupodepesquisa/publica%C3%A7%C3%B5es/F%C3%A1bio/41.pdf>

² According to the most influential Finnish newspaper, Helsingin Sanomat, in an article published 30 August 2009. Lyytinen, J. and T. Nieminen (2009) 'Stora Enso's jackpot', Helsingin Sanomat, 30 August 2009. <http://www.hs.fi/english/article/Stora+Enso%E2%80%99s+jackpot/1135248979552>

³ Rural communities founded generally by slaves or their descendants.

Jose Koopmans, also one of the founding members of Cepedes and a leader of the resistance to eucalyptus monoculture in the region, was almost lynched by a crowd on the day of a public hearing convened by the Environment Minister, Coutinho Jorge, to debate the proposed investments which had been embargoed by the government after Cepedes, Greenpeace and SOS Mata Atlântica had denounced the illegal Atlantic Rainforest devastations in May of that year.

With time, as Veracruz/Veracel's promise of jobs and economic development proved illusory, and as the negative social and environmental impacts made themselves felt—rural exodus, unemployment, violence, higher land prices, forest devastation and the pollution and drying up of rivers⁴—Cepede's struggle has begun to be recognized and has gained more social and community support. According to Ivonete, local social and political recognition increased considerably with the adhesion of the MST to the cause in April 2004, leading to the occupation of one of Veracel's properties and the organization of a huge landless camp called "Lulão". This action was equally successful in gaining land, involving three different areas for the landless, and in mobilizing national public opinion.

Although Veracel faced increased social opposition, especially the direct action organized against its properties, such as that promoted by the MST, the first big loan under Luiz Inácio Lula da Silva's ("Lula") Government by the National Economic and Social Development Bank (BNDES), some US\$ 1.4 billion in December 2003, went to Veracel, showing the Government's interest in financially supporting the expansion of the forestry sector. In fact, according to Marcelo Calasans, from the FASE⁵ NGO, in its first year, Lula's government announced its National Forestry Program which, at that time, planned to double Brazil's forests in 10 years, with no distinction being made between natural and planted forests. From the 5 million hectares (ha) already planted, the Lula government aimed to increase another 6 million ha of forest in Brazil from 2003 to 2013, adducing the risk of a "forest blackout" if these investments were not made. This goal, however, was not achieved since, according to Calasans, when the Climate Change Interministerial Committee⁶ presented the National Climate Change Plan (December, 2008), some five years later, the target was almost the same. This new Plan, like the National Forest Program, took as its starting point almost the same amount of forest in Brazil, 5.5 million ha, again with no distinction made between natural and planted forests. The new Plan set the same target of an increase in forests to 11 million hectares, but on a more extended timescale – from 2009 to 2020. This slowing down in the rhythm of pulp investments in Brazil has many different causes, one of the most important of which was clearly the 2008 financial crash.

We argue, however, that a whole range of collective actions and initiatives promoted by quite different actors, and extending to public authorities, has played a major role in challenging the continuation of pulp investment. These actions have built a network of social resistance to the expansion of the pulp sector and, by doing so, have disseminated on an even broader scale a critical vision of the problematic social and environmental consequences of this model of economic development based on eucalyptus monoculture. Over the years, the collective action frames that began to be built on a small scale since 1993 have been able to fuse with the cultural priorities of the

⁴ During the field research, one of the authors took part in a workshop with Belmonte fishermen facing a huge decline in fish production in the Jequetinhonha River and the disappearance of many species of fish since the Veracel pulp mill started to operate in 2005. In another area, the João de Tiba River has today become a small strip of water by the time it reaches the landless movement camp in Eunapolis, because of the use of herbicides in the surrounding environmental permanent protection area. Before, it was possible to navigate the river with a canoe. Veracel was fined in 13/03/07 and was condemned to pay R\$ 400,000.00, but it seems the fine has still not been paid.

⁵ FASE (Social and Educational Assistance Federation) is part of the Green Desert Alert Network. Founded in 1961, it is one of the oldest and most well-known Brazilian NGOs. Since its origins it has been dedicated to working with associative and communitarian organizations on local development.

⁶ The Interministerial Climate Change Committee was founded by the Decree 6.263 of 21/11/2007.

affected populations, obliging the economic power holders to slow down their investment plans and listen to their demands. Since 2011, small shareholders from Finland, Uruguay, Brazil and Argentina have been present at the company's lively annual general meetings in Helsinki to present the negative social and environmental impacts of the company's policy in these countries.⁷ In 2011, a MST coordinator, Marcelo Durão, talked for three minutes about Veracel's predatory policies in southern Bahia at the annual shareholders meeting.⁸

2 The Rio Grande do Sul Front against Stora Enso

In Rio Grande do Sul, until the middle of 2004, forestry monoculture operated on a small scale (Binkowski, 2009⁹), but, since then, its expansion has accelerated with the support of the state government. The Via Campesina struggle against eucalyptus monoculture plantations captured public attention in 2006. On the 8th of March, Women's Day, 2006, a group of women, from many social movements such as the World Women's March, MST and the Women's Peasant Movement (MMC), destroyed an Aracruz field research laboratory provoking a great public debate. Most of this reaction was initially negative but nevertheless, a critical public frame of reference had now been established against eucalyptus expansion in the State.¹⁰

Rio Grande do Sul has proved to be "fertile soil" for the social struggle against forest monoculture. It is the state where Jose Lutzemberger, the pioneer and world-renowned ecologist, was born and began his environmental struggle. He was the first president of Agapan (The "Gaúcho" Association for the Protection of the Natural Environment), founded in 1971, which was one of the first environmental struggle associations in Latin America. One of this new environmental association's first fights was waged against a pulp mill, owned by the Norwegian group Borregaard and later bought by Aracruz, whose chemical waste worsened the pollution of the Guaíba River and provoked an intolerable odor which spread throughout the whole of Porto Alegre in the beginning of the seventies. This pollution provoked an intense public debate even in the censored press of the military dictatorship.¹¹ Since the Agapan's foundation, Rio Grande do Sul has become the protagonist State in Brazil's fight for environment conservation and preservation (Binkowski, 2009). There have been many kinds of environmental conflicts in the state over the last 40 years, such as the campaigns against pesticide use and discussions on "alternative agriculture" and genetically modified organisms.¹²

The debates on the new eucalyptus forestry ventures in the "Southern Half" of the state have taken front stage on the environmental agenda since 2004, when the State Government of Geremio

⁷ <http://www.hs.fi/english/article/Critical+voices+in+full+cry+against+CEO+Karvinen+at+Stora+Enso+shareholders+meeting/1329103905108>

⁸ <http://mstrio.casadomato.org/mst-participa-de-seminario-na-suecia-e-vai-a-finlandia-denunciar-a-stora-enso/>

⁹ Binkowski, Patricia. 2009. Conflitos ambientais e significados sociais em torno da expansão da silvicultura de eucalipto na "Metade Sul" do Rio Grande do Sul, 212 f. Dissertation (mestrado), Programa de Pós-graduação em Desenvolvimento Rural da Universidade Federal do Rio Grande do Sul (UFRGS). Porto Alegre. This work provides a very good historical survey of the environmental conflicts in this state up to 2009, and is the basis of our account of this process.

¹⁰ 2006 was the Football World Cup year and during the games, in June, Aracruz ran a long advertisement starring a very respected Brazilian actress, Fernanda Montenegro, demonstrating the company's need to improve their public image.

¹¹ Everybody who has lived in Porto Alegre in this period remembers the stink. "Borregaard" had become a popular city slang, used to refer to anything which stinks.

¹² In 1990, a Permanent Assembly of the Entities for Environmental Defense, the Apedema/RS was founded in Rio Grande do Sul. It brings together 37 environmental movements, NGOs and associations, particularly those from the Gaúcho Environmental Movement (MEG). <http://apedemars.wordpress.com/about-2/>

Rigotto prioritized policies to encourage the forest sector in order to transform the “Southern Half” of the State into a forestry development pole (Binkowski, 2009: 38, our translation). The pulp ventures were seen as an economic solution to this region “historically characterized by presenting slow economic development” (*Ibid*). The promotion of this economic sector in the region was criticized by many environmental groups, because it is home to an important biome, called the Pampa, which plays an important role in biodiversity conservation and presents a wealth of flora and fauna still poorly studied. According to Binkowski, the “expansion of eucalyptus forestry” became “the heart of the environmental conflict” in Rio Grande do Sul from 2006 to 2009 (*Ibid*, p.10). On one side, forestry companies, the State Government and political representatives argue for the need to develop the “Southern Half” of the State, while, on the other, environmental groups and social movements warn of the possible environmental impacts to the Pampa biome and the sociocultural transformations involved.

In 2006, Stora Enso began to buy land close to the Rio Grande do Sul border for eucalyptus plantations, in the region known also as “campanha”, a pampa ecosystem,. According to an INCRA survey dated 31/01/2006, there were at least 86 areas in the process of being purchased by “Agricultural Derflin Company”, a Stora Enso subsidiary based in Rio Grande do Sul. At that time, these areas were the object of purchase and sale agreements between Stora Enso and the owners, involving a total area of 40,963.85 ha. Stora Enso was also interested in buying additional 17 areas, which totaled some 18,400 ha. The purchases were to be finalized after completing an INCRA administrative process and approval by the Brazilian National Defense Council. In the name of Derflin, Stora Enso filed 34 administrative processes to legalize these areas close to the border. By 2008, however, these processes were to be shelved for reasons we will now examine.

Until 2009, the disputes around the proposed investment projects of Stora Enso in Rio Grande do Sul lined up environmental NGOs, but also Via Campesina movements and the “Women’s World March” on one side, and Stora Enso, the State government and many politicians, on the other. The most violent conflict between Via Campesina and Stora Enso occurred on 4th March 2008, when a group of 900 women and children occupied the “Fazenda Tarumã”, one of the company’s farms. They occupied the farm early in the morning and were violently evicted at the end of the day by the police, with “morale” bombs and rubber bullets. The reporters and photographers were removed from the area by the police before the eviction and had to stay some 11km from the area.¹³The peasant movement occupied the farm to protest against the exploration by this transnational of 2,075 ha close to the Brazilian border with eucalyptus monoculture. According to the military police, the women had cut down four hectares of planted trees by the end of the day. As in other landless occupations in eucalyptus areas, they would probably have planted food crops in place of the eucalyptus, but the eviction occurred surprisingly quickly.

According to a Via Campesina statement, the violence used by the police was disproportionate to the threat posed by the occupation. About 60 women were badly injured and 800 were arrested. Meanwhile, 250 children at the camp were separated from their parents. This was the third time that Via Campesina women had occupied a Stora Enso farm, but on the other occasions there had been no confrontations. The eviction took place so quickly because Stora Enso was already in possession of a “legal arm”: a permit from the court in Rio Grande do Sul State declaring that no further court decision would be required to remove the protesters from the land. Yeda Crusius, the state governor at that time, collaborated, quickly giving the permission for the Military Police to evict the women. It was public knowledge at that time that she had received some R\$500 million for her election campaign from pulp companies, including Stora Enso.

¹³Penteado, Gilmar. “Via Campesina invade área de multinacional no Sul.” Agência Folha, 4th March, 2008. The fact that there were journalists there, on a farm a long way from Porto Alegre, indicates that some of them must have been contacted by Via Campesina beforehand to cover the demonstration.

The Via Campesina mobilizations gave public visibility to the fact that Stora Enso, a foreign firm, was involved in irregular land purchases of areas within 150 kilometers of the Brazilian border without completing the specific approval process required. In 2008, the company already possessed 46,000 hectares in Rio Grande do Sul, and was buying other large areas close to the border with Uruguay as a part of its expansion plan to establish more than 100 thousand hectares of industrial tree plantations and to build a multi-million-tons-a-year pulp mill. Initially, the company attempted to buy the areas through its subsidiary, Derflin S.A, but as a foreign company it could not buy the land without special permission. Stora Enso then set up a front company, Azenglever Agropecuária Ltd., to buy the land on its behalf. At that time, Via Campesina denounced the fact that Azenglever was owned by the two top Stora Enso executives: João Fernando Borges, a forest director and Otávio Pontes, the vice-president of Stora Enso for Latin America. According to Via Campesina these two were currently the largest landowners in Rio Grande do Sul State.

According to INCRA, the purchases already completed were also illegal; the licenses for the company to purchase land close to the Brazilian border were still in the process of evaluation when the Finnish group suspended the demand and decided to create a Brazilian front company to legalize the land. The Federal Public Ministry began investigating the creation of Azenglever Agropecuaria Ltd., but Stora Enso denied that they had created the company behind the Brazilian authorities' backs. According to their press service, Azenglever was on the basis of strictly legal considerations to enable the land purchases in Rio Grande do Sul.¹⁴ Stora Enso declared that they had communicated this information to the relevant State agencies and had created the firm to give greater legal security to their investments.

In 2007, INCRA declared that Stora Enso's business "restructuring" through the creation of Azenglever demonstrated that the company was buying rural properties in the border region "without compliance with federal law regulating such acquisitions" (Binkowski, 2009: 56). In this document, INCRA also showed itself to be opposed to the Azenglever land purchases because of the well-known impacts of pulp investments in other regions and countries: rural exodus, landscape modifications, depletion of soil nutrients and water, land concentration and the increase of poverty (*Ibid*:57). In the words of the INCRA Federal prosecutor, Dr. Andre Duarte, eucalyptus monoculture expansion represents an "anti-agrarian reform".¹⁵

To support the Stora Enso claim, a Rio Grande do Sul Senator, the famous local broadcaster Sergio Zambiasi, tried to change Brazilian law with a legislative project to decrease the border area from 150 km to 50km in the states of Rio Grande do Sul, Santa Catarina, Paraná and Mato Grosso do Sul. For Zambiasi, the frontier strip concept was "conservative" because it inhibited investments and made development strategies difficult, "especially in the southern states" of Brazil (Binkowski, 2009: 54-55). At this same time, four more politicians from Rio Grande do Sul tried to change the legislation on the frontier lands in the Chamber of Deputies in the National Congress. Even the State Governor, Ieda Crusius, went to Brasilia to negotiate with Dilma Rouseff, then Presidential Chief of Staff in Lula's government. According to Binkowski, the future Brazilian president, who had begun her institutional political career in Rio Grande do Sul, was favorable to the changes in the border strip legislation. Interested in attracting more investments, mayors and politicians of many municipalities close to the Brazilian border wanted a reduction in the area subject to limitations. In July 2008, the State Legislative Assembly organized a public audience to debate the proposed changes. Rather than endorse the proposals, the audience provided a platform for the many voices that supported INCRA's

¹⁴ <http://www1.folha.uol.com.br/folha/brasil/ult96u378648.shtml> and http://www.fsc-watch.org/archives/2008/03/07/Military_Police_viol

¹⁵ Interview done by telephone on 26th June 2012.

opinion and were against the legislation for changing the rules on investments in the border regions, including the National Defense Ministry Representative. In the wake of the public audience, the Senator Zambiasi withdrew his legislative project to decrease the border strip in the Senate Chamber. In 2008, Stora Enso closed its office in Porto Alegre and its research and purchasing land office in Rosario do Sul, where the company had planned the construction of a pulp mill (Binkowski, 2009).

Although the legislation was not to change, in 2009 the climate became more favorable to the Swedish-Finnish investments when the company went to negotiate directly in Brasilia. Against the opinion of the regional INCRA office and the Agrarian Development Ministry, the National Defence Council gave “prior consent” for Stora Enso to purchase the Fazenda Cerro Jacaqua, of some 170,6075 hectares in São Francisco de Assis, which lay within the Rio Grande do Sul border strip, a decision taken on 31st July, but published on 3rd August 2009 in the National Press.¹⁶ Since then an additional three Stora Enso purchases were approved, which, in the opinion of the INCRA Federal Prosecutor, M. Duarte, “opened the gates” for the expansion of Stora Enso eucalyptus plantations in the southern Brazilian border. For Duarte, the National Defence Council’s approval reveals the persistence of old-style military “developmentalism” and that, “when it comes money, it’s welcome, it doesn’t matter how much it costs. Money rules”.¹⁷

Real opposition to the Stora Enso expansion plans in Rio Grande do Sul was to come from Brasilia, in the Ruling nº LA-01 of the General Attorney of the Union (Advogacia Geral da União AGU), approved by President Luis Inácio Lula da Silva and published in the Official Press on 23rd August 2010, which has, in fact, constrained foreign investment projects in eucalyptus forestry. This ruling specifically limits foreign investment in frontier lands in addition to limiting the total amount of land that can be owned by foreigners in any municipality, which makes the large-scale plantation investments typical of the pulp industry unviable. In 2012, however, maneuvers in the Brazilian Congress pointed to the possibility of further changes which would favor Stora Enso’s expansion plans. On 13th June, 2012, the Federal Deputies’ Agriculture Commission approved a report that changed the Brazilian legislation, limiting foreign companies and foreign individuals from buying large tracts of lands. The limit, as of 2012, is now 100 fiscal modules in the case of companies and 50 modules for individuals. The text approved by the Brazilian Deputies’ Agriculture Commission proposes that Brazilian companies with foreign capital must be treated as Brazilian. The text also changes the need for an INCRA approval or license for a foreigner who buys up to four fiscal modules of land and who rents up to 10 fiscal modules. According to Duarte, it is still not clear if a Congressional law can change a Ruling of the General Attorney of the Union, which has the same status as a Ministerial decision.

The leftist Rio Grande do Sul state governor, Tarso Genro, from the Workers Party (PT), received a visit from foreign investors in February 2012, including the Stora Enso forest director, João Fernandes Borges, to discuss this issue. One of the main complaints of the business lobby related to the legal restrictions on foreign companies buying land since August 2010 in the wake of the Ruling of the General Attorney of the Union. In addition to the Stora Enso executive, Walter Lidio Nunes, the Brazilian director-president of the Chilean controlled company CMPC Celulose Rio-Grandense, which bought the pulp mill originally owned by the Borregaard¹⁸ group, was also present. They argued that three projects for the installation of pulp production units, involving a total of R\$6.5 billion in investments, were paralyzed because of the AGU Ruling, and these ventures could promote 120 thousand direct and indirect jobs. According to media reports, Genro was receptive to the

¹⁶ Diário Oficial da União. Seção 1. P.8. nº 146, segunda-feira, 3 de agosto de 2009.

¹⁷ Interview done by telephone on 26th June 2012.

¹⁸ From Borregaard, this pulp mill became Riocel, then Aracruz. Before it was sold to the Chilean group, it was Fibria.

businessmen's arguments.¹⁹ An article published in the specialized forestry media, the "Painel Florestal", on the challenges facing the pulp forestry sector in Rio Grande do Sul, confirms the political pressure of these companies, stating that "the businessmen are trying to reverse the Attorney General Regulation which blocks investments in this sector".²⁰

In May 2012, Stora Enso filed over fifteen administrative processes with INCRA, not including the 34 that had been previously filed, requesting authorization for the acquisition of rural land for plantation forestry. Regarding the other 34 processes already filed, the company has stated that it is gathering updated documentation to re-apply in accordance with INCRA's new authorization requirements and is requesting the National Defense Council's agreement. According to the Stora Enso biomaterials vice-president Otavio Pontes, the company now has 45,000 hectares of land in Rio Grande do Sul, of which 20,800 have been planted. The company's activities are currently restricted to the maintenance of existing plantations and the preservation of its farms in compliance with the environmental conditions specified in their licenses.²¹

3 Veracel Celulose and the Resistance Front in Eunápolis

Although Veracel Celulose S.A. claimsto be a Brazilian company, it is in fact the largest foreign-company landowner in Brazil,²² controlling 204,000 ha, according to the land register maintained by INCRA. It owns more than one third of Santa Cruz de Cabralia municipality, some 56,000 ha, and in Eunapolis it owns 48,000 ha of the 119,000 ha of municipal land. According to its demand for a license to expand its holdings, dated August 2007, the company has 172,982 ha of eucalyptus planted on land owned and leased in eleven municipalities in the south of Bahia: Eunapolis, Santa Cruz Cabralia, Belmonte, Porto Seguro, Itagimirin, Itabela, Itabebi, Guaratinga, Mascote and Santa Luzia. Its headquarters are in Eunápolis, where, in 2005, a 1.2 million-ton pulp mill began its operations. Since 2007, the company has been trying to obtain environmental licenses to increase milling capacity to 2.5 million tons per year and to plant a further 93,000 hectares of eucalyptus monoculture, increasing the influence and the company's activities to an additional six municipalities: Potiragua, Itarantim, Itapetinga, Maiquinique, Macarani and Encruzilhada.

According to João da Silva Neto, the State prosecutor, Veracel has no regular license for all this eucalyptus-planted area and has never accomplished the legally agreed constraints signed in 1996. What the company does have is the pulp mill/cellulose factory licenses. Nevertheless, on 14th March 2012, Veracel was granted a preliminary Bahia state license for its expansion goals. Before this, in October 2011, a report by the State Institute of Environment and Water Recourses (INEMA) rejected the Veracel expansion proposal pending further information.²³ The report criticized the fact that the EIA-RIMA presented by the company did not present a "clear demarcation" of the new areas where

¹⁹ RS: pólo papeleiro ainda está longe de ser uma realidade. *Painel Florestal*, 21/05/2012: <http://painelflorestal.com.br/noticias/celulose/15061/rs-polo-papeleiro-ainda-esta-longo-de-se-tornar-realidadelidade>

²⁰ RS: polo papeleiro ainda está longe de ser uma realidade. *Painel Florestal*, 21/05/2012 <http://painelflorestal.com.br/noticias/celulose/15061/rs-polo-papeleiro-ainda-esta-longo-de-se-tornar-realidadelidade>

²¹ Ibid. RS: polo papeleiro ainda está longe de ser uma realidade. *Painel Florestal*, 21/05/2012. <http://painelflorestal.com.br/noticias/celulose/15061/rs-polo-papeleiro-ainda-esta-longo-de-se-tornar-realidadelidade>

²² "Veracel possui maiores extensões de terra na Bahia: a concentração de terras em alguns municípios. <http://www.celuloseonline.com.br/noticias/Veracel+possui+maiores+extenses+de+terra+na+BA>

²³ On 8th February, a sociologist, Maria Auxiliadora Borges Ribeiro, who took part in this study, was exonerated, by her own will. According to Cepedes, in fact, she was "invited to leave" because of this study result. It's possible to find her exoneration in Diário Oficial do Estado da Bahia, 1 Executivo, Salvador, Bahia, quarta-feira, 8th February 2012, Year XCVI, nº20.775.

Veracel intended to expand its eucalyptus plantation. It only mentioned that the expansion would focus on areas of pastureland, but did not indicate precisely where these lands were. According to this report, the information was ambiguous and unclear because cattle ranching had increased without any control since the end of the 1980s, occupying what were previously cocoa production areas. The report asked for more information as a condition for granting the license. Nevertheless, the State Governor, Jacques Wagner, supported Stora Enso/Veracel's expansion plan and in November 2008 traveled to Sweden reassure Stora Enso shareholders²⁴ in a clear demonstration of the Bahia State government's support for Veracel's expansion. As a result, without receiving the extra information required by the 14th October 2011 report, the previous license was granted five months later.

In fact, Jacques Wagner has been following the Federal Government's strategy of changing the technical staff to ensure that environmental licenses are granted more quickly²⁵ to reach the targets of the Program for Accelerated Growth (PAC). Accordingly, Eugênio Spengler was appointed as the State's Environmental and Water Resources Secretary. In 2011, two official state environmental associations²⁶ made a public statement called "Environmental Disaster in Bahia", where they denounced the irresponsible management implemented by the Bahia State Environmental Agency. According to them, Spengler was responsible for the "disintegration and the fragmentation of the State environmental management structure."²⁷ The statement also declared the business links between Spengler and his former partner, Claudio Roberto Bertoldo Langone of the company "Paradigma Soluções Ambientais" and a Veracel consultant at this time, to be a matter of common knowledge.

These battles over licensing were no exception in Veracel's history in Eunápolis. Since the beginning of the pulp venture there, then called Veracruz Florestal and owned by Odebrecht, it has faced judicial problems in this region, mostly linked to its disrespect for environmental and labor laws. The first judicial battle occurred in 1993 and was the result of an environmental scandal that stirred public opinion only one year after the 92-Rio Summit. Contacted by Cepedes and the Teixeira de Freitas as Civil Rights Center, Greenpeace and the Brazilian NGO, SOS Atlantic Rainforest filmed Veracruz workers devastating large areas of one of Brazil's most threatened ecosystems, the Atlantic Rainforest, now covering only 7% of the territory.²⁸ Fifteen years later, in 2008, the company was condemned to pay a R\$20 million fine for cutting down some 33,000 ha of Atlantic Rainforest and obliged to cut every eucalyptus tree planted without license and replant with Atlantic Rainforest species. This sentence also nullified all the Veracel environmental licenses. It was immediately after this judicial sentence that Jacques Wagner traveled to Sweden to guarantee his support for the

²⁴ Bahia Negócios, 15/11/2008 <http://www.bahianegocios.com.br/sem-categoria/wagner-antecipa-viagem-para-a-suecia-principal-assunto-e-a-problematICA-do-meio-ambiente-na-bahia>

Bahia Negócios 14/11/2008

<http://www.bahianegocios.com.br/sem-categoria/Wagner-viaja-na-quarta-feira-para-a-suecia-a-fim-de-trazer-o-projeto-de-ampliacai-da-veracel>

²⁵ One reason for the removal of Marina Silva from Ministry of Environment.

²⁶ Associação dos Servidores do Instituto do Meio Ambiente e Recursos Hídricos (ASCRA) and Associação dos Especialistas e Fiscais do Grupo Ocupacional Fiscalização e Regulação (ASSERF), which represent the environmental public workers of Bahia.

²⁷ In June 2012, the Brazilian federal environmental officials went on strike, during the Rio+20, for more or less the same reasons.

²⁸ According Melquiades Spinola de Oliveira, a Cepedes founder member, no one knows what kind of contract or deal has been agreed between Odebrecht and the Federal Government to explore the huge Florestas Rio Doce, a Vale do Rio Doce Company property, then, a public enterprise. It was a huge federal area covered by Atlantic Rainforest which has been almost completely devastated by the Odebrecht company. Interview carried out in Eunápolis, 28 de maio de 2012.

extension of the plant. As of 2012, the sentence was paralyzed since Veracel's appeal was still under examination.

Judicial battles involving the Stora Enso joint-venture have multiplied and they have helped to strengthen Cepedes in its collective action. According to a survey carried out by Markus Kroger, Veracel had almost 900 legal cases against it in the courts as of November 2010.²⁹ According to Kroger, "Most of the cases, almost 800, are for different types of labor law violation. The remaining cases are criminal and civil suits, including irregular land occupation, money laundering and even political corruption" (Kroger, 2011b: 1). According to the State Prosecutor (from the Eunápolis State Public Prosecutor's Office), João Alves da Silva Neto,³⁰ Veracel shows signs of "activities typical of organized-crime" and despite its environmentally concerned style of marketing, has a trail of unpaid environmental and judicial debts.

After labor law violation suits, most of the judicial cases involving Veracel are related to irregular environmental licenses in relation to its own plantations and also to farmers who had signed rent contracts permitting Veracel to plant eucalyptus in their land. As of 2012 there are around 130 farmers with eucalyptus monoculture on their lands, but some of them also have their own plantations under judicial restraint because they do not have licenses to cut down the trees. According to Silva Neto, "all the farmers under contract to Veracel are in an irregular situation".³¹ At the time of the agreements between Veracel and these farmers, the Eunápolis mayor, Jediel Sepúlveda, had made a deal with Veracel and was subsequently criminally prosecuted. In exchange for a municipal tax advance payment, he named a trusted company official, Luis Carlos Scott on, to be municipal environmental secretary and municipal environmental council president. Scott on had granted irregular licenses to areas which were already planted. Now all these licenses for contracted eucalyptus plantations have been cancelled and Scott on was criminally prosecuted.

Corruption cases involving public agents are frequent. In 2009, Silva Neto himself received a visit from Roque Souza, the accountant of the company Multiplus. According to Silva Neto, "He [Roque Souza] stated that his account was used by Veracel to pay R\$130 million as a bribe to Bahia state authorities". Veracel has also paid its contractors through the bank accounts of contracted farmers, such as Sr. Arnold Prado, to hide its connections with these companies. Silva Neto confirmed that all the cases with evidence of "money laundering" were now in the hands of the Federal Public Prosecutor. Since 2007, Veracel is respondent to a lawsuit with the Federal Public Prosecutor for trying to take ownership of lands traditionally occupied by Indians, in collusion with National Indian Foundation (Funai) Officials and a farmer, in Barra Velha, a district of Porto Seguro.

Even the certification which Veracel received from the Forestry Stewardship Council (FSC) is contested by the Eunápolis Justice. The state prosecutor, João da Silva Neto, officially notified the certifier, SGS Qualifor, about the illegal situation of Veracel and the eucalyptus suppliers who had their licenses to plantations canceled. The SGS certifier had begun work in the region in May 2007, but only in July did it become known locally that the certification process was underway. Cepedes visited all the important institutions of the municipalities where Veracel operated, such as the City Hall, the City Council and the Public Prosecutor's Office and discovered that many of them had not even been contacted by SGS and did not know what the FSC certification was or the principals and criteria defended by FSC. During the certification process, the SGS did not accept the proposal for a field visit made by the numerous local organizations which make up the Extreme South Bahia Socio-Environmental Forum. After receiving a detailed letter signed by 347 entities denouncing the

²⁹ <http://maattomienliike.files.wordpress.com/2011/04/lawsuitsveracel2011.pdf>

³⁰ Interview carried out in Eunápolis, 29 May 2012.

³¹ Interview carried out in Eunápolis, 29 May 2012

impacts, irregularities and illegalities of Veracel's activities, the FSC announced that it would carry out an audit on the work done by SGS. However, on 13th March 2008, just before the FSC visit which was planned for the end of that month, the SGS announced that it had granted the green certificate to Veracel. In the FSC audit, many acts of non-conformity with the Council's criteria and principles were recognized but Veracel's green certificate has not been revoked. This decision was internationally criticized, and the battle to suspend the Veracel FSC certification continues. According to Cepedes, SGS Qualifor's suspension as an FSC certifier has been confirmed.

4 Irregular Lands: A Brazilian Social Injustice Heritage Gift to the Pulp Sector

Brazil has 850 million hectares and one of the most extreme land concentrations in the world, keeping the Gini Index registering around 0.85 in the last 40 years, with some 1% of the land owners accounting for 46% of all the agriculture land.³² In addition to this land monopoly, the unfair access to common natural resources is aggravated by what Delgado (2010) has identified as a fundamental weakness of land legislation in Brazil. This refers to the relative inability of the Brazilian state to supervise and regulate the land market with respect to the principle of the social function of land ownership. According to the Agrarian Law, all non-productive lands may be expropriated for agrarian reform and the National Rural Registry System (SNCR) calculates that there are some 120 million hectares of unproductive lands in Brazil. Since the end of dictatorship in the eighties and the rise of the land struggle in the country, much research has pointed out that most of the landless settlements were only achieved through the land occupations carried out throughout Brazil by social movements (Carter, 2010). Moreover, the Brazilian State and its 27 Federate Units do not know exactly how much of its territory has been detached from public patrimony through privatization (Wilkinson et al, 2012). Many states, even those most developed, such as Minas Gerais and São Paulo, have a significant portion of their public lands illegally taken over or "griladas" as this process is known.³³ Generally such lands would be illegally grabbed by a farmer through corruption, with the local Land Registry's permission, very often after small peasants or indigenous communities have been evicted. Delgado shows that, according to SNCR, there are 172.95 million ha which are devolved or "devolutos", referring to public lands that are not claimed or regulated by the Brazilian state. The sum of the unproductive areas and the public lands represents 34% of the national territory, which could in principle be allocated for an agrarian reform. A rare survey carried out by an INCRA official focusing on the lands of 21 Southern Bahia municipalities identified 846,291.55 ha of public land. The region as a whole has 3,064,678.75 ha, and so 27.6% of the land in the extreme South of Bahia is public. The biggest landowner in this region, Veracel, must therefore have bought a lot of areas under irregular conditions.

An illustrative example of this kind of deal is provided by the two purchase and sale deeds between the nine heirs of Luciano José Santana and Veracel. They sold the company two untitled lands of 582ha, eight untitled lands with 1,627 ha in total and one, INCRA registered, farm with 1,532 ha, which is declared in the Federal Revenue as having 1,713 ha. In the contract, Veracel, ensures its rights in the following manner: "In the case of the Purchaser considering it necessary the Sellers are obliged to supply all the documents for the regularization of the properties, including entitlement and registration with INCRA".

The pervasive irregularities in Brazil's land tenure system also provide fertile grounds for the struggles for agrarian reform. According to Cepedes, in 2012 there were around 14 landless

³² See http://www.ibge.gov.br/home/presidencia/noticias/indice_de_gini.shtm, visited on May 1st 2013.

³³ One of the main MST struggles has been in the Pontal do Paranapanema, in the west of the State of São Paulo, where since the end of the 1950s there was a final judgment decreeing more than 1 million ha in this region as public land. In 2003, there were 52 State São Paulo public land lawsuits in São Paulo State, 14 already judged in first instance and two confirmed in the Court of Justice.

encampments in areas of the Veracel company. In five of these cases, Cepedes has no contacts with the organizers and does not even know which “landless flag” has organized them. Eight of them were organized by two MST “brigades” (the name the organization gives to their grassroots coordination) and one of them was organized by the MLT, the “Baixa Verde” Camp. All these Veracel areas are in this southern Bahia region, close to Porto Seguro, where the first Portuguese vessels arrived in 1500.

After the social movements had occupied some of the Veracel lands, it was shown that at least two of the encampments involved large portions of public lands. One of these, called “Fazenda São Caetano” has been occupied since 2008 by MLT. The area sold to Veracel had 1,995 ha, but in the course of the political pressure exerted by the landless movement through the occupation, Bahia state authorities discovered that 1,385 ha were in fact public land. The same situation was discovered in a settlement already consolidated by the MST in Porto Seguro, the “Cerro Azul”, where 800 of the 2,000 ha were public. The judicial process of land discrimination is sluggish and by 2012 had still not been completed, delaying the development of the settlements in both places. The families still live in black plastic tents with no rights to public credit for the construction of their houses or for production.

According to Kröger (2010), since 2004, the pressure exerted by MST, Via Campesina and smaller landless movements, such as the MLT through protests and land occupations has become “an integral part of the political games involving corporate exploitation of natural resources”:

As the government has been funding large-scale company investment projects, no federal government is willing to utilize money voluntarily for buying sufficient land for the landless or channel technical and production support through state institutions for instigating national agrarian reform. The Brazilian Land Reform Institute (INCRA) is institutionally weak and is not provided enough resources by the government (Wolford, 2010). In this setting, MST has created participatory democratic interaction, providing essential services for the execution of land reform policy (Wolford, 2010). The MST protests and involvement in the political games largely intermediated by the state are essential for assuring that the government liberalizes funds for land purchases (Kröger, 2010; 2011). Thus, from an environmental justice perspective, MST considers their occupations of Veracel lands as legal and justified, as monoculture tree plantations do not fulfill the social purpose requirements. The MST and their allies claim that the titling of sizeable part of these lands is invalid (terra devoluta=state land illegally grabbed in the past by land speculators and sold to Veracel to avoid forthcoming state appropriations), and should not have been acquired. The plantation setting increases land prices, rendering it more expensive for INCRA to buy land.

Kröger, 2010; Kröger&Nylynd, 2011: 78

Faced with these mobilizations, Veracel proposed a deal with the Bahia State Government, INCRA and the Landless Movement, promising to give away land to all the families who had taken part in land occupations up till July 2011 and to provide technical assistance to the resettlements to be established in the area. A resettlement project had already been drawn up by Esalq/University of São Paulo (USP) researchers. Paulo Kageyama, one of the researchers, is a specialist in the conservation of tropical ecosystems and the restoration of degraded areas and a creator of the "Sustainable Settlements", already implemented in Prado, in the Extreme South of Bahia, in combination with the State Government, the MST and Fibria, the Stora Enso partner in Veracel.³⁴

³⁴<http://www.ideiasustentavel.com.br/2012/05/lancamento/> and <http://bahia-ja.jusbrasil.com.br/politica/7138883/projeto-de-assentamentos-sustentaveis-ganha-vida-no-extremo-sul/relacionadas>

Melquiades Spinola de Oliveira, a Cepedes founder member, is fearful of the Veracel landless settlements project:

The goal for these companies is to expand their business and for that they need to obtain certification, which depends on the fulfillment of social and environmental criteria. On social questions Veracel has always been very bad. They have always used money for social and environmental initiatives as a form of marketing. I am afraid that companies like Veracel will use the landless workers simply to improve their image for the certifiers, with the goal of getting the green seal.³⁵

On May 30th, 2012, the gas station “Pau Brasil”, at the entrance of Itabela, a small southern town of Bahia, was chosen as the meeting place for the proposed deal between the social movements and Veracel. On one side, was Jerônimo Christo, a Veracel forest engineer, for whom this was “a historical day”. On the other, were two MST coordinators, Luciano Fernandes Pereira and Joelma Ambrosini. With the help of a map, Christo and Joelma went from the gas station to check the perimeter and the size in hectares of five of the eight MST landless camps that were occupying Veracel land. The day before, the Veracel staff had done the same with Edcarlos da Silva, 33, or “Preto”, the MST coordinator of three other MST camps organized in the year before.

The MST Encampments on Land Claimed by Veracel

Name ³⁶	Date of creation	Approximate number of families
Gildasio Sales Camp	4/12/2008	120
25 anos Camp	28/02/2011	350
Irmã Dorothy Camp	28/02/2011	135
Margarida Alves Camp	03/04/2011	460
Adão Preto Camp	20/04/2011	80
Nazareth Camp	14/03/2011	120
Estrela Camp	6/08/2009	80
Irmã Dulce	16/04/2011	100

In the opinion of the MST, INCRA cannot buy or expropriate land in the region because of the higher prices, a consequence of the land purchases already carried out by the pulp/forestry ventures. According to one of the MST regional coordinators, Edcarlos da Silva, “Preto”, Veracel should provide “social compensation to the municipalities where they have eucalyptus plantations, since so far in this region, they have done little or nothing. The MST has demonstrated to Veracel that they need to organize the rural families who have been expelled and help to bring them back”.³⁷

In all the four landless families’ camps visited it was possible to see plantations, mainly of manioc but also of corn. The MST coordinators say that the landless workers also plant banana, passion fruit, beans, watermelon, pumpkin, okra, maxixe, cabbage, onion and a range of horticultural products. Each family has the right to plant a small portion of the camp area for subsistence and for sale to the

³⁵ Interview carried out in Eunápolis, 28 May 2012.

³⁶ Each MST camp decides the name it will be known by. The activists and MST leaders often honor someone dead who has been important in the agrarian land struggle. Among these, there are a local MST activist Gildasio Salles, a Federal Deputy very close to MST, Adão Preto, and two martyrs of the struggle for land Irmã Dorothy and Margarida Alves. Irma Dulce, the most popular of all, known as the “good angel of Bahia”, was born in Salvador, where she was involved in many charity and social works and even defended workers rights from the catholic point of view. She was beatified by Catholic Church in 2011. The “25 Year Camp” honor the 25 years of MST organization in Bahia.

³⁷ Interview carried out in the 25th Years Camp, Eunápolis, 29th May 2012.

local markets. According to the interviews carried out, most of the families living there had moved to urban areas only a short time ago. Olinto José da Silva, camped in the huge Margarida Alves Camp, was the founder of Itabela Rural Workers Union in 1989. However, before coming to this camp he was a seller for an illegal but quite popular Brazilian lottery game controlled by local mafias. The son of a small farmer who had to sell his land, Silva has worked all his life for other farmers, but recently was not able to find a job in the countryside. As a father of 18 children, he used to work by day, without any labor rights, as do probably most of the landless workers in this region. Nevertheless, life got worse after Veracel's entrance into the region, because the old landowners sold their land and the Veracel plantations do not need so many workers.

When the cellulose companies were receiving financial incentives to establish themselves in the region in the early nineties, papaya was "the mainspring of the local economy" and, without any financial help from the State was responsible for 1.5 jobs per ha.³⁸ By contrast, in 1992, Bahia Sul Celulose, then owned by the Suzano and Votorantin Groups, had received US\$1.362 billion and controlled 127 thousand ha where only 1 worker was needed for every 37 ha.³⁹ According to a recent NGO study, the figure is still the same in 2012: Veracel Celulose created only one direct job per 37 ha, even when the number of pulp mill workers is included. Today, coffee is the other cash crop in the region and is able to create 1 direct job for every ha.⁴⁰

Much of the economic modernization in the region has been the result of the BR-101 Federal road construction beginning in the seventies. The first to arrive, according to Ivonete, the Cepedes coordinator, were the "capixabas" loggers, from the southern neighboring state, Espírito Santo, who used to cut only the large trees, more valuable for wood. After these came the cattle farmers, indiscriminately cutting down the Atlantic Rainforest in their areas. Since this was not intensive production, the farmers would leave some of the native vegetation, but with the crisis of cocoa, the traditional product in the region, the cattle areas, and consequently forest devastation, expanded significantly without any state regulation. In the nineties, at the same time as the arrival of the pulp sector, another type of development, also connected with the BR-101 Road, initiated a profound transformation of southern Bahia—the discovery of Porto Seguro as a tourist destination. Population growth has increased sharply. From 1980 to 1996, the southern Bahia population increased from 456,463 to 602,903, most of which occurred when Veracel and other pulp companies were beginning to become established in the region. According to Raykil (2005), the Eunápolis municipality lost 7,000 rural families from 1996 to 2000. By contrast, the Eunápolis urban population increased by 75,759 habitants, with 88.1% of the municipality concentrated in the urban area in 1996 and increasing to 91,085 thousand habitants in 2004, with 94.1% of the population concentrated in urban areas.⁴¹

The impact of a pulp plantation takes a certain amount of time to work its way through, but it is quite evident in the changed landscape and in the decrease of population in the areas where they are implanted. According to research carried out by Veracel and disclosed by the World Rainforest Movement, most of the 800 people on one Veracel property had to leave their houses, thereby also losing their livelihoods. In Santa Cruz de Cabralia, of the 193 workers and employees on a property

³⁸"Mamão é mola mestra da economia local". Folha de Santa Cruz, fevereiro de 1993 and Euclides Sena newspaper column, published in the Jornal do Sol, nº 21, 1 a 15/05/93, where the journalist reports the Seminar: "Eucalyptus-Pulp: development for whom?", organized by 67 southern Bahia entities.

³⁹Ibid.

⁴⁰ Overbeek, Winfridus ; Kröger, Markus; Gerber, Julien-François. An overview of industrial tree plantations in the global South: Conflicts, trends and resistance struggles. July 11th 2012. Ejolt – Environmental Justice Organization Liabilities and Trade. Mapping Environmental Justice. <http://www.ejolt.org/2012/06/an-overview-of-industrial-tree-plantations-in-the-global-south-conflicts-trends-and-resistance-struggles/>

⁴¹<http://www.cepedes.org.br> e Cf. SEP, 1998.

bought by Veracel, only 56 are left. In this same area there were 240 residents, but in 2012 only 14 were left. In Porto Seguro, the number of workers/employees on Veracel lands had decreased from 88 to 2, and the number of residents fell from 138 to 9.⁴²

From the MST's point of view, the agreement with Veracel was not the result of the company recognizing its responsibility for the rural exodus which has occurred over the last period. "There's no doubt that we've got that deal because of the landless families, the MST and other landless movements' capacity to organize the families to confront them", said Preto, "This agreement is a result of the rural land movements' ability to mobilize families to occupy land in this region".⁴³ He believes that Veracel will make a deal with the State, so the lands that they will surrender to the landless movement will serve to acquit the fines which the company has never paid to Federal and Regional Justices.

The MLT coordinator, Juenildo Oliveira Farias, "Zuza", is quite skeptical about the Veracel proposal and its offer to support the landless settlements. "It's another Bahia State Government and Veracel smokescreen to cheat the social movements". He would like to believe that he was wrong, but after three rounds of negotiations, according to him, "they haven't made any objective proposal to us". He explains that Veracel had said only that it would not bring a lawsuit to evict the families who have occupied lands since June 2009. "This is not the same as saying that they will surrender the land".⁴⁴ And in the case of their camp, the "Baixa Verde", the agreement does not have any consequences since 1,333 of the 1,943 ha of the old "Fazenda São Caetano" have been administratively recognized as "devolutas", or public Bahia state lands, since 2009. The company cannot evict them, because the MLT also won civil possession of the land in 2010 in the second judicial instance. So, as Zuza notes, "they can't bother us".⁴⁵ However, instead of legalizing the MLT camp situation and beginning the project of construction and support for the settlements in line with the Esalq/USP consultancy, the Bahia government has not come forward with any concrete proposal for the MLT camp, the only landless camp which is organized on a recognized piece of public land and it's still formally a Veracel property. The MLT is still waiting for a final court judgment which will allow the land to be demarcated and only then can the State hand over the land to the families.

Rather than seeing the light at the end of the tunnel, the MLT landless families began to confront another problem after their victory in the Court of Justice, in Salvador. The Rural Workers Federation (Fetag) brought families to occupy the farm where then MLT families were already installed which has led to serious conflicts involving the theft of crops and death threats. To guarantee their rights to the land, Zuza has reported every incident to the police. In a public hearing, done on 13th November 2012, with the presence of INCRA Agrarian Hearing, Bahia military police and Bahia State officials and MLT, one of the Fetag leaders said that Veracel had offered that land to them and they accepted. Although no concrete measures were taken up by the police to investigate the conflicts, it seems that the MLT Camp has the support of the community of Ponto Maneca, one of the last remaining Eunápolis rural villages, which is close to them. On the day of the field visit, a group of MLT landless workers was harvesting cassava for delivery to a small farmer cassava mill of the community, owned by Maria D'Ajuda Jesus Santos and her husband Cielio Paiva. She confirms: "The Fetag came here just to mess things up. The people under the Fetag flag only destroy and uproot eucalyptus, they don't plant".⁴⁶

⁴²World Rainforest Movement. Promessas de emprego e destruição do trabalho: o caso Aracruz Celulose no Brasil, Uruguai, 2005. <http://www.wrm.org.uy/paises/Brasil/fase.pdf>

⁴³ Interview carried out in the 25th Years Camp, Eunápolis, 29th May 2012.

⁴⁴ Interview carried out in Baixa Verde Camp, Eunápolis, 30th May 2012.

⁴⁵ Interview carried out in Baixa Verde Camp, Eunápolis, 30th May 2012.

⁴⁶ Interview carried out in Ponto Maneca, Eunápolis, 31st May 2012.

In fact, some of the 85 families who are members of the MLT camp are from Ponto Maneca. The village was formed in 1960, when the state government settled 180 small land squatters. “There was a movement here”, explained Adiel Angelo Pereira, 55, one of the 11 Maneca offspring, the land squatter who gave the name to the community. Pereira has raised his three children in his father’s land, but is now trying to get his own plot. He and two other brothers are members of the MLT Baixa Verde camp, which is on the top of a hill surrounded by a eucalyptus plantation. Living with Pereira was his small grandchild, the fourth generation of “the Manecas” once more in the struggle for a “dream land”. Another landless member of this camp, Ciro Souza da Silva, 42 years old and married with three children, was born in Fazenda São Caetano. He is the son of a rural worker who worked for more than 44 years for Aroldo Lima, the farmer, who sold the land, part of it public, to Veracel.

Nowadays only 40 families of the original “Ponto Maneca colony” are left. The rest sold their land to the agribusiness. The community, which has 23 “farinheiras”, cassava mills, even a communitarian one, has been seriously affected by the eucalyptus plantation. Some have had to sell their land, like A.V.S, who sold the land where he worked with his 8 brothers, because their small property of 29 ha had been surrounded by the eucalyptus plantation.⁴⁷

Maria D’Ajuda Jesus Santos, who owns a manioc mill which produces 50 bags of flour (50kg each) a day took an active part in the community resistance to the expansion of the eucalyptus plantation in Ponto Maneca. In 2008, the very same area where she and her husband Cielio Paiva today rent around 20 ha to plant manioc was sold to Veracel, provoking concern in the community over their future. The rural community association went to seek aid from Cepedes. They asked Ivonete to help them to prevent more eucalyptus plantations there and she said: “We can help you, but it’s only you who have the power to prevent it”.⁴⁸ They gathered support from the Eunápolis Council, other associations and even the Bank of Brasil, and in one meeting, remembers Ivonete, the oldest women of the community, Maria Senhora, warned Veracel representatives: “If you plant eucalyptus during the day, we will pluck up in the night, if you plant it during the night, we will pluck up in the day”.⁴⁹

According to Ivonete, women were the leaders of the movement. Maria D’Ajuda owns a rural property and a manioc mill which provides work for 7 members of her family (she, her husband, three of his four children and two sons-in-law), and a further 10 fixed workers in the cassava mill, in addition to the seasonal workers on the plantations. She explained that she mobilized because she blamed Veracel plantations for all the bad changes in Ponto Maneca. According to her, the eucalyptus plantations have affected cassava production because the lands have been diminished. “We lost space to work, because the small farmers sold their land and left for the town. On the land sold there is no longer any manioc, only eucalyptus”.⁵⁰

Together with the decrease in the population of the rural communities, a climate of violence has emerged. Before, she remembers, they could sleep with the house door open. Now, almost everybody in the Ponto Maneca community has been robbed. Maria D’Ajuda’s family was assaulted in her own house in 2008, and the bandits even stole a truck filled with manioc from one of her neighbors early in the morning. Confronted by these negative effects of the Veracel presence in the region, the community united and did not allow the company to plant more eucalyptus and even

⁴⁷ Souza, Ivonete Gonçalves, Overbeek, Winfridus. Violações socioambientais promovidas pela Veracel Celulose, propriedade da Stora Enso e Aracruz Celulose: uma história de ilegalidade, descaso e ganância. São Paulo: Expressão Popular, 2008.

⁴⁸ Interview carried out in Eunápolis, 31st May 2012.

⁴⁹ Interview carried out in Eunápolis, 31st May 2012.

⁵⁰ Interview carried out in Ponto Maneca, Eunápolis, 31st May 2012

obliged it to sell the land. “From then on we realized that we have this right. If we knew before, they wouldn’t have planted all those eucalyptus here”, said Maria D Ajuda.⁵¹

The Ponto Maneca example has inspired other communities to resist, like Colonia, which came to Ponto Maneca and Cepedes asking for support. Cepedes helped them to look for support from the Eunápolis City Council, the State Public Prosecutor and they succeeded in halting the eucalyptus plantation in the “Fazenda Japonesa”, an area which was already prepared for planting. In União Bahiana, a district of Itagimirim, Veracel has recently been obliged to leave some land to a community cassava plantation and has had to help the municipality administrator to construct a manioc mill.

D’Ajuda explains where the willingness to fight against more eucalyptus plantation comes from: I left the town to raise my children in the countryside. I’ve succeeded. I raised my four children. I’ve married my daughters to good working men. My smaller son is 24 and thank god has never gotten involved with drugs. I want to leave a good place for my grandchildren. If we don’t do this kind of movement they won’t get it. They will go to the city too, become drug dealers, prostitutes, this kind of thing.⁵²

5 Conclusion

The large-scale monoculture agribusiness model is perhaps nowhere more clearly represented than in the eucalyptus plantations of the pulp and paper industry. Huge areas of contiguous plantations with very low demand for labor per hectare dramatically transform the rural landscape. Stora Enso is a particularly aggressive example of the transnationals, who along with leading Brazilian firms, dominate this sector. It mobilizes and pressurizes all branches of Government – federal, state and municipal – and suborns or intimidates local communities and other actors who stand in their way. It was even able to acquire green credentials within the global certification system. In addition to confronting such firms, social movements and community mobilizations must also confront the violent repression of the “forces of order” who don’t hesitate to attack women and children.

Nevertheless, our analysis of resistance to Stora Enso’s investment strategies both in the States of Rio Grande do Sul and Bahia has identified motives for cautious optimism. Civil society organizations in Brazil now have a long history of agrarian and environmental activism and have established roots in local communities. Rural social movements have also accumulated experiences and competencies which allow them to counter the strategies of these firms and their allies at different levels of government and define the public agenda of debate.

Most important, perhaps, is a further conclusion which we can draw from the above narrative – the State in democratic societies is no monolith. Different segments of the State apparatus internalize different and opposing programs emerging from civil society, and consequently social movements and local resistance can find allies within the State even when, as in the case of both these examples, State governors fully identified with the firms investment plans. At the level of the Federal Government, openings can also be exploited since measures taken for strategic reasons of national interest may not coincide with sectoral interests, however powerful they may seem to be. Although in its planning priorities the Federal Government has encouraged the expansion of the pulp and paper industry land investments, its broader concern with foreign land investments has led it to curtail the scale of foreign investments to a level which in the case of the pulp and paper industry plantation model threatens its expansion strategies.

⁵¹ Interview carried out in Ponto Maneca, Eunápolis, 31st May 2012.

⁵² Interview carried out in Ponto Maneca, Eunápolis, 31st May 2012.

In spite of their unquestioned power, transnationals such as Stora Enso can still be the object of effective resistance to the extent that the accumulated experience of social movements and civil society organizations is able to identify fractures and different interests and objectives within the State apparatus and mobilize these in favor of the local communities under threat.

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A convergence of factors has been driving a revaluation of land by powerful economic and political actors. This is occurring across the world, but especially in the global South. As a result, we see unfolding worldwide a dramatic rise in the extent of cross-border, transnational corporation-driven and, in some cases, foreign government-driven, large-scale land deals. The phrase 'global land grab' has become a catch-all phrase to describe this explosion of (trans)national commercial land transactions revolving around the production and sale of food and biofuels, conservation and mining activities.

The Land Deal Politics Initiative launched in 2010 as an 'engaged research' initiative, taking the side of the rural poor, but based on solid evidence and detailed, field-based research. The LDPI promotes in-depth and systematic enquiry to inform deeper, meaningful and productive debates about the global trends and local manifestations. The LDPI aims for a broad framework encompassing the political economy, political ecology and political sociology of land deals centred on food, biofuels, minerals and conservation. Working within the broad analytical lenses of these three fields, the LDPI uses as a general framework the four key questions in agrarian political economy: (i) who owns what? (ii) who does what? (iii) who gets what? and (iv) what do they do with the surplus wealth created? Two additional key questions highlight political dynamics between groups and social classes: 'what do they do to each other?', and 'how do changes in politics get shaped by dynamic ecologies, and vice versa?' The LDPI network explores a range of big picture questions through detailed in-depth case studies in several sites globally, focusing on the politics of land deals.

Impact of Restrictive Legislation and Popular Opposition Movements on Foreign Land Investments in Brazil: The Case of the Forestry and Pulp Paper Sector and Stora Enso

The Southern Cone countries have become the leading focus of global investments in the forestry and pulp paper markets. In this paper, we analyze the impacts of these investments on local communities and the opposition movements that these have provoked, through a focus on a leading foreign firm in this sector – Stora Enso. This firm is active in both of the major investment regions in Brazil – the State of Bahia and Rio Grande do Sul – and is an ideal case for studying these opposition movements. These opposition movements include a wide range of actors from social movements, NGOs, and local populations to different actors in the public sector and have been a decisive factor in frustrating investment plans in the sector. We also analyze the way in which pulp and paper investments have been affected by, and are responding to, Brazil's restrictive legislation on foreign land investments, and here again Stora Enso is an ideal case. Through an examination of both these aspects, we show how combinations of public regulation and social movements can prove effective against leading transnationals, while at the same time capturing the ways in which such transnationals are permanently repositioning their strategies to adapt to and accommodate both regulatory restrictions and social movement opposition.



landpolitics@gmail.com

www.iss.nl/ldpi