

# Territorial diversity and inclusive growth: development dynamics in the Jiquiriçá Valley, Northeast Brazil

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## 1. Introduction

The Jiquiriçá valley in Bahia in Northeast Brazil has since the 1960s seen the consolidation of a development pathway substantially based on family farming. Small farmers have increased and sustained production of a diverse range of commercial crops, and during the 1990s, unlike many other rural territories in Brazil, incomes grew whereas poverty and inequality declined.

The investigation reported here forms part of a programme of the research programme on Rural Territorial Dynamics in Latin America<sup>1</sup> and responds to its overarching research questions:

- What determines successful territorial development – understood as development dynamics characterised by a localised virtuous cycle of economic growth, social inclusion and environmental sustainability?
- What sort of interventions - including but not restricted to public policies – can be effective in stimulating or promoting more successful territorial development?

The hypothesis the research sought to test is that there is a direct connection between socially inclusive growth and the predominance of family farming. The study examined the inter-relationships between the principle exogenous drivers of change and endogenous factors in determining development trajectories and outcomes in the valley from 1990 to the present in order to determine the factors responsible for bringing about development outcomes combining growth, with reductions in poverty and inequality, and to understand the impacts on environmental sustainability.

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<sup>1</sup> A researched based programme for policy advice and capacity building, the RTD programme aims to understand the conditions under which successful rural development can take place. The programme is coordinated by RIMISP, the Latin American Centre for Rural Development, based in Santiago Chile, and funded by IDRC Canada





**Fig. 1. Jiquiriçá valley:**  
municipalities in the river basin  
and the *Território de Identidade*  
(source: CIVJ 2002)

Legend

River Jiquiriçá  
Boundary of *Território de Identidade*  
Boundaries of river basin municipalities

## The Vale de Jiquiriçá

The Jiquiriçá valley is a river basin in central Bahia, approximately 240km from the State capital Salvador. The middle and upper valleys together form one of 26 groupings of municipalities in Bahia designated by the State and Federal governments as a *Território de Identidade*, considered as a result of a national process of consultation to have a broadly shared social identity, and to provide a geographical focus for establishing greater social accountability in policy and planning with the aim of increasing benefits for the rural and urban poor<sup>2</sup>. This state-designated territory comprises 21 municipalities,

<sup>2</sup> Since 2003 Brazil has adopted a territorial approach to rural development, led by the Secretariat for Territorial Development (SDT) within the Agrarian Development Ministry (MDA). This involves establishment of collegiate planning bodies (*Colegiados*) involving civil society, municipal authorities and state agencies in groups of municipalities considered to have broadly common socio cultural identity, economic and environmental features (MDA 2005). In 2004 - 2007 MDA



and is 12,462 km<sup>2</sup> in area. The population is 53.7% urbanised, and grew from 317,053 in 2000 (IBGE 2000 Census) to an estimated 335,580 in 2006 (SEI, Governo da Bahia). Agriculture is the principle source of income and livelihoods, and an estimated 100,000 people, almost a third of the population, depend directly on family farming (Olalde et al 2007). The Jequiçá valley is extremely diverse agro-ecologically, comprising distinct tropical forest and semi-arid zones separated by an intermediate transition belt, producing a great variety of agricultural crops, alongside livestock, in a variety of arrangements including both traditional large estates and small and medium scale family farming. However, the service sector makes the greatest contribution to economic activity and to formal employment.

## Conceptual framework, research questions and methodology

The conceptual framework for the research is broadly that adopted by the Rural Territorial Dynamics programme, focusing on the role of social relations in shaping dynamic outcomes of development processes, including the relations between social actors, assets and institutions. Within this broad perspective, the research focuses on identifying and understanding the exogenous and endogenous drivers and proximate causes of social, economic and environmental change, the development of social capital (Putnam 1992, Bourdieu 2001) and the roles played by emergent coalitions of social actors in influencing institutional change (North 1990) and policy bearing on development dynamics. This framework is supplemented by an social geographical understanding of territories as more or less discrete spatial fields (Santos 2006, Bourdieu 2005) constituted by overlapping and interconnected networks and power relations amongst actors at different scales (Raffestin 1980, Haesbaert 2004), in order to understand the multiple trajectories (Massey 2005) observed, the fit between development dynamics and territorial administrative and planning units (Sack 1986) and the policy implications.

The Jiquiriçá valley was selected for investigation following a national mapping exercise commissioned by the RTD program from a group of three territories in Bahia found to contain clusters of contiguous municipalities displaying positive development trends combining economic growth, and reductions in poverty and inequality decade reflected in trends in the evolution of census indicators for 1990 – 2000<sup>3 4</sup> A cluster of ten contiguous

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financed establishment of *colegiados* in 8 rural territories in Bahia - not including the Jequiçá valley, and encouraged formation of CET - *Coordenação Estadual dos Territórios* with which designated 26 territories covering the entire state. In 2007 a Workers Party (PT) led Bahia state government adopted the same spatial units for planning purposes, and to assist the establishment of *colegiados* and participatory rural development plans in the other 18 territories not supported by MDA.

<sup>3</sup> Reported in Favareto and Abramovay (2009). The mapping exercise tracked changes in average per capita incomes (as a proxy for growth), poverty levels, and Gini index for incomes (as a measure of inequality) to identify which municipalities achieved positive changes in all three of these areas and how these municipalities were clustered geographically. The results for Vale de Jiquiriçá are shown in Table 1 and in Figure 2.

<sup>4</sup> The Jiquiriçá valley was selected because of its relative ease of access from the state capital Salvador and consequently feasibility of research, and the likelihood that the municipalities concerned showed positive development outcomes based



municipalities displaying increases in average incomes, reductions in poverty and reductions in income inequality fall into the government designated *Territorio de Identidade*, as indicated in Figure 2.

At the outset a preliminary overall hypothesis and set of related questions were formulated to explain the Jiquiriçá valley's apparently good performance. The main proposition was that prosperity and poverty reduction resulted from good access to productive land and to growing markets for cocoa and a wide range of tropical crops by large numbers of small farmers, in combination with the impacts of progressive social policies. The study examined the respective roles of the development of agricultural markets, agrarian structure, and social policies in shaping successful rural development trajectories, and enquired into the specific contributions of emerging coalitions of social actors in bringing about institutional change in the Jiquiriçá valley, and the impacts of the development process on the natural valley's natural resource base and its overall sustainability.

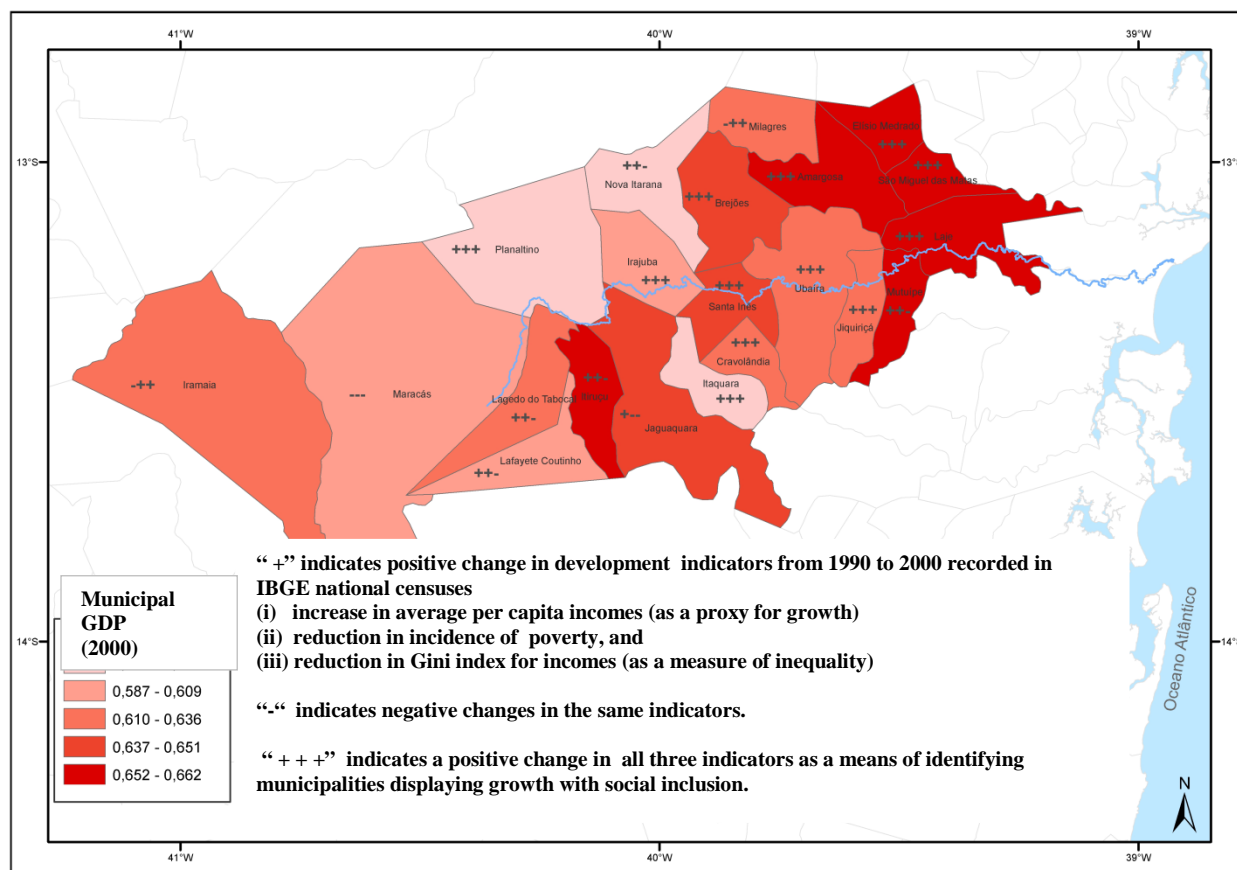
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to some degree on a common, endogenous development process linked to their specific features. Positive outcomes in other candidate clusters of municipalities in Bahia were considered to result from primarily from external drivers such as large inputs of public finance following creation of new municipalities and rapid growth in employment in the mining sector. The Jiquiriçá valley was confirmed as the best research site following a rapid reconnaissance visit in March 2009 to assess logistical feasibility of the research and willingness of key actors in government and civil society to participate.





**Fig 2. Changes in development indicators 1990 -2000 and Human Development Index (2000) for Municipalities of the Jiquiriçá valley**



Sources: IBGE census 1990 and 2000; UNDP Human Development Atlas 2000; map prepared by Projeto GeografAR, Geosciences Institute, UFBA

The investigation began with a series of visits to the principal towns, sub –regions and associated rural areas for a set of semi structured interviews with farmers and with development actors in local government and civil society combined with an analysis of available literature and secondary data for all 21 municipalities comprising the *Territorio de Identidade*. This confirmed significant diversity in natural resources and development outcomes in the valley while revealing a cluster of six municipalities in the forest belt (Amargosa, Laje, Sao Miguel das Matas, Mutuípe, Jiquiriçá and part of Ubaíra) which displayed a common development dynamic and convergent outcomes of growth and reductions in poverty and inequality, based on high agricultural potential and broad based access to land, with cocoa as the principle cash crop. This region was also a common geographical frame of reference for many informants consulted.

**Table 1: Municipalities of the Jiquiriçá valley, changes in development indicators 1990-2000 population and general characteristics**





Municipalities	Changes in development indicators 1990 – 2000*	Population (2000)	Environmental characteristics	Urban / rural population balance
Amargosa	+ / + / +	31,108	Forest	Urban
Brejoes	+ / + / +	15,344	Transition	Rural
Cravolândia	+ / + / +	5,001	Transition / Forest	Urban
Elisio Medrado	+ / + / +	7,860	Forest	Rural
Irajuba	+ / + / +	6,362	Semi-arid	Rural-urban
Iramaia	- / + / +	17,553	Semi-arid	Rural
Itaquara	+ / + / +	7,861	Transition	Urban
Itiruçu	+ / + / -	13,538	Transition	Urban
Jaguaquara	+ / - / -	46,621	Transition	Urban
Jiquiriçá	+ / + / +	13,638	Forest	Rural-urban
Lafayette Coutinho	+ / + / -	4,102	Transition	Rural-urban
Laje	- / + / +	19,601	Forest	Rural
Lajedo de Tabocal	+ / + / -	8,100	Transition / Semi-arid	Urban
Maracás	- / - / -	31,638	Semi-arid	Urban
Milagres	- / + / +	12,067	Semi-arid	Rural
Mutuípe	+ / + / -	20,462	Forest	Rural-urban
Nova Itarana	+ / + / -	6,592	Semi-arid	Rural
Planaltino	+ / + / +	7,963	Semi-arid	Rural
Santa Inês	+ / + / +	11,027	Semi-arid / transition	Urban
Sao Miguel d Matas	+ / + / +	10,020	Forest	Rural
Ubaíra	+ / + / +	20,595	Forest / Transition	Rural

Source: IBGE census 1990 and 2000

\* " + " indicates positive change in the following indicators recorded in IBGE national censuses in 1990 and 2000: a) increase in average per capita incomes (as a proxy for growth) b) reduction in incidence of poverty, and c) reductions in Gini index for incomes (as a measure of inequality) " + + + " indicates a positive change in all three indicators as a means of identifying municipalities displaying growth with social inclusion. "-" indicates negative changes in the same indicators.

In a second stage, a group of five adjacent municipalities (Mutuípe, Jiquiriçá, Ubaíra, Santa Ines and Cravolândia) was selected for investigation to shed greater light diversity of development patterns within the valley, while providing sufficient depth to understand the specific combination of factors leading to the virtuous cycle of development in the forest zone. They all exhibited positive development trends in the 1990s, but whereas



Mutuípe, Jiquiriçá and part of Ubaira fall into the forest belt and have large numbers of small family farmers, the others have more common with the upper valley and the Northeast Brazilian *sertão*, including more polarised land distribution, lower rural populations, and lower rainfall. In these five municipalities participatory appraisals were undertaken in 18 rural communities, together with semi-structured interviews with a variety of informants, a small scale survey of commercial establishments, and a study of social and institutional networks. These generated data on actors perceptions of changing development processes and outcomes, while further analysis of the secondary data elucidated geographical variation in production and economic trends.



## 2. Development Dynamics - drivers and impacts

The research found that the Jiquiriçá valley's history of settlement, based on the river, its surrounding watershed, and development of a common transport infrastructure facilitating mobility between different municipal centres had facilitated its development as a production centre for commercial crops, with extended trade and social networks. While agricultural development has been supported by state intervention, the main driver has been spontaneous action of farmers in converting and developing land to supply expanding markets, facilitated by broad based land access and an active land market, most notably in the forest zone where numbers of small scale farming has proliferated.

Two distinct and concurrent processes were found to have led to the positive development trends observed: (i) ongoing evolution and consolidation of small - medium scale family farming in response to expanding and changing external markets, most marked in the forest belt but not confined to it; and (ii) proactive development of public policy and increasing financial transfers by Federal Government over the last fifteen years, stimulating economic development and reducing poverty.

These processes have played out in different ways according to variable and location specific endogenous factors. The valley's ecological diversity is reflected in three distinctive although not precisely bounded economic sub-regions: the highly productive forest belt closest to coastal market centres, with large numbers of market oriented family farmers; the semi-arid areas to the north and east, dominated by large *latifundia* reliant on reserves casual seasonal labour, also supported by subsistence farming; and the transition zone where land holding is more mixed, sharing some features with the other two zones. Production systems vary considerably according to geographical factors, notably rainfall, altitude and proximity to principal urban centres, but also as a result of evolving agrarian structures and market conditions for a diverse range of crops. Informants - government officials, traders and farmers, of both sexes and different social and racial backgrounds – displayed varying, location specific territorial understandings of the valley, perceiving it as made up of differing clusters of municipalities with common environmental features and production systems, reflecting their own locations and social and economic networks.

### Occupation and historical development

The valley's location and agro-climatic suitability led to its traditional importance for production of cattle and a series of cash crops to supply the expanding urban markets of Salvador and the Recôncavo, following the end of slavery in Brazil in 1888. The contemporary development dynamics of the Jiquiriçá valley arise from settlement and



establishment of property rights, production systems and trade networks by colonising families both rich and poor in the late 19<sup>th</sup> and early 20<sup>th</sup> centuries.

Historically the dominant actors comprised a small group of powerful settler families, who established large scale *fazendas*. This network spread westwards through the valley, intermarrying, establishing new land holdings, and coming to dominate trade and local politics. Labour for land clearance and crop production was provided primarily by the descendents of African slaves who also gradually established their own family farms, alongside other in-migrants of diverse origins. Spontaneous colonisation spread from the main river valley into the upper reaches of the watershed, and the construction of a railway in 1906 played a structural role in the development of the valley, facilitating the flow of goods and people and establishment of a chain of settlements clustered around railway halts and trading posts, which developed into small towns and today's municipal urban centres<sup>5</sup>. Over time, each town in the valley gradually established municipal government of its own, controlled by the dominant land owning and commercial families.

## Agricultural cycles and changing markets

Agricultural development in the valley has been characterised by boom and bust cycles of major cash crops produced by both large scale and small scale farmers. In the middle portions of the valley, high rainfall, ready supplies of land and labour, and the rapid spread of a wide range of crops enabled farmers to adapt to changing market demands during most of the 20<sup>th</sup> Century. Major crops have included: sugar (initially produced by slave plantations surrounding original colonial centre of Ubaíra during the 19<sup>th</sup> century), tobacco, rice, sisal, castor, and coffee, at higher altitudes, which was of major importance from the 1920s to 1960s, and subsequently cocoa, in the forest zone.

The regional markets for staple crops have proved more stable, and the territory produces large volumes of cassava, and bananas (grown both in association with cocoa and as a stand-alone crop) for subsistence and for the market. From the 1950s onwards horticulture and fruit production grew in importance, principally citrus in the lower altitude areas in the east of the territory, and mixed vegetable and fruit production across the transition belt, where Jaguaquara developed into a major regional wholesale centre for horticultural produce, and is now the valley's largest city. Marketed output for cocoa and coffee reached their peaks in the early 1990s after which production fell cocoa has subsequently recovered and other major crops have continued to expand, mainly produced by family farmers.

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<sup>5</sup> The railway ran from the coastal port of Nazaré in the Recôncavo near Salvador, via the regional centre of Santo Antonio de Jesus, branching first to the north to the town of Amargosa. The westwards link into the Vale de Jiquiriçá, was then constructed with stations at Laje, Mutuípe, Jiquiriçá, the existing town of Ubaíra and on to Santa Inez (which thrived as a regional trade centre located at the junction of the semi-arid zone) turning south to Jaguaquara and Jequié, the major regional centre to the south of the valley. See de Jesus (2007).



**Table 2: Principle crops of the Jiquiriçá Valley: planted area, outputs and market values 2000 and 2007**

Crop	2000			2007		
	Planted area	Production	Value	Planted area	Production	Valor
	(ha)	(metric tons)	R\$1000	(ha)	(metric tons)	R\$1000
<b>Pineapple</b>	200	5.100	1.558	220	4362	2591
<b>Banana</b>	1.910	2.116	2.385	5151	69459	27609
<b>Cacau (beans)</b>	15.641	6.635	9.980	19638	9556	37288
<b>Coffee (beans)</b>	13.151	12.243	22.848	15267	10395	37219
<b>Sugar cane</b>	756	47.340	4.074	911	49950	8698
<b>Beans</b>	3.773	2.020	1.230	1902	1371	3411
<b>Oranges</b>	260	15.426	464	856	16461	3402
<b>Cassava</b>	23.212	326.253	26.363	30214	469077	69775
<b>Passion Fruit</b>	2.209	253.720	11.318	2596	33963	13121
<b>Maize</b>	1.218	683	116	1015	769	326
<b>Sisal /agave</b>	2.010	1.407	267	1334	940	940
<b>Tomato</b>	1.710	56.600	21.919	632	22065	11659
<b>TOTAL (all crops)</b>	68.135	744.878	105.658	81180	693958	218548

Source: IBGE / Pesquisa Agrícola Municipal

Cocoa is the principle cash crop in the eastern forest zone of the valley which today serves as a secondary production centre for cocoa processing and export industries concentrated in the South of Bahia. CEPLAC, the national cocoa research and development agency opened a regional office in Mutuípe in 1972, to support production of cocoa and other high value tropical crops<sup>6</sup>. The local family farming systems, based on cocoa as a perennial cash crop are dependent on the demands of regional and global cocoa markets outside the territory based in the South of Bahia, but have proved relatively resilient and sustainable by generating regular cash incomes, producing a wide range of other subsistence and commercial crops, and also providing regular casual labour to neighbours and to larger farms.

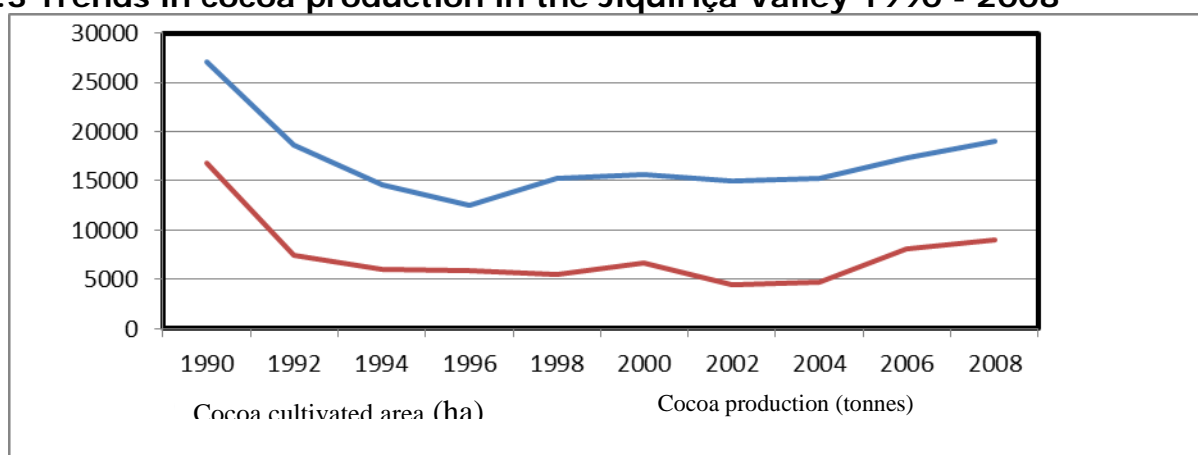
Trends in cocoa production are complicated by the effects of price movements and phytosanitary problems affecting producers of all sizes. Cocoa underwent sustained growth until the mid – late 1990s, when a crisis developed as a result of the Witches Broom fungal disease (*vasoura da bruxa*), and ensuing collapse of production in the major cocoa region in the South of Bahia, with negative impacts on the quality and reputation of Brazilian cocoa. The disease spread only gradually in the specific conditions

<sup>6</sup> Including a series of specialist high value products, notably such as cloves, rubber, acai, guarana, and urucum.



of the Jiquiriçá valley, but productivity diminished and in the early 2000s cocoa prices continued to climb to a peak of R\$180 / arroba<sup>7</sup> in 2002 bringing high returns to those farmers who could afford the additional labour costs to control the spread of the disease and substitute older trees with resistant clonal varieties, and the cost of fertilizers. Producer prices later dropped to around R\$ 60– 70 /arroba in the mid-2000s, now recovering to around R\$80 -90 / arroba, and expansion of cocoa has now resumed. Most farmers had alternative options, a result of reasonably good access to land, and opportunities to grow other subsistence and marketed crops, such as cassava and bananas (frequently planted in association with cocoa in multi storey agroforestry systems providing both incomes and food during difficult years. Small scale investments in citrus, passion fruit, other tropical fruit and specialist crops have also grown as a result of the cocoa crisis.

**Fig.3 Trends in cocoa production in the Jiquiriçá Valley 1990 - 2008**



Source: IBGE Municipal Agricultural Research - PAM

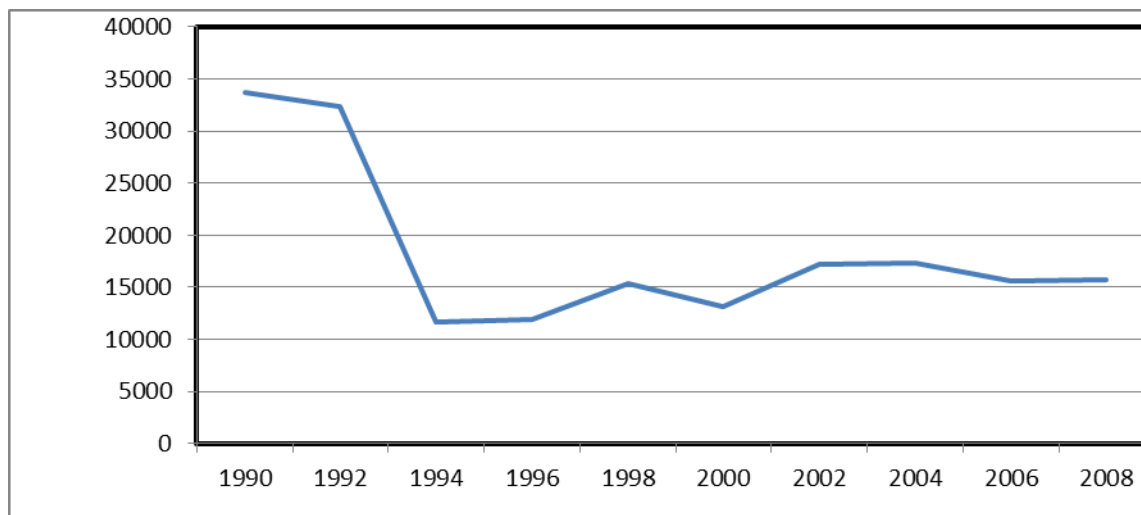
*Coffee* was formerly an important source of incomes for both large and small scale producers, and a major source of employment in large estates in the transition zone. Production has been drastically affected by changing market and phytosanitary conditions, and a resulting lack of policy support. A coffee eradication campaign in the 1960s was followed by a renovation plan promoting productive unshaded varieties at higher altitudes under irrigation. A price collapse in the 1990s led to decapitalisation of the industry in Bahia, and improving wage rates and tighter labour legislation narrowed profit margins to the point where large scale production collapsed. From 2000 onwards producer companies began to sell off land or put it up for land reform, and the Agriculture Ministry withdrew credit and technical support from municipalities with conditions inappropriate for quality high yield mechanised production, including Santa Ines Cravolândia, and most recently Brejões. This resulted in virtual collapse of the local

<sup>7</sup> Equivalent to US\$140 at the current exchange rates of 1.3 Real to the US Dollar. Local prices vary daily, according to Dollar - Real exchange rates and global market demand. An arroba is a standard measure for cocoa, equivalent to a sack weighing 15 kg.



economies, impoverishment of remaining medium and large scale producers, high unemployment and associated urban social problems. Coffee production continues at very low levels, except at higher altitudes in the southwest of the valley, where medium scale producers have also diversified into horticulture. According to IBGE figures, by 2008 production was less than 50% of 1990 levels.

**Fig.4 Trends in coffee production in the Jiquiriçá Valley 1990 - 2008**



Source: IBGE Municipal Agricultural Research - PAM

*Bananas and cassava* are major cash crops in their own right throughout the forest belt. Farmers confirmed their importance as supplementary cash crops especially when cocoa production is low or prices depressed. Bananas are planted as shade crops for cocoa seedlings, but diminishing access to land has limited the scope to diversify into cassava as a cash crop, with the result that certain farmers and locations tend to specialise in cassava as an alternative to cocoa. São Miguel das Matas is now a major source of cassava flour for regional urban markets<sup>8</sup>.

*Extensive cattle raising*, mainly for beef, has continued as a major land use since the Valley's occupation and land clearance for pasture is the major cause of deforestation. The value of cattle produced fell by nearly 40% during 2000 – 2007<sup>9</sup>, when sanitary regulations forced the closure of local unrefrigerated abattoirs. Restriction of the beef market prompted substitution by dairy, but following closure of the Parmalat milk processing plant in Amargosa, only large producers or producer associations with their

<sup>8</sup> Cassava flour forms a key ingredient in the diets of both urban and rural Brazilians rich and poor, being capable of processing into a wide variety of products. Its popularity, and as a result, demand for consumption has not diminished as a result of rising incomes, and is not expected to do so in future

<sup>9</sup> Source: IBGE, *Pesquisa Agropecuária Municipal*, 2000-2007





own dairy facilities can market their produce. Today cattle farms are relatively unproductive, and often maintained by absentee companies and landlords to reduce tax liabilities and as speculative assets. According to IBGE 55% of the land area remained devoted to pasture in 2006 but cattle-raising contributes only 5.5% of the value of total farm production<sup>10</sup>.

## Agricultural marketing

The vast amount of small farm produce is transported to local markets by farmers utilizing public transport or vehicles of neighbours or local traders, or sold to middlemen and traders at the farm gate. Crops are marketed by farmers individually, collective organisation by farmers communities has been generally weak, and for the major market commercial crops such as cassava, bananas and cocoa producer prices and market channels are controlled by middle men and established traders with transport and warehouse facilities enabling them to supply regional markets in bulk.

However large numbers of farmers sell produce directly in local markets. Across the region the establishment of all weather roads has led to increased local trade and rural incomes, improving integration between rural and urban areas. Almost all the municipal towns have weekly markets and constitute the first urban reference point for rural people, except where they are very small, or for communities in remote areas where markets outside the territory are more accessible.

The major agricultural markets are located in the territories largest towns, which have developed in the most dynamic agricultural areas. Amargosa (formerly important for coffee) has developed into an important regional wholesale market for bananas and cassava products, and Jaguaquara for vegetables and fruit<sup>11</sup>. Larger farmers, tend to sell direct to wholesale markets outside the territory in Feira de Santana, Santo Antonio de Jesus and Jequié, the cocoa industry in the south of Bahia, the local towns remain important trade centres for large numbers of small and medium scale producers.

Cocoa is generally sold to small and large scale traders operating warehouses in the towns, concentrated in Mutuípe, and the market for other crops in Mutuípe has also expanded considerably in the last decade. The local cocoa market is dominated by relatively small numbers of traders supplying the regional cocoa industry in Ilheus and Itabuna (Almeida 2008). In most cases these traders are cocoa growers from successful farming families who have invested farm profits in transport and trade, and the profits of trade in acquiring additional land.

<sup>10</sup> Figures derived from IBGE *Censo Agropecuario*, 1996 and 2006

<sup>11</sup> Jaguaquara is now a major wholesale trade centre for locally grown and regionally traded fruit and vegetable cultural crops, with links to major regional centres throughout Bahia such as Feira da Santana, Juazeiro and Salvador, and as far as Pernambuco and Sao Paulo



## Agricultural policy

Federal policies to support family farming beginning in the mid- 1990s and expanding in the last decade have also contributed to household income growth by stimulating participation in local and regional agricultural markets. These include small scale credit (PRONAF), which delivered over 36,000 contracts with a total value of R\$91,658 throughout the territory between in 2000 and 2009, ongoing support to land reform projects, research into productive and disease resistant strains of cocoa, modest expansion in technical assistance and the introduction of crop insurance. Federal and State governments have also sought to strengthen food security for poor households and stimulate local public procurement by purchasing from small farmers and by sourcing school meals from producer associations.

## Access to land

Land holding in much of the river basin is characterized by predominance of small and medium sized farms of various sizes, combined with smaller numbers of larger farms which occupy the greater land area in most municipalities. This structure results from gradual colonisation by land owners both small and large, high rates of population growth and successive sub-division of land holdings across the generations throughout the 20<sup>th</sup> Century. Although this type of dual agrarian structure and the overall level of land concentration are not fundamentally different from Northeast Brazil as a whole, numbers of small and medium scale farms are higher and the larger land holdings, mainly devoted to pasture, rarely exceed 500 ha. By 2006 family operated farms outnumbered larger farm businesses by a factor of 4.2, and contributed over 50% of total production in the valley as a whole. In the forest and transition zones family farming zones occupy between 40% and 60% of land and produce approximately 70% of aggregate value<sup>8</sup>.

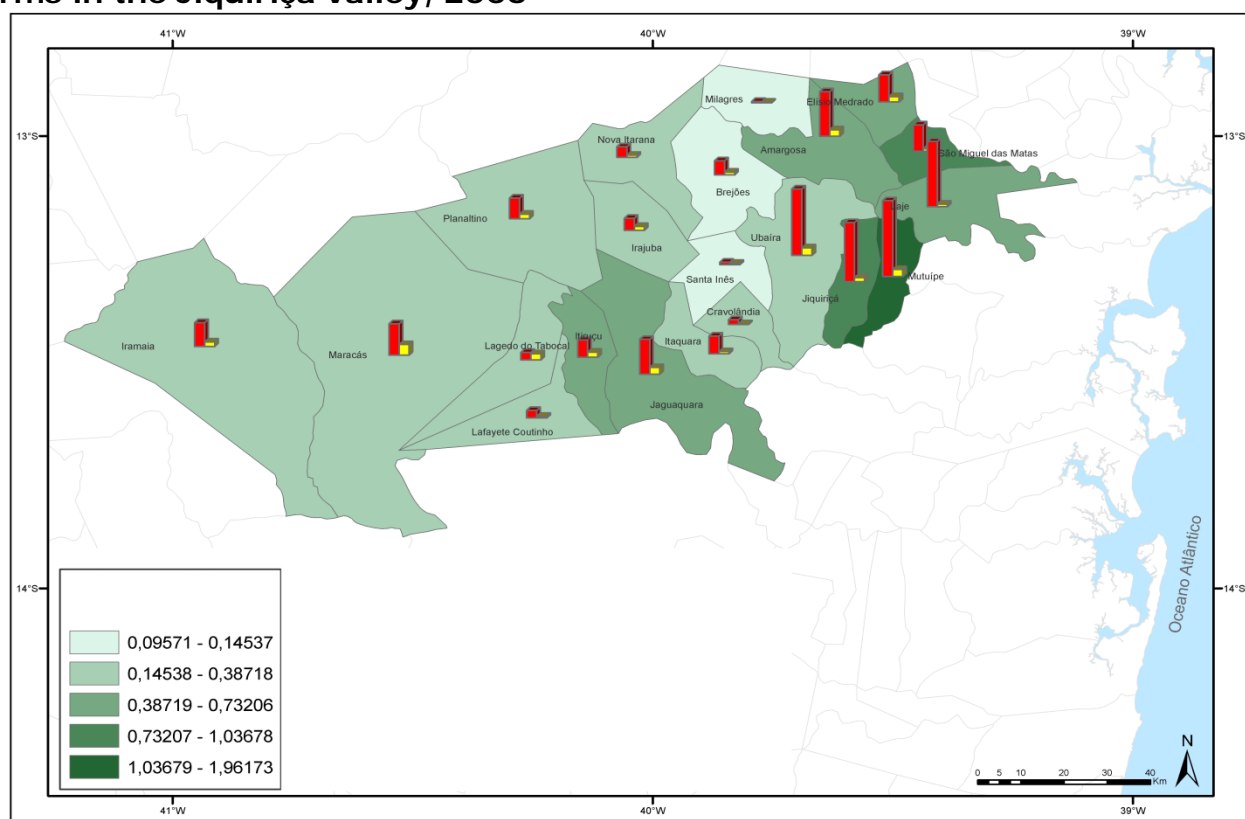
Although successive sub-division of land has enabled broad access to land in the valley's forest zone<sup>12</sup>, increasing land fragmentation has meant that many small and very small farms can no longer provide significant and reliable household incomes. Informal sharecropping and casual labouring arrangements between smaller and larger farmers and on an intra-community basis are common where families have insufficient land to meet household income needs, but as the cocoa crisis undermined productivity, and daily labour rates have risen, sharecropping and the casual labour market have dwindled. As farming very small plots becomes increasingly unviable due to low returns, rising input and labour costs, sometimes volatile market prices, and lack of working capital and of labour local opportunities, younger generations are pushed into urban migration in a search for alternative livelihoods.

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<sup>12</sup> Land sub-division is referred to locally as *reforma agrária natural*



**Fig. 5 Ratio of numbers and areas of family operated and landlord operated farms in the Jiquiriçá valley, 2006**



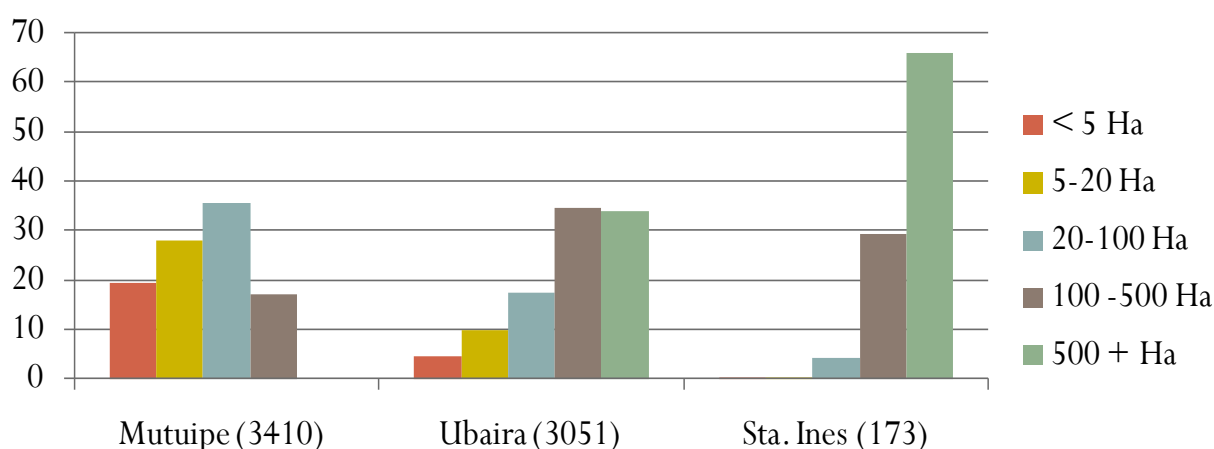
Source: IBGE Agricultural Census 2006; cartography by Projeto GeografAR, UFBA, adapted from CONDER / SEI – Government of Bahia

As a result, in spite of continuing sub-division of land spontaneous processes of land consolidation are also underway, through an active informal land market. Where lack of land and cash resources limit possibilities of expansion or diversification younger generations now tend to respond by selling inherited land or consolidating it under the control of specific family members. At the same time hard work, skill and wise deployment of limited land and labour can also enable both smaller and larger farmers to prosper and expand land holdings by purchase from neighbours and family members. Examination of changes in land size class data for the forest zone from 1996 to 2006 confirms that while numbers of small scale holdings continue to increase due to subdivision, the numbers of medium scale holdings are also increasing. The continuing subdivision of small plots, alongside the tendency for more successful farmers to consolidate and expand their holdings has led to a gradual process of net land concentration underway since the 1970s, and reflected in gradual increases in the Gini index for land in most municipalities.



In semi arid areas, farm sizes tend to be much larger, due to scarcity of rainfall and the predominance of extensive cattle raising, and although small and medium scale family farming also became established in some locations, in transitional higher altitude areas devoted to coffee production large land holdings predominate almost entirely. Here, economic relations exemplify the classic pattern of Northeast Brazil where rural workers provide daily contract labour occupying or renting small plots for subsistence production, or on a sharecropping basis. As the markets for traditional crops such as coffee, sisal and castor collapsed and cattle rearing declined (due to drought, falling pasture productivity, and tighter sanitary regulation restricting meat production) large tracts of land have been abandoned, the demand for labour has fallen drastically, the children of former land owners have moved to Salvador or other major towns to take up professions or business.

**Fig.6 Land distribution in three municipalities of the Jiquiriçá valley: percentage of total land areas occupied by properties of different size classes**



Source: IBGE Agricultural Census 2006

In the last decade, land reform has taken place on former coffee and cattle *latifundia*, creating employment and reducing poverty on a small scale. However without significant investment in land acquisition and restoration, irrigation and technical assistance land reform is unlikely to provide a sustainable development strategy because of low rainfall where land is available, and high land values in more productive areas.

The outcomes of market driven agricultural development have been very different in different locations the middle and upper portions of the valley, in part due to higher natural resource potential and diversity of production systems in the middle Jequiriçá valley, but also, fundamentally, because of different agrarian structures. Whereas large scale producers in the upper valley have on the whole been unable to maintain



profitability under changing market and regulatory conditions, small and medium scale family farmers have proved much more adaptable. Yet paradoxically, during the 1990s even municipalities where agricultural production practically stagnated recorded positive development outcomes. Although declining returns to large scale farming may help explain falls in inequality, and outmigration of labour contributes to poverty reduction, it is the second major development driver, public policy, that explains continuing economic growth, and the convergent positive development indicators in different parts of the Jiquiriçá valley.

## Public policy

Public policy in Brazil, and democratic development since the end of dictatorship, including the introduction of broader social rights by the 1988 Constitution (notably rights to education, health and pensions), programmes for poverty reduction, and decentralization with increased resource transfers from central to local government, has been a powerful driver in the emergence of urban, service-based local economies.

Pressures from the Catholic Church and the trade union movement secured the constitutional rights to pensions paid to older farm workers from the early 1990s onwards (Brant 2001). Social income transfers to people unable to work and the urban and rural poor have increased steadily under successive Federal Governments in the last 15 years, particularly marked since 2004, under the Lula government, which introduced a unified system of social benefits (*Bolsa Família*) to all households below a minimum income threshold, paid to an estimated 90 – 95 % of families living in rural areas<sup>13</sup>. These transfers, alongside an expansion of public employment in municipal health and education delivery, and gradual strengthening of public administration have injected resources into local economies, increasing the purchasing power of the poor, and helping to stimulate and maintain limited growth, despite drops in agricultural production. This contributed to the positive development outcomes recorded in census indicators, but tends to mask the effects of differing economic structures in different locations. The values of federal transfers, public employment costs and social income transfers relative to Municipal GDPs and the contributions of the service sector as a whole are illustrated in Table 3.

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<sup>13</sup> Currently R\$140 per month per household member for households with children under 17, and R\$70 per month for households without children. Data gathered during fieldwork suggests that approximately 90% - 95% of rural families in most locations receive *Bolsa Família*



**Table 3. Value of service sector, federal financial transfers, public sector employment and social income transfers (*Bolsa Familia*) relative to Municipal GDP - five selected Municipalities in the Jiquiriçá valley** figures in RS1,000

Municipality	Municipal GDP (2007)	Value of service sector (2007)	Federal transfers - as % of municipal GDP (2007)	Public sector employment costs (2007)	<i>Bolsa Familia</i> total transfers (2004)
Mutuípe	73,206	52,387	16,147 - 22%	7,090	2,172
Jiquiriçá	37,744	25,238	12,300 - 32.6%	3,991	1,831
Ubaíra	65,898	41,448	15,860 - 24%	7,869	2,584
Santa Inês	29,011	22,017	9,329 - 32%	3,473	1,457
Cravolândia	18,569	12,196	6,725 - 36.2%	3,051	605

Sources: National Federation of Municipalities; SEPLAN, Sistema de Informação Territorial / IBGE

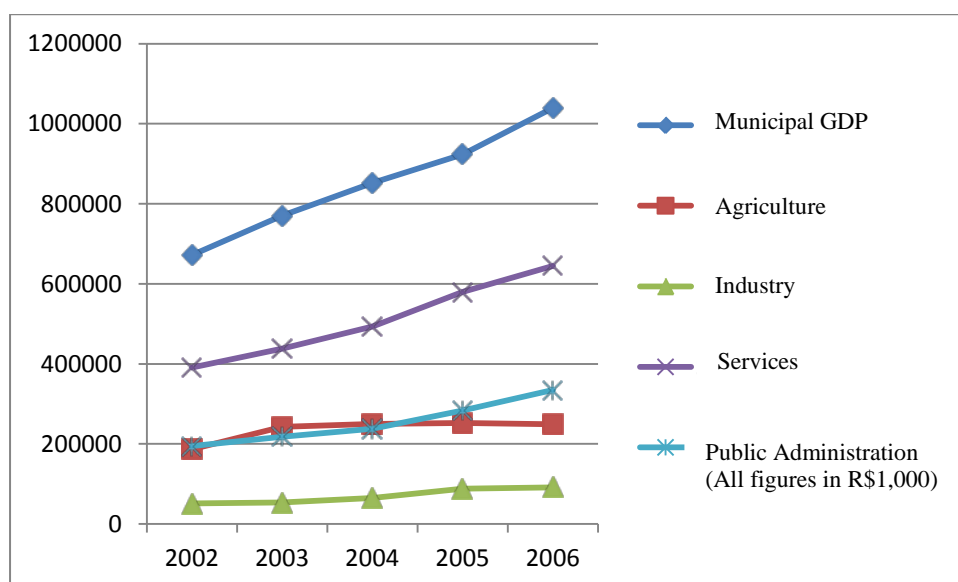
The growth of public investment in semi-arid Northeast Brazil followed a succession of droughts which undermined the traditional crop and livestock production both in large scale *latifundia*, and in subsistence farming by tenants and labourers. This led to the emergence of what has been described as an “economy without production” (Maia Gomes 2002), dependent on public investment and income transfers, exemplified by the trajectories of a number of semi-arid and former coffee producing municipalities in the Jiquiriçá valley. In Santa Inês and Cravolândia, more than 50% of services are public services, contributing more to the local economy than agriculture. By contrast, in more productive areas where small and medium farmers have planted cocoa or diversified out of coffee and into horticulture, the impact of Federal transfers has been complementary, contributing to the resilience of the small farm sector and the local economy generally, by providing a degree of stability in household incomes and an additional stimulus to trade and investment, helping to create a virtuous circle between farming and the growth of the service sector, even in periods when prices for principle products have been depressed.

Financial transfers by Federal to Municipal governments provide significant support to local government, exceeds revenue raised by taxation, and can also exceed the value of agricultural production, especially in smaller municipalities with a narrow productive base. Use of Federal resources to create public employment and respond to local demands for improved infrastructure and services has been a key strategy of local elites to secure votes to maintain political power and associated economic opportunities, and



the establishment of small rural towns such as Cravolândia as municipalities with entitlements to federal transfers has enabled dominant local families to consolidate political and economic power. Yet without significant populations or development opportunities, and with minimal administrative capacity, these municipalities remain too small to be fiscally viable in their own right, and activities directly related to public administration (including private sector supply of basic goods and services to local government and public servants) form the largest economic sector.

**Fig.7 Growth in total and sectoral GDP and public administration 2002 – 2006, for all Municipalities in the Jiquiriçá Valley**



Source: National Federation of Municipalities

## Trade, urban development and regional integration

Local towns as centres of trade have grown as a result of the twin drivers of broad based market linked agricultural development and public income transfers, and the service sector now dominates economic activity. Economic and urban growth has been strongest, and the local economies are largest in those municipalities with strong family sector agricultural production, notably Mutuípe, which outperforms the larger and more populated municipality of Ubaíra.

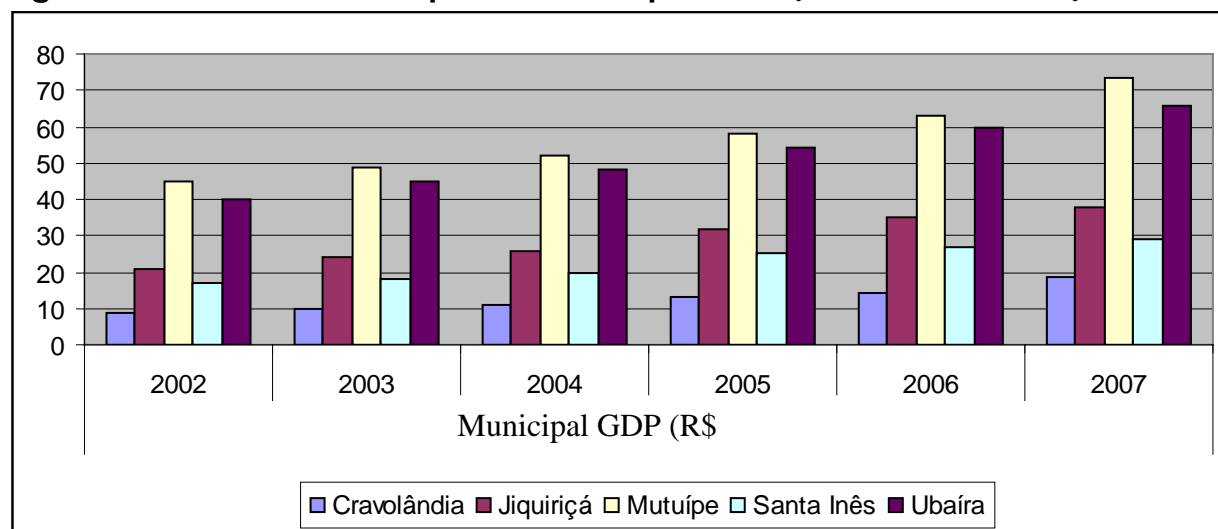
Following the decline of coffee and of commercial cattle raising, the focus of commercial development has shifted to areas dominated by more diversified family farming, which has proved more adaptable to evolving markets. Distinctive, virtuous development





trajectory has emerged spanning urban and rural the areas in Jaguaquara, the centre of horticultural production in the transition zone and in the forest zone. The growth of trade and services in the last two decades has been particularly strong in Mutuípe, which since 1990 has emerged as a local development pole, where farmers large and small have invested in commerce, and a handful of successful larger farmers have driven the development of the cocoa trade, and a minor construction boom.

**Fig.8. Evolution of Municipal domestic product (millions of Reais) 2002 - 2007**



### Trade sector development

The findings of the trade survey in the four municipalities of Mutuípe, Jiquiriçá, Ubaíra and Santa Inês showed that both agriculture and public income transfers have been fundamental in sustaining and increasing business, and also that trade is more dynamic in locations where family farming has thrived.

Apart from drying and fermentation of cocoa and local processing of cassava flour and other cassava products little value is added locally to farm produce, and farmers have little or no influence over market prices, practices, and policies, remaining subordinate in value chains largely controlled outside the territory. Although local traders have been able to expand their operations successfully, very little value added is captured or invested locally. As a result the local towns have developed as centres for trade and public administration, rather than processing and transformation.



Nevertheless growing numbers of households and community based producer associations have taken up small scale production of cassava based biscuits and cakes and fruit pulp, sweets, jellies and based sweets for sale door to door and at weekly local markets. Successful farmers have also invested in independent business ventures, as the urban economy has developed hand-in-hand with cocoa production. The evident growth of enterprise in Mutuípe is directly linked to the cocoa boom in the late 1980s and early 90s. Both poorer and better off cocoa producing households were able to investment in better housing, motor vehicles and trading activities. Larger farmers invested in the cocoa trade itself which in turn generated capital for investment in construction and urban businesses<sup>14</sup>. The majority of traders originated from rural areas and retained strong interests in and links with farming. Successful traders have also established subsidiaries in the neighbouring towns. Since the late 1990s, due to lower cocoa prices and production levels the rate of commercial development has slowed and most traders agreed that despite cocoa's continuing importance for the economy, *bolsa familia*, retirement pensions, and public sector salaries are of major importance in sustaining local trade. In Santa Ines, with high unemployment and very little small farm production, commerce stagnated following the closure of the railway in the 1960s and remaining retail trade relies almost entirely on social income transfers and public sector salaries. The larger businesses (supermarkets and petrol stations) are controlled by the local land owning oligarchy.

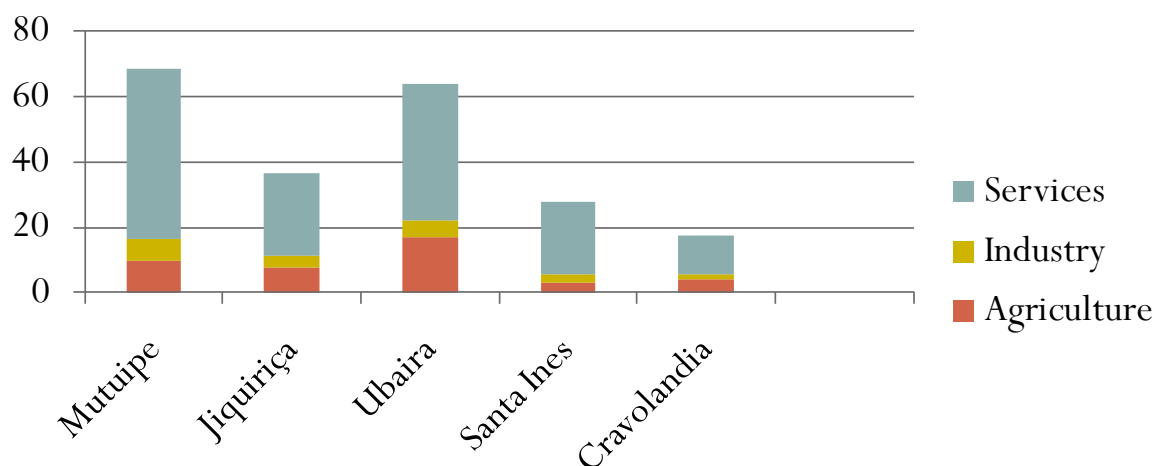
Throughout the valley, limitations in access to land and quality of life in rural areas have created incentives for younger generations to diversify economically. More prosperous families tend to chose particular children to take on commercial ventures in local towns and to operate landholdings, and others for higher education and professional work in Salvador; in poorer families others children would take up small scale trade, skilled or unskilled work in cities outside the territory, save money and return to invest in small scale businesses in local towns.

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<sup>14</sup> see also dos Santos (2009)



**Fig 9. Sector composition of Municipal GDP for five selected municipalities of the Jiquiriçá Valley in 2007**



Source: IBGE / SEI – Government of Bahia

## Regional integration

In 1966 the railway line ceased to function after major flooding; no longer commercially viable, it was gradually replaced by an expanding road network. The construction and subsequent improvement of major national highways (BR101 and BR116) crossing the valley has increased integration with the wider region, and contributed to the growth of intermediate towns as trade centres<sup>15</sup>, as the movement of goods and people in, out and within the territory has steadily increased.

Although there is no major city in the Jiquiriçá valley, it is well linked to two expanding regional industrial centres, Santo Antonio de Jesus to the northeast (population 88,768), the principle centre for the forest zone, and Jequié to the south (150,541<sup>16</sup>) the principle regional centre for the remainder of the valley. These cities have facilities for specialised and emergency health care, administrative and financial services, higher education and goods not available locally. The role of these cities alongside that of growing small - medium sized towns within the valley, notably Jaguaquara (urban population 35,103)

<sup>15</sup> An additional major market on the BR116 near Brejões (“Kilometro Cem”) has grown up in the last 15 years, a wholesale trading centre connected with Feira de Santana and Jequié, and serving parts of the territory otherwise poorly connected to markets.

<sup>16</sup> Population figures for St. Antonio de Jesus and Amargosa and are IBGE 2009 municipal estimates, incorporating an estimated 15% resident in their immediate rural hinterlands. [www.ibge.org.br](http://www.ibge.org.br). Figures for other towns given here are IBGE 2009 estimates specifically for urban populations



Amargosa (20,884) and Mutuípe (8,984), makes the valley taken as a whole a multi-polar territory, exhibiting “multiple trajectories” (Massey 2006) - a diversity of distinctive local dynamics, arising in this case from different productive capabilities, agrarian structures, and spatial links with urban centres.

### 3. Social and institutional change

#### Population and migration

The rural population declined from 54.3% in 1991 to 46.3% in 2006 signifying gradual urbanization, and falling birth rates and net out-migration. According to IBGE and SEI estimates, population growth fell to 0.975% per annum in 2000 – 2006 from an average of 1.56% per annum from 1991 –2000. This can be attributed to a combination of falling birth rates and increased out-migration, due to lack of access to land and employment in rural areas, and better living conditions in the towns, a picture confirmed by consultation with rural communities <sup>17</sup>. While population growth and scarcity of access to land have stimulated urban growth and rural outmigration across the valley, field research and closer analysis of the demographic data reveal two important qualifications. Firstly municipalities such as Brejões and Cravolândia which have unequal agrarian structures and face the collapse of traditional rural economy have suffered net losses of population, since both agricultural and urban employment are scarce. Second, in the more productive municipalities of the forest zone, such as Mutuípe, rural populations have continued to grow, albeit at a lower rate than in the towns.

Migrant destinations include local and regional urban centres, particularly Salvador, but also São Paulo for industrial work. Migration appears to follow different patterns, according to the prosperity of the local economy. Seasonal and permanent migration has increased from former coffee growing and semi-arid areas to thriving coffee growing regions in western Bahia and Minas Gerais, but also to industrial cities in southern Brazil - Santa Ines for instance has built up strong linkage with emerging new industrial centres in Santa Catarina. Although the children of farming families in the forest zone also migrate to the south, they also seek better living conditions, education and employment in local towns, Salvador and other regional centres. There is also a tendency for migrants to return to the region and to farming, and urban residents retain strong attachments to their native family lands.

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<sup>17</sup> Members of rural communities explained that in previous generations families commonly had ten to fifteen children, sometimes many more, but numbers have fallen to five or six or three or four amongst younger people.



## Changes in social structure

These changes in demography and migration reflect a gradual but geographically uneven social transformation in the region. An erosion of the economic base of traditional elites is underway, in the Jiquiriçá valley, most marked, involving failure of large estates, declines in livestock production, loss of seasonal employment, and growing out-migration. In those areas where control of land has been most highly concentrated, public policies have benefited the poor as a whole, but have also helped reproduce local political control of landowning elites who formerly controlled agricultural production and trade.

The growth of prosperity and economic opportunities in the valley's forest belt is underpinned by dynamic development and flexibility in family farming, the consolidation of commercially oriented small medium sized farms by cocoa producers, and their engagement in commerce, processes which have engendered emergence of a new rural - urban middle class. Whereas the economic power of traditional landowning families has become diluted over time through subdivision of land and other assets, poorer farmers with access to land to plant cocoa and other crops have improved their position, also supplementing farm incomes by casual labour, small scale trade, and social income transfers. Small, medium and larger farmers in the forest zone (with broad land access), producing cocoa, bananas, cassava and specialist tree crops, and in horticultural areas, have all gained, and urban employment in trade and services has also grown, sustained by rising farm incomes. Those who have gained most have relatively good access to land and have generated returns sufficient to provide capital to consolidate farm businesses or diversify into trade by acquiring vehicles, market stalls or small shops, and urban business people who also invested in farming during the cocoa boom.

This picture is supported by analysis changes in levels of inequality in income distribution 1990 – 2000 and by analysis of changes in size classes of land holdings as recorded in the 1996 and 2006 agricultural censuses. In the valley as a whole, despite overall growth, the share of income acquired by the poorest fell by between 0.5 and 4 % points but in most municipalities the share of the richest 20% also fell or increased only slightly, as indicated in the table below suggesting that it was primarily middle income earners (successful small and medium farmers, small business people and public servants able to maintain investments in both farming and trade) that gained. In areas dominated by large land owners, the agricultural economy virtually stagnated and the incomes of the richest groups fell. However in the most dynamic municipalities the share of the richest group rose substantially to 65 - 75%, notably in Mutuípe, due to the dynamic cycle of cocoa and commercial development. Similarly in Jaguaquara and Itiruçu medium and larger scale farmers expanded productive land holdings and returns, as commercial



horticulture expanded rapidly in the 1990s. In these places everybody benefited, but the richest benefited most and inequality rose.

**Table 6 – Levels of inequality in income distribution for selected Municipalities in the Jiquiriçá Valley 1991 - 2000**

Municipality	% of income acquired by poorest 20% 1991	% of income acquired d by poorest 20%, 2000	% of income acquired by richest 20%, 1991	% of income acquired by richest 20%, 2000
Amargosa	3,38	2,72	64,86	60,55
Brejões	4,88	4,59	54,23	52,79
Cravolândia	3,86	2,37	59,06	58,91
Itaquara	5,02	3,80	55,76	54,67
Itiruçu	4,69	1,86	56,91	69,23
Jaguaquara	3,81	2,55	58,66	65,49
Jiquiriçá	4,93	3,57	52,99	55,96
Laje	3,48	2,50	61,96	57,57
Maracás	5,97	3,17	50,70	53,28
Mutuípe	3,80	1,72	57,16	76,36
Planaltino	4,49	2,44	52,92	54,63
Santa Inês	4,41	3,46	56,21	56,85
São Miguel das Matas	3,85	3,34	55,13	54,80
Ubaíra	4,92	3,43	56,85	56,31
<b>Jiquiriçá Valley (21 Municipalities)</b>	<b>4,40</b>	<b>2,89</b>	<b>55,84</b>	<b>58,32</b>

Source: UNDP, Human Development Atlas, 2000

## The emergence of a new social coalition

Municipal politics in the Jiquiriçá valley has been dominated historically by a small number of powerful and inter-related land owning families, ruling through the patronage based political system of *coronelismo*, typical of Northeast Brazil, in which privileged local elites exercised control through the exchange of favours with their political backers and the peoples who settled in the localities they controlled<sup>18</sup>. These informal practices

<sup>18</sup> *Coronelismo* is more fully explained in the Brazilian political literature: Leal (1975 [1949]) defines *coronelismo* as “a compromise, an exchange of favours between a progressively stronger local state and the decadent social influence of local overlords, notably the land owners”. The emergence of *coronelist* relations results from the “superimposition of political forms derived from representative democracy with an inadequate economic and social structure beyond the mere survival of private economic power and leading to its hypertrophy, a characteristics phenomenon of [northeast Brazilian] colonial history”.



continue today, as the descendents of the *coroneis* have adapted to a modern political system, occupying the roles of municipal prefects, exploiting poverty and low educational levels to govern by distributing or withholding resources and favours to manipulate loyalties and maintain economic power (Rocha Souza 2010). The dominant families shaped public administration and development of the Jiquiriçá valley, maintaining close links with the social - political coalition dominant in Bahia for almost 40 years<sup>19</sup>, which bestowed favours on municipal prefects in return for their support in mobilising popular votes.

From the 1980s onwards, social change and re-democratisation have gradually eroded these power structures. In the last 20 years under the influence of growing regional and global integration, mobilization against military dictatorship, and economic change, the near absolute control of land and labour in a quasi- feudal political-economic system has proved unsustainable. In the forest areas of the Jiquiriçá valley, in and around Mutuípe, a new social coalition emerged, not linked to the old elite, but based on the rural union movement, including small and medium scale farmers, but also extending to urban workers, traders, small business people and professionals. In the last decade this coalition has brought about political and institutional changes and new economic projects.

During the 1980s social mobilisation occurred across rural Brazil, in large part promoted by the Catholic Church's promulgation of liberation theology in defence of the rights and livelihoods of the poor. Community development work in the Diocese of Amargosa, led by one particular priest<sup>20</sup> working in Mutuípe, Jiquiriçá and Ubaíra municipalities, built a network of local churches and established an associated network of *Comunidades Ecclesias da Base* (CEBs), strengthening community development, advocating for social rights, and providing the basis for formation of local rural workers' unions (STRs) in the mid 1990s (de Melo 2009). These later affiliated to the union federation FETRAF<sup>21</sup> which established a local headquarters, *Polo Sindical de Amargosa*, in Mutuípe to organise the work with small farmers across twelve contiguous municipalities of the Jiquiriçá valley and Recôncavo region.

The effects of rural union mobilization and impacts of this new coalition on local structures of power are clearly discernible today, notably in Mutuípe. FETRAF has made a

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<sup>19</sup> Centred around one of Brazil's most powerful oligarchs Antonio Carlos Magalhães (ACM), former Governor of Bahia, and architect of the political alliances controlled by the conservative PFL party, which maintained a very strong traditionalist base in Bahia.

<sup>20</sup> Padre Esmeraldo, frequently referred to and held in high esteem by union leaders, community activists and church goers during our study, active in the region from 1982 - 1996, now, Bishop of Santarém de Para. Following changes in political orientation of the Catholic Church hierarchy, the influence of liberation theology has waned, although some similar work continues on a regional scale through the *Articulação socio-transformadora* of the Diocese of Amargosa, and the training and methods used have been extended to a younger generation.

<sup>21</sup> *Federacao de Trabalhadores Rurais e Agricultores Familiares*, linked to CUT, the largest Brazilian Union confederation.





high contribution to the scale, pace and effectiveness of local implementation of key public policies, including payment of rural pensions and disbursement of rural credit to small farmers. The unions and the broader movement involving health and education workers, local officials and intellectuals, linked to Brazil's governing Workers Party (PT) have supported farmers' associations, engaged with municipal councils and local politics, and trained new young local leaders.

These developments are part of the broader national changes which brought progressive governments to power in Brazil in the last fifteen years. Despite little direct influence over national or state government policies, the activities of the church in bringing together different social groups and founding the rural unions, coincided with the spread of cocoa, improving material conditions for small farmers, and the emergence of the new rural-urban middle class.

Collective action by farmers in the Jiquiriçá valley has traditionally been weak, related to dispersed settlement patterns, and also widely attributed by informants to a predominantly individualist, "frontier" mentality. In most of the 18 rural communities investigated farmers' associations were either non-existent or lacked wide participation, with local leaders linked closely to municipal prefects, except those in Mutuípe, where mobilisation by the church has constructed enduring forms of social capital, bridging the interests of different social groups (Putnam 1992) and providing as an asset individual actors can utilise to advance their positions (Bourdieu 2001). Supported by FETRAF, community associations have embarked on projects to establish small scale agro-industries, create women's employment, cater for schools and social projects using local produce, protect water sources, improve housing conditions and reduce deforestation. These same localities retain strong church based social networks and the groups are able to meet in public facilities established by the church<sup>22</sup>.

In 2000 Mutuípe elected one of the first PT municipal administrations in Bahia, which gained successive mandates in 2004 and 2008. This introduced a number of local institutional innovations including participatory budgeting (also introduced in the neighbouring municipality of Amargosa) involving locally organized community assemblies, direct participation in budget making by elected representatives, and exposure of politicians and officials to popular debate and demands (Rocha Souza 2010). Mutuípe was able to lever in additional federal resources through *Desenvolvimento Regional Sustentável* a partnership programme with the rural union and community associations funded by *Banco do Brasil* which provided credit and technical support for local

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<sup>22</sup> Apart from these very local initiatives, attempts to organise farmers on a broader scale have largely been unsuccessful. The church did attempt to establish a farmers marketing co-operative, APARA, which still exists on paper, but was unable to provide the necessary professional management support. Interviewees cited lack of commitment by members, clear management arrangements and technical capacity as reasons for failure of attempts to organise producer associations and cooperatives to improve marketing of cocoa and other cash crops.



development initiatives with strong multiplier effects<sup>23</sup>. Municipal Councils, previously directly controlled by municipal prefects were democratised; and the municipality collaborated actively with the rural union and local producer associations in municipal procurement projects, bringing significant benefits to both suppliers and consumers. The new social coalition has also adopted gender and environmental sustainability agendas, and women are now visibly active in leadership roles in leadership of rural unions and in local politics, and producer associations and environmental projects have high rates of female participation.

These innovations are centred in Mutuípe where they have improved social conditions, economic opportunity, governance and participation across scattered isolated communities, also strengthening linkages between urban and rural areas, and demonstrating good practice and stimulate similar initiatives in neighbouring municipalities. The emerging social coalition of rural unions, community associations and allies in local government and civil society collaborates directly in implementation and adaptation of new Federal and State government policies and programmes, and is now the driving force in developing a collegiate territorial forum for the whole of the Jiquiriçá valley, linked to government's territorial development policies to stimulate more participatory democracy at a cross-municipal scale.

A study to assess the nature and social - geographical reach of the new coalition and its role in relation to other territorial networks and initiatives<sup>24</sup> confirmed the presence of a strong and growing network of actors bridging across rural unions, community organisations, local government and private business, NGOs, professionals and local politicians. This is rooted geographically in the forest belt municipalities and linked historically to mobilisation by the church within a specific territorial field (Bourdieu 2005, Santos 2006) but lacks significant influence in other areas, where small family farmers are less numerous and the development dynamics are different. The limited geographical reach of this coalition of actors creates a risk that it will overextend itself in seeking to implement Government territorial development policy across the Jiquiriçá valley as a whole, and not focussing on the core areas where it can make a real difference.

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<sup>23</sup> Mutuípe took an innovative approach focused on bananas and diverse associated crops, in partnership with the rural unions, SEBRAE and CEPLAC, also organising training for producer groups in sustainable farming methods, small scale processing equipment for tropical fruits and improved access to markets, and linked the programme to the participatory budget.

<sup>24</sup> This took place from July - September 2010 involved several different components: reviewing the records of and participation in a set of meetings of the government supported collegiate territorial body; participant -observation by the research team of meetings held; a social network analysis based on a questionnaire survey and in depth interviews with a selected group of prominent individuals both active and not active in the social movement in the five municipalities of Mutuípe, Jiquiriçá, Ubaira, Santa Ines and Cravolândia, and analysis of the overlapping geographical domains used by different state and civil society agencies. Detailed findings will be discussed in a subsequent working paper.



Local government has on the whole been relatively weak players in developing cross-municipal action, with the notable exceptions of Mutuípe and Planaltino. Private business is also not well organised, and although the rural unions have good social links to business people, there are no trade associations active in local politics or development planning. Although Federal policy promotes participation of municipalities, government agencies and private business alongside civil society in territorial development initiatives, it has so far not put in place appropriate technical support or incentives so that this can occur.



## 4. Environment

The valley's natural capital is are the foundations of its strong agricultural dynamic, which has enabled poverty reduction and relatively inclusive economic growth, but also impacts negatively on the quality and quantity of soil and water resources, natural ecosystems and the continuing development potential<sup>25</sup>. As a result of steady growth in populations and agricultural markets, current land use practices are becoming unsustainable. The steep, undulating topography, deforestation and land conversion to pasture in both riparian areas and upper watersheds have led to extensive soil erosion which undermine agricultural productivity and resulted in heavy siltation of the river Jiquiriçá and its tributaries (Fernandes 2008, Tomasoni 2010). River flow has substantially reduced and become more irregular, and is also subject to flash flooding (Rocha 2008)<sup>26</sup>.

The principal services provided by the Jiquiriçá valley's natural ecosystems are all compromised by present land use trends:

- Provision of soil and water resources for agriculture
- Regulation of the hydrological system and of local climatic conditions
- Cultural, recreational, scientific and related economic values of unique biodiversity and landscape resources such as waterfalls and forest enclaves, important for tourism/ ecotourism development as alternative income sources.

The direct causes of ecosystem degradation are linked to the valley's development dynamic:

- Land clearance for extensive cattle raising - the major cause of loss of forest, soil erosion and water resource degradation - to which clearance for agriculture by farmers as a whole also contributes.
- Poor agricultural practices including exposure of steep slopes, poor pasture management and unregulated use of fire and of agro-chemicals, impacting negatively on soil fertility, productivity, incomes, land use potential and water quality.
- Logging in the forest zone from 1970s - 90s (mainly by a single timber company INCOBAL), and clearance of *caatinga* for charcoal production (organized by the steel

<sup>25</sup> The importance of natural capital and the environmental impacts of the valley's territorial development dynamics are discussed more fully in a separate working paper (Quan 2010).

<sup>26</sup> These findings are confirmed by field observations and reports by rural communities and local environmentalists during the research. One local expert estimated that if present land use trends continue, soil productivity will be exhausted in 40 - 60 years (Raul Lomanto, Centro Sapucaia / EBDA personal communication).



producer FERBASA). Illegal logging continues in remote areas, reportedly linked to members of local elites and to organized crime.

Despite these negative trends, the prevalence of tree crops, especially cocoa, and spontaneous development of multi-storey agroforestry systems mimics forest cover, improves soil and water conservation, and general sustainability in land use. Because cattle now contribute little to agricultural output or income, there is an ongoing trend for substitution of pasture by cocoa, confirmed by farmer interviews and IBGE agricultural census data, although the rate of planting is directly related to market conditions, recently depressed but now improving<sup>27</sup>.

No systematic evidence is available of the extent of loss and degradation of vegetation cover and water resources over time, and detailed understanding of overall trends depends on access to divergent and sporadic research data, oral testimony and photographic records. Systems have been developed for assessing land use suitability based on slope, soil quality, rainfall and hydrology in the river basin (Fernandes 2008) and analysis of water quality in the river Jiquiriçá (Rocha 2008) but no time series data is available. There is some evidence of negative impacts on human health, including high incidence of water borne gastro-intestinal disease and schistosomiasis attributable to pollution of water sources by cattle. Health authorities also reported significant increases in incidence of leishmaniasis since 2007, attributed to clearance and occupation of watershed forest areas.

Environmental conflicts include: disputes between small and larger farmers concerning clearance of remaining forest patches for pasture; diversion of and restriction of access to water sources; indiscriminate use of dangerous herbicides; as well as conflicts between environmentalists and illegal loggers, sometimes leading to overt hostility and even death threats.

Environmental legislation and public awareness have gradually improved in the last 15 years. Removal of standing timber, and forest and conservation areas on farms, and use of certain herbicides are now prohibited, but enforcement capacity is weak. From 1993 – 2003 an inter-municipal consortium established an NGO to promote participatory water resource management (CIVJ 2002, Barreto et al 2002, Batista et al 2002), but without lasting results (Quan 2010). The influence of a small number of environmental groups and new state policies has led to improved supervision and resource conservation initiatives by certain municipalities, but this is not sufficient to reverse broader trends of resource degradation.

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<sup>27</sup> The IBGE 2006 Agricultural census also reports an increase of land area under natural or planted forest - this results from an emerging trend for planting of eucalypts and other tree crops in degraded areas and from reclassification of areas of secondary re-growth as forest, now protected under environmental law.



## 5. Conclusions

At a regional level in Northeast Brazil, a gradual historical transformation in the structure of economic and social power in Northeast Brazil is underway, linked to unfolding democratization, universal citizenship, improvements in education and increasing national and global integration. This involves changes in *habitus* (Bourdieu 2005) – transformations of mentality and behavior amongst the poor and the younger generations of former elite families, responding to new opportunities in a more egalitarian Brazil, and forms a backdrop to much more specific territorial dynamics which vary according to local conditions and processes including the development of social capital bridging different social groups (Putnam 1992) and the construction of new territorial networks and capacities by the rural poor in overcoming social exclusion (Haesebaert 2004), as in Mutuípe.

The principle drivers of change in the Jiquiriçá valley are exogenous: the growth of regional agricultural markets during the 20<sup>th</sup> Century; and from 1995 onwards, public policy and investment by progressive governments. These in combination have had varying impacts in different parts of the territory as a result of local geographical and social factors, notably differing natural conditions, agrarian structures and the changes in the dominant local social coalitions which mediate the implementation and impacts of public policy. As regional agricultural markets have evolved, these factors have facilitated and constrained social and economic change in the Jiquiriçá valley in different ways, as multiple development trajectories (Massey 2005) unfold.

In the forest zone of the valley a distinctive and relatively inclusive development dynamic has emerged from a combination of favourable agricultural conditions, broad based access to land, and public financial transfers, which together have stimulated emergence of a thriving local commercial sector. Small and medium scale family farmers have played an active role in this process, investing labour and incomes in additional farm and non-farm enterprise. These processes, linked to the spread of cocoa and improving economic conditions and social policies from the late 1980s have involved emergence of a new urban- rural middle class. Importantly, family farmers they have also been active participants in the establishment of a rural union movement, aided by the Catholic Church, and the formation of a new social coalition encompassing farmers, urban workers, business people and professionals which has displaced the traditional ruling elite and embarked on a new, participatory, territorial development project in Mutuípe, and has growing influence in local politics and practice in neighbouring municipalities.

By contrast the semi arid other parts of the valley dominated by large scale land owners, the collapse of coffee and decline in cattle production have led to high unemployment and a virtual collapse of the local economies. Although the negative social impacts are



contained by federal resource transfers and by spontaneous outmigration, allowing some municipalities to maintain positive trends in development indicators similarly to the forest zone, a new social coalition has not emerged. Despite the presence of an active rural union movement assisting small farmers and rural workers, productive innovations are less advanced in these areas and elite families have been able to utilize the injection of federal resources to maintain political power, despite considerable weakening of the traditional economic base.

## Policy implications

The diversity of dynamics encountered in the Jiquiriçá Valley suggests that greater attention is needed to interrelated processes which occur at different scales. The formal institutions of local government in Brazil are Municipal, and do not correspond with the broader territorial scales at which economic development and environmental change take place: new institutions and policies crafted around common territorial needs are therefore needed.

This study has found that the operative scale of territorial dynamics involves clusters of municipalities, with broadly common social histories, natural environments, production systems, and links to markets in intermediate regional towns and cities. These clusters overlap, but do not correspond with the official grouping of 21 Municipalities in the state designated *Território de Identidade*.

The social coalition linked to the FETRAF- affiliated rural unions and centered in Mutuípe has strong local influence in certain municipalities but its social base is largely confined to the forest zone where small and medium scale family farming predominates, and its network of influence is not sufficiently great to stimulate productive and institutional change across the valley as a whole.

There is good scope for municipalities to pool resources and make collaborative investments, notably in roads, transport, agro-processing, education, and environmental management. An attempt by progressive municipal prefects to establish an inter-municipal public consortium remains at an early stage, and geographical and party-political fragmentation of interests amongst municipal prefects undermines collective commitment and shared purpose.

A variety of institutional fora exist: the collegiate body of the *Território de Identidade; Mercovale*, an Association of Municipal Prefects, and an emergent inter-municipal consortium covering all 25 municipalities of the river basin; a food security council including some municipalities in the valley and some from neighbouring regions; and the state government-led *Recôncavo Sul* river basin committee, spanning three local river basins, due to establish a sub-committee for the Jiquiriçá valley. In addition state government sector planning and management continues to be organized around pre-





existing Administrative Regions, with the Jiquiriçá valley municipalities grouped within regions based in Amargosa, Santo Antonio de Jesus and Jequié.

The Jiquiriçá valley's natural resource based development dynamics present two important and inter-related policy challenges:

- **Environmental management:** The sustainability of extensive pasture as a land use is now reaching its limits, as a result of soil erosion and its impact on water resources across the whole river valley, while farming small scale plots becomes less viable as a result of constant subdivision and repeated use. At present Agricultural policies and technical support to farmers do not at present incorporate environmental management needs or promote more sustainable, conservation farming methods, and effective planning and enforcement mechanisms or incentive systems are not in place to improve land use or conserve key resources such as remaining forest enclaves, biodiversity corridors and water sources.
- **Economic diversification,** to overcome the constraints of limited land access land and resource degradation. This requires sustained professional development and management support to respond to opportunities to develop small and medium scale agro-industries, establish a territorial branding and marketing for local produce; develop and promotion rural, eco- and agro-tourism; and steer the strategic development of technical and professional education linked to emerging local industries

This situation suggests that a harmonized policy framework for territorial development will be needed to promote cross municipal collaboration involving both local government and civil society, This framework will need to foster the development of social capital linking different actors and social groups at a variety of scales, in order to steer institutional development and policy change and facilitate projects and activities by groups of actors from municipalities experiencing common dynamics, while also them to come together to address the challenges and opportunities facing the Jiquiriçá valley as a whole.



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