



## Chapter 17

# The Brazilian PROGEI<sup>1</sup>-SIPGEI's (1980's-1990's)

Jacinta C.B. Correia<sup>2</sup>

### Background

Clodomir Santos de Morais, on behalf of the ILO, was in charge of the Cooperative Development Project financed by UNDP and SIDA (Swedish Overseas Development Agency), one of the United Nations International Organizations) in Portugal from 1977 till 1980. Portugal, in those days, was pulling itself out of the economic chaos which was to a large extent the heritage of thousands of owners of enterprises leaving the country principally because of debt incurred with the banks or with the government, or simply because they were afraid of being held responsible for having trampled underfoot for so long the

<sup>1</sup> PROGEI/SIPGEI: regional or national "Identification of Job and Income Generation Programs or Systems

<sup>2</sup> Jacinta Correia is Clodomir's wife, at the time of writing profesora at the Federal University of Rondônia, Amazonia, Br. where she has been closely involved in numerous urban and rural Organization Workshops. She was also OW Director in large group OWs run by FAO/IATTERMUND in São Paulo (see chapter 8 in this book on the Self-Employment Project 'PAE' written by minister Barelli. (PS. Jacinta Correia obtained her PhD on the Workshop at the National University of Chapingo in 2001)

social rights of their employees during the Salazar dictatorship which lasted for more than a quarter century and which was now at long last being swept away in the people's revolution of 1974. Workers and management of the enterprises now abandoned by their owners tried at first to keep them going by trial and error, but their lack of training in how to run commonly owned enterprises soon started to show: hundreds of those enterprises went bankrupt and thousands of their workers were thrown on the streets, trying to make a living in the so called informal economy becoming travelling salesman, musician, traditional hawker and peddler or in the traditional family economy, as something, somehow, had to replace the lost jobs.

The field was therefore open for the traditional lusophone association based mutual help culture which reached its apogee under the heroes of Portuguese socialism Antero de Quental and Costa Goodelphin last century, a tradition continued by Antonio Sergio and Henrique de Barros until the present day, to come to the rescue. From just 600 cooperatives in 1974, their number had soared to 3,800 by 1979. The principal objective of the team working on behalf of the ILO project which Clodomir Santos de Morais co directed with the local counterpart, professor of Philosophy Ferreira da Costa, who, at that time, was president of the Cooperative Institute 'Antonio Sergio', also known in Portugal as INSCOOP<sup>3</sup>, was to instill organizational consciousness and economic rationality and efficiency in the newly set-up cooperative enterprises, so that these ventures would be consistent, in a very real sense, with the newly designated 'Economic areas for social production' norm. It was indeed in INSCOOP which formed the backdrop and support base of the UNDP project.<sup>4</sup>

Two important Organizational Workshops (OWs, at that time still known as 'Experimental' Workshops) were initially run with the purpose of building a network which would eventually include 6,000 Project Assistants (API's) covering all the cooperatives and most of the Municipal Councils in Portugal. During the first of those capacitation events 50 middle level experts (Experts in Cooperative Development TDC's) were formed while the second produced a contingent of upper level specialists in Investment projects (TPI's). It was by means of this capacitation program, that the ground for the '*Economic Area of Cooperative Production*' in Portugal was prepared so to be prepared for the free Market 'Competition Economy' based under which the French, German and Italian branches of Cooperativism operated and thus prepare Portugal, too, for its imminent entry in the European Community. With a population 12 times and a land area 90 times smaller than that of Brazil, Portugal, and the Portuguese, nevertheless entered the eighties with more cooperatives than their Brazilian counterparts.

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<sup>3</sup> INSCOOP: "Instituto António Sérgio do Sector Cooperativo" - see also Chapter 15 in this book on the OW in Portugal.

## The UNB<sup>5</sup>, IATTERMUND<sup>6</sup>, Jânio Quadros and the MTS

In 1988 the Vice Chancellor of the University of Brasilia, Christovam Buarque, who had been one of the principal sources of inspiration behind the elaboration of the 'Course' Workshops (Course OWs)<sup>7</sup> for the formation of the TPI's in Lisbon, invited Clodomir Santos de Moraes, - who, at that time, was visiting lecturer at the University of Rostock in the former East Germany, - to come and set up, in Brazil, the *Institute for Technical Support to the Third World Countries* (IATTERMUND) - this with the particular intention to confront one of the gravest problems the country was facing, unemployment. The then Mayor of Sao Paulo, an ex-President of the Republic, was the first ever person in authority to lend support to the IATTERMUND discourse which, among others, projected the view that Brazil was subject to a sort of 'hidden civil war of unemployment' with thousands of people killed (murdered) each day, hundreds of street children summarily executed each year, and all this, in the end, due to the pervasive unemployment, a kind of 'epidemic' which is sweeping all the big cities and is imposing a kind of curfew on everyone, starting each night at 21:00 hrs, on pain of being punished, be it in the form of physical assault or the pain of death, for any citizen who unwise enough to disrespect this unwritten rule of curfew, imposed by criminals. So, every day, from early evening, families and citizens are forced to lock themselves up in their homes and watch soap opera sequels to keep themselves from dying of tedium, while the excluded (euphemistically referred to as '*marginals*') and those who capitalize on the situation, always the police, rule the streets. This made Mayor Jânio Quadros<sup>8</sup> realize to what levels of violence the marginalized had descended in São Paulo City, due to the unemployment situation.

However, the credit for having been the first to request IATTERMUND for the OW to be applied in its 30 self managing cooperatives and to train at the same time its activists in the method has to go to the Brazilian Landless Workers' Movement (MST)<sup>9</sup>. Let it be said, in passing, also, that credit for the first publication of de Moraes' handbook 'Elements of a Theory of Organization' has to go to the same MST acting in conjunction with some Popular Education Centres. Soon to follow the lead given by the MST was the Polonoroeste Project, which was a joint Ministry of the Interior, FAO, World Bank and Development Aid agencies Project for the States of Mato Grosso, Rondônia, Ceará, Paraíba and São Paulo was. Also involved were the Ministeries of Labor and Social Work of the

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<sup>5</sup> UNB: Universidade Nacional do Brasilia

<sup>6</sup> "Instituto de Apoio Técnico aos Países do Terceiro Mundo" Support Institute to Third World Countries. IATTERMUND was founded by Clodomir Moraes and Christovam Buarque (re: and is based in Brasilia

<sup>7</sup> The most common form of OW is the 1. **Field Organization Workshop** which lasts normally about 30 days, has a minimum of 40 participants and up to 1,000 and more. The other three forms of OW are: 2. **Centre OW** (2 wks for activists) 3. **Course OW** (3 mnths for Field Directors and Assistants) 4. **Enterprise OW**: for ongoing or failed Enterprises

<sup>8</sup> Jânio Quadros stood against Fernando Henrique Cardoso in the 1985 elections for the State and won

<sup>9</sup> MST: Movimento dos Trabalhadores Rurais Sem Terra - Landless Workers' Movement.

States of Paraíba, Cearo, São Paulo and Espiritu Santo, as well as the IBAMA (Institute for Environmental Protection) the INCRA (Institution for Land settlement and Agrarian Reform) and the UN Agencies of the ILO and the FAO.

### **Mayors Erundina and Maluf**

As Jânio Quadros was already thinking of retiring from his job as Mayor of the biggest and most industrialized city in Brazil, it befell the Mayoress Erundina, of the Partido dos Trabalhadores(PT) to try and prevent the supply line with the Government from being cut, and, together with the FAO, the Ministry of Regional Integration and IATTERMUND) they set up the Job and Income Generation Program (PROGER) of the Municipality of São Paulo under the technical directorship of Mstra Jacinta Castelo Branco Correia. The involvement of FAO in this type of project was due to a large degree to the excellent judgment of the national director of the Program for Job Creation and Income Generation, Aldenir Paraguassu, who managed to overcome the bureaucratic inertia, compounded by the excessive money devaluations of more than 20% a month which were ravaging Brazil, of the Ministry for Integration. He cleverly managed to transfer the money of the Brazilian government to an International Agency, the FAO, which immediately 'dollarized' it so as to prevent it from losing its value, thus allowing it to sustain an uninterrupted support for the fight against unemployment Projects. This intelligent resource management opened up the possibility of starting up and running regional and municipal projects of Workplace and Income generation.

The persistent lack of sufficient financial resources combined with the paternalistic vision traditionally besetting the Counterpart Institution of the Municipality of Sao Paulo, the Municipal Secretariat for Social Welfare, prevented the PROGEI (Income Generation Project) of Sao Paulo City, which consisted in the creation of a Social Participation and Identification of Job and Income Generating Projects as well as Investments System (SIPGEI) which involved the formation<sup>10</sup> of thousands of Project Assistants, the API's, who were to make up the main Interface between the Communities and the Financial Institutions, from to reaching its full potential. Trying to overcome the said inefficiencies of the State Secretariat, Mayoress Maria Luisa Erundina transferred the project to her own Secretary for Planning, the economist Paul Singer<sup>11</sup> and asked him to play the role of counterpart of the PROGEI of the Municipality of São Paulo. It was thanks to the influence of Prof Paul Singer, that it was possible to have \$300,000 of the project included into the Municipal Planning stage, and, notwithstanding the fact that her party, the PT(Workers' Party) had already lost the municipal election for candidate Paulo Maluf. The latter, by increasing the

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<sup>10</sup> as elsewhere in this book we translate the Portuguese educational term 'Formação', as 'formation', which is a richer concept than mere training and different from 'education'.

<sup>11</sup>Paul Singer: Economist, and Professor at the Faculty of Economics and Administration of the Universidade de São Paulo, Secretary for Municipal Planning in Sao Paulo under Mayoress Maria Luiza Erundina

financial resources available, made it possible that two Course OWs could be organized simultaneously for the benefit of candidates with secondary schooling diplomas, to be trained as Economic Development Specialists (TDE's). Their task consisted of setting up SIPGEI's in their respective destitute neighborhoods inside the enormous impoverished area of southern São Paulo and, at the same time, dozens of goods and services production enterprises promoted by the Investment Project Assistants, the API's. Notable among those enterprises we count the ATDE which was formed around the approximately 800 API's who were successful in the identification of a considerable number of social ownership and production Projects. Their efficiency displayed had a considerable impact in Greater São Paulo and some municipalities of the interior.

### **The PROGEI's of Paraíba, Cuiabá and Alagoas**

The Paraíba PROGEI, severe financial constraints notwithstanding, attracted to its gigantic Field Laboratories, organized by Sebastiao Araujo (one of the IATTERMUND directors), more than four thousand people who participated in 30 different types of courses in semi-professional training, as well as in the capacitation in the running of large scale enterprises. Not content with developing micro enterprises in the informal economy, many paraíbaans pooled their strengths and formed community enterprises which yielded a considerable number of workplaces. Another PROGEI which resulted from the IATTERMUND initiative was that of Cuiabá, set up in 1994. The following year, in 1995, the Alagoas PROGEI was inaugurated, under the directorship of Clodomir Santos de Moraes. This project covered 90% of all the municipalities of the State of Alagoas, and helped considerably in reducing the grave financial situation which has held down this poor State in Brazil's Nordeste for so long. 40 TDE's were formed here, as well as 1,036 API's.

Just as the PROGEI of Sao Paulo, the Paraíba PROGEI, too, was the second IATTERMUND Project conducted in liaison with FAO and the Ministry for Regional Integration. Due to the lack of financial resources which had been promised by the Supervisory Committee for the Development of the Nordeste (SUDENE), the associations of API's for that region met in a matter of four months in Maceió, the State capital, and set up a second degree structure representing the regional Membership Associations of API's and the three TDE Enterprises. Joining their forces together, and given the difficult financial predicament in which the State found itself because of its considerable debts and the political corruption of previous State governments, this would allow them to survive. From this PROGEI and this second-level Association an hitherto unheard of experience emerged, involving two API's called '*Marcio & Mercia*'. These two set up under their homonym an enterprise in the municipality of Palmares, an important town in the interior of Alagoas, and started preparing project of projects in which people professed to be interested. These projects were then entitled to apply for funds (up to \$5,000) from the Bank of the Nordeste, which had set aside

some resources in the 'Support Fund for the Worker'(FAT) earmarked for microenterprises,. Those two API's, on their own, during their very first month of operation, managed to identify and obtain the approval for no less than fifty projects. The immediate effect of this was that other people of the municipality became aware of the existence of the Fund and the practice spread to other municipalities in the region. The Bank, not really equipped to deal with and process such a flood of applications, which kept multiplying almost exponentially, was soon forced to stop project operations. Which meant that just two API's working at full capacity caused the collapse of the Financial Branch Offices of the local Municipal Agency of Palmeira de los Indios.

### **The PROGEI's of Paulo Afonso, Vitoria and Rondônia**

The 'Course' OW held in the hydroelectric power-producing region of Paulo Afonso, a few months after the one in Alagoas, was attended by learners from the States of Alagoas, Sergipe and Pernambuco and was funded by SUDENE/CHESF (a Hydroelectric Company from San Francisco). The PROGEI of the Municipality of Vitória, capital city of the State of Espiritu Santo, was originally laid on by IATTERMUND in partnership with FAO and with the Municipal Secretariat for Social Action of Vitória as local counterpart. The latter was directed by Profesora Vera Nacif. The 42 TDE's formed in Vitoria formed the almost 1,000 APIs who became the basis of the start-up of numerous enterprises in the impoverished communities. Those successes in the capacitation program can to a large extent be traced back to the day Vera Nacif asked reinforcements from IATTERMUND in the form of specialists able to assist in a number of Organizational Workshops in the poor suburbs of the capital city of Espiritu Santo State.

The rapid increase in the pace of the Movement dedicated to the struggle against unemployment by means of the Large Group Capacitation Method (LGCM), was accompanied, at this level, by an even more rapid increase in the demand for senior OW directors. In effect, the municipal PROGEI of Sao Paulo would subsequently lay on another Course-OW, under the directorship of its own resource person, Marcelo Martino, responsible for many a SIPGER in that big Brazilian metropolis. In turn, the Secretary of State for Labour for the State of São Paulo, (and ex-Federal minister) Professor Walter Barelli <sup>12</sup>, was instrumental in giving the starting shot to the biggest Brazilian Programme so far in the Struggle against Unemployment, with the launching of the 'Course' OW of the Franco da Rocha Region, a Workshop which was directed by José Ambrosio Pinheiro Machado, subsequently would co-director with the president of IATTERMUND, of the Course OW preparatory to SIPGER of the Amazonian State of Tocantins. In the meantime, another senior IATTERMUND specialist, ing. Paulo Roberto was busy establishing the Rondônia PROGEI and SIPGEI, another Amazonian state, which borders on Bolivia.

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<sup>12</sup> See chapter 18 of this book.

Given the fact that for each Course OW three 'senior' specialists, and, for the Field OWs at least one senior and two 'junior' experts are required, the great demand for these kind of experts, as the movement against unemployment expanded, virtually exhausted the available Brazilian IATTERMUND cadres. Thus, trying to satisfy the insatiable demand for OW specialists in the State of Espiritu Santo, which had penciled in several massive capacitation events, most of which Field OWs, thanks to its dynamic Mayor Paulo Hartung and Profesora Nacif, IATTERMUND saw itself obliged to call in the help of two Chilean Social Psychologists, based in Harare, Zimbabwe, for over ten years, and who are recognized specialists in the application especially of the Field OW. Their names are Ivàn Labra Moya and Isabel Rodriguez Labra, a one time pupil of Clodomir Santos de Moraes' in Honduras and, later on, his vice-director during the COPERA project in Nicaragua, together with an expert of the Dutch Development Agency HIVOS<sup>13</sup>, Ian Cherrett, introduced the method in 1985 to southern Africa (South Africa, Zambia, Botswana, Zimbabwe, Malawi). They had set up an NGO in the style of IATTERMUND, called SADET (Southern Africa Development Trust). The demand for expertise was, however, much greater than expected, which meant that Isabel de Labra was recruited by the Mayor's Office of Vitoria, while Ivàn was contracted as evaluator by PRONAGER (the Brazilian National Project). The demand at national level proving itself much more acute, dr Roberto Leno, of the Alagoas PRONAGER<sup>14</sup> Board of directors (replaced by Ronaldo Melo) and Vera Nacif herself, were selected to go and work with the Brazilian National Project PRONAGER. The vice-director of IATTERMUND, dr Sebastiano Araujo, too, was recruited afterwards by the Brazilian Board of Directors.

In the meantime, the president of IATTERMUND himself, dr Pedro Cavacanti Filho, was sent out to the Valle del Ribeira to direct the second Course OW of the Brazilian PAE<sup>15</sup> programme, the direct initiative of Secretary of Labor Dr. Barelli himself, in the context of the struggle against unemployment in the State of São Paulo. Professor de Moraes, president of the Board of Consultants at the Institute (of IATTERMUND) was entrusted, in 1988, with missions to Haiti, Bolivia, Costa Rica and Mexico to help to give the initial push in the negotiations for the establishment of a PROGEI in each of these countries, too. This crisis which was entirely a problem of success, i.e. due to the expansion of the movement of struggle against unemployment did not, however, affect the MST Movement. The reason for this was that during the first Center OW which was laid on in October 1988 in Palmeira de Missoes in the State of Rio Grande do Sul, with 106 participants and directed by Clodomir Santos de Moraes himself, a number of

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<sup>13</sup> HIVOS 'Humanistisch Verbond voor Ontwikkelingssamenwerking'(Humanist League for Development Cooperation) with head office in the Netherlands, supports 778 Organizations in 32 countries in Africa, Latin America, Asia and Europe.

<sup>14</sup> PRONAGER "Programa Nacional de Apoio a Geração de Emprego e Renda" (em Areas de Proeza)"

<sup>15</sup> PAE: "Programa de Autoemprego" (Selfemployment Programme) runs as a joint venture of IATTERMUND, FAO and State Government effort (see also 16 B - Walter Barelli)

MST leaders were trained as OW directors among whom we particularly would like to mention Sergio Fritzen, Adelar Pizeta, Everton Mineiro, Elemar Silva, Deolinda de Ranha and Irma Brunetto.. This was a very clear sign of the enormous interest among the membership of the '*Sem Terra*'(Landless) to learn through the Large Group Capacitation Method.

With those well-trained cadres the MST movement was able to come out of its isolation in the Rio Grande do Sur State. They went through a rethink of the Movement's routine practice of '*land invasions*' of unproductive lands and then distribute it to its participating militants. The upshot was that from now on they would concentrate, instead, on organizing commonly owned or collectivist enterprises, based on the already excellent organizational consciousness generated in their membership of the States of Santa Catarina, Paraná, São Paulo, Espiritu Santo, Bahía, Sergipe and Ceará. Since then, and during the years of the Collor government, in which the Latifundistas (large landowners) held half of the ministerial portfolios, IATTERMUND tried to convince the MST that it was time to abandon "*ideas about playing the soldiers, and concentrate on [forming] civil servants*". What was meant by this metaphor was that, whether now or in the future, there never was going to be any shortage of land invaders as it is in the nature of capitalism itself to indefinitely continue producing landless peasants; what the MST must concentrate on from now on is forming technical cadres capable of building up get enterprises of the ex-landless going, in other words, those who are now settled on land and, therefore victorious.

That is why the next phase consisted in the organization, in November 1991, of a Course OW in Brasilia for the formation of Cooperative Organization belonging to the MST. The Course was directed by the IATTERMUND president himself, Clodomir Santos de Moraes. It so happened that the President of INCRA<sup>16</sup> was the lawyer Joao Mendoza Amorim, a well-known sympathizer of the peasant struggle and great advocate of Agricultural Reform in the days of Francisco Julião's Peasant Leagues. He therefore arranged, in order to comply with the MST & IATTERMUND's request, for the use of the installations of INCRA, such as board and lodging for more than a month for the sixty participants who had received financial support from the Organization for Cooperatives in Brazil, the OCB (Organization of Brazilian Cooperatives) and the ILO. The fact that João Mendoza Amorim was dismissed from his post as INCRA president the very day of the inauguration of this OW was no mere coincidence.

This particular OW produced more than thirty high level cadres, leaders such as Francisco Dal Chiavon, aka '*Chicao*', who was entrusted the following year by MST with the launching and consolidation of the Federation of the Agrarian Reform Cooperatives in Brazil, the '*CONCRAB*', which had its headquarters

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<sup>16</sup> INCRA "Instituto Nacional de Colonização e Reforma Agraria"(National Institute for Agrarian settlement and reform)

initially in the town of Curitiba, capital of the State of Paraná. In the same town, also, the MST, but this time without any assistance from IATTERMUND, organized its second OW for the formation of Specialists in Cooperative Development, (TDCs), in 1992. This event was coordinated by Father Paulo Cerioli, a former pupil of Clodomir's at the OW of Tres Pasos, and subsequently, thanks to a scholarship which IATTERMUND, arranged for him by FAO, visited the selfmanaging mega-enterprise belonging to the ex-United Fruit labourers in Honduras, the HONDUPALMA enterprise, with its 6,500 Ha of Oil Palm cum Industrial oil processing complexes, its hospital, its colleges etc (re: chapter 6 in this book). Paulo Cerioli, after having contributed to the direction of the Capacitation Centres of Braga and Veranopoles, was, in 1993, with Emanuel Araujo, one of the organizers of the Third MST Organizational Workshop for the formation of Cooperative Development Specialists in the capital Brasilia.

Thanks to its newly-graduated Course Directors, the MST was now in a position to set up its own social participation system in the identification of job and income generating projects(SIPGEI) in the rural areas, either spearheaded by its activists (a special version of API) in hundreds of Land Settlements, or by the provision of formation in capacitation in the three Centers which had rapidly materialized thanks to the new TDCs. These training centers were situated in the town of Cazador (Santa Caterina), the Contestado Center for Formation and Investigations and in identical capacitation centres in the towns of Braga and Veranopoles, in Rio Grande do Sul State. The CONCRAB Journal *"Reforma Agraria: A Struggle which is Everyone's Business"*, - in which dozens of big regional enterprises and cooperatives involved in producing goods and services are registered, mentions in its edition of 1996, that

*'among all the capacitation methods in use, special mention must be made of the Organization Workshop method which is an experimental exercise, as well as a real one in which a group of settlers organize an self-managed enterprise and organize a series of resources, financial and human. The Field OWs are promoted inside the new land settlements and the resulting Enterprise, in general, continues to function after the Workshop has closed which usually is after 30 days. The Center OWs, on the other hand, are specifically designed to form organizational cadres of membership enterprises. Course OWs, in turn, deal with the capacitation needs of in a specific technical area'*

The same Journal continues to provide the total numbers, for 1996, of the dozens of cooperative enterprises in existence in eleven States in Brazil, some with a membership of more than 500, others with members in excess of 800 while one of them, in the municipality of Cantagolo in the state of Paraná, has 1,328 members. At this level, the MST, by 1995, already covered the majority of the Brazilian States. Moreover, the Landless Movement began to exercise an enormous influence on the populations in the 'Roofless'('Sem Telhado') in the inner suburbs, who started up another movement, the *'Movimento dos Sem Telhado'* (The Movement of the Homeless). This movement represented those who, after

invading the abandoned lands, got engaged in the construction collective housing, called 'mutiraos'. The 'Mutirantes' Movement built thousands of collective housing units in Greater São Paulo, Rio de Janeiro, Porto Alegre etc. The *DCI* ("*Commercial and Industrial Data*") *Journal*, in its 'Enterprises and Business' section of March 1992, carries an article under the heading "*Workers who become Construction Entrepreneurs*" It recounts how the more than 500 bricklayers, engineers, architects, plumbers and other professionals belonging to the Civil Construction Worker Cooperative of Villa Curuza, municipality of Sao Miguel, earn twice the going average salary on the labor market and, at the end of the year, receive, on top, a share in the profits calculated according to the total hours worked. According to the same source(DCI Journal), the MST was the driving force behind this Workers Coop, as a good number of its founders members were militants in the Landless Movement. This clearly shows that a new social force is in the making, capable to counteract and halt the tidal wave of unemployment by the implementation of mass capacitation methods and new forms of ownership and social production, generating thousands of new jobs and new sources of income.

The importance this movement which now embraces both rural and urban areas, has taken, explains the appearance on the scene of the "National Association of Selfemployed and Participatory Stakeholders"(the ANTEAG), which managed to prevent many Enterprises with hundreds - and some with thousands of workers - from being swept away by the unemployment tide, which is the obverse side of the globalization and neoliberal phenomenon. In an article by Vasconcelo Quadros in the "*Jornal do Brasil*", of 02.02.1999, one of the national leaders of the MST, Delvek Matheus, says that

*'we see here a new face of the MST Movement, built on a social base of 200,000 families, ie, almost a million small agricultural producers spread over the whole country and controlling the production and commercialization of more than 2,000 settlements through a network of cooperatives. This structure which contains approximately 100 entities dedicated to the delivery of services and agricultural goods, is linked up under the auspices of CONCRAB. Mediated by this system, for example, 1,200 farmers of the Sarandi region, during the last harvest, produced 230 thousand tons of soya and mais and delivered 15 thousand litres of milk a day, refrigerated in installations set up by the settlers themselves to the transnational 'Parmalat'. In another MST experiment, the Rural Worker Cooperative with 3,000 settlers of the municipalities of Nova Laranjeira and Cantagalo, produces 50,000 tons of kidney beans, 60 thousand tons of mais and is investing at the moment in milk production and canned vegetables''.*

In the same newspaper report by Vasconcelo Quadros, Adalberto Martins, alias '*Pardal*' - national MST coordinator for CONCRAB and in charge of the organizational structures of the cooperative system, reports that in the South and South Central region of the country, the settlers have achieved a livelihood for

themselves and are fully integrated. Last year (1998) the Rural Credit Cooperative "*Horizontes Nuevos*" lent out 5 million reales (approximately \$1/2 m.) to small farmers.

*"There is only one case of insolvency to report, and this was due to the fact that the debtor died before the day repayment was due".* The reporter Vasconcelo Quadros goes on to say that *"in Pontal do Paranapanema, under the leadership of José Rainha Junior, the system which was set up by the MST, has already changed the physical aspect of the Region and transformed for example the town of Teodoro Sampaio into a kind of 'MST Republic'.*

Former abandoned landholdings which were taken over by the land invasions have been converted into settlements which now distribute agricultural produce to 19 municipalities in the region. Teodoro Sampaio's 'business card' consists of an assembly of silos boasting the MST insignia. In spite of fragility and amateurism, we have succeeded in setting up a "production system without peer anywhere else in Latin America"

*"No other experience confronts the economic world in quite the same way as ours does"* affirms Pardal. *The MST products are preferentially earmarked for low income families. They are cheaper because they are marketed directly, cutting out the middlemen"*

In Guriu de Ceará there is the example of yet another model MST enterprise, the "Mangue Seco" settlement which was set up as a result of an Organizational Field Workshop sponsored by the INCRA and directed by one of the directors of IATTERMUND, prof Manuel Mozart Machado. This enterprise although less than 10 years old already provides to its membership an average income of 5 minimum wages combined. Schooling goes up to the 7th grade and the houses all have drinkable running water. They are connected internally and with the world over the telephone (OO5585-610548 to be precise). According to the first information newsletter, the '*Sipger Informativo*' the same MST enterprise also has refrigerated storage space for up to 5 tons of fish; a refrigeration plant capable of producing 6 tons of ice; two motorized 25 ton boats which can operate up to 20 days consecutively in the high seas in addition to two heavy lorries and a passenger microbus. 70 small artisanal fishing boats are linked into its service, storage, refrigeration and transport system. The enterprise moreover cultivates 200 ha of cocopalme and has 150 ha of cashew under cultivation. It also owns a commonly owned flour production plant which caters for individual producers of 120 Ha of yuca (cassava) and cassava flour. The Landless Workers' Movement(MST) with its large scale foot Marches demanding Land Reform and militating against rural and urban unemployment is living proof of the existence of a new social force built on the principle of social ownership of the means of production and on forms of selfmanagement capable of counteracting and stop in its tracks the pernicious social force which, for the last 30 years has been responsible for a de facto curfew imposed on the Brazilian population, for the simple reason that those who are excluded and marginalized have nowhere to go

but into drug trafficking and other forms of petty and serious crime which translates into murder statistics of 8,000 persons a year in Sao Paulo and 9,000 in Rio de Janeiro.

As for Rio de Janeiro, the hidden civil war has turned into open warfare, with thousands upon thousands of murder victims every year. The situation has become so bad that Rio is the first State in Brazil where the Army had to intervene. In the second month of Army intervention, the Major said that he preferred to deal directly with the gangsters than trying to make sense of the compromised policies of the local politicians. Newspapers almost daily relate massacres of the so-called marginalized but who, in fact, are simply people-without-work, and, therefore, excluded from the prevailing economic system. Even in the posh neighborhoods of the Zona Sur people are killed by stray bullets from the armed clashes between the military and the marginals. That is one of the reasons as to why Rio, nicknamed the "Marvelous City" saw itself barred from presenting its candidature for the Football World Cup.

To sum up, it would appear that IATTERMUND has a clear idea of the historical role the MST can play in its fight against unemployment, by means of organizing the vast numbers of the landless and the excluded in the urban areas and by its guiding role in the establishment of their own selfmanaged enterprises. This represents a wholly peaceful way in the search for an end to the violence in the countryside and in the towns; it is in this way that the MST is making a huge contribution to the search for peace, notwithstanding the fact that it is precisely they who are the prime victims of the class struggle waged, with government support, by the latifundistas (large landowners). The land invasions which are coordinated by the MST happen mainly in large abandoned ranches and large agricultural enterprises which owe millions to the public purse in unpaid taxes and unpaid social contributions to their workers, anyway. It is for this reason that IATTERMUND, in conjunction with other Institutions, proposed the MST (*Movimento dos Trabalhadores Rurais sem Terra*) for that the 1991 'Right Livelihood Award'<sup>17</sup>. In Brazil, the Self-Employment Programme PAE (*Programa do Auto-Emprego*) presided over by prof Walter Barelli, Secretary for Labour for the State of Sao Paulo and PRONAGER-AMAZONIA coordinated by drs Elien Jaques Eliene Jaques Rodrigues and Romero Ximenes Ponte which is the Institution which has made the most intensive use of the Massive Capacitation OW Methodology in the fight against unemployment. There are many other Institutions which contribute to the formation of the new social force able to counteract the wave of criminality in the countryside and the large towns in Brazil.

### **The Amazonia PRONAGER<sup>18</sup>**

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<sup>17</sup> see Right Livelihood Award <<http://www.rightlivelihood.se/index.html>>: 1991 Awards Recipients (page 3)

<sup>18</sup> PRONAGER Programa nacional de Geraçao de Emprego e Renda eg: on <[http://www.mpo.gov.br/sepre/pag\\_Proj\\_PRONAGER.htm](http://www.mpo.gov.br/sepre/pag_Proj_PRONAGER.htm)>

The Amazonia PRONAGER made its début in applying the OW method in 1997, when the first 'Course' OW in the town of Miracema, near Palmas, the capital of the young Amazonian State of Tocantins, under the auspices of the Supervisory Development Committee for Amazonia and of the State Secretary for Labour and Social Action, dr Homero Barreto. As a result, 54 TDEs and 510 APIs were formed who then went on to identify 597 project profiles. Several 'Field' OW's were run there, which resulted in the capacitation of 1,507 persons and gave rise to 35 Social Production enterprises. In the same year the first Integrated Social Participation System for the Generation of Jobs and Income, 'SIPGER' was implanted in the State. According to the information Bulletin "PRONAGER Amazonia, Trabalho e Renda"(Amazonia Pronager, Work and Income), to these must be added also the 'Field' OWs realized in the States of Pará, Amazonas and Amapà, which, following the precedent set by the Field OW's of Araguaina in Tocantins, were organized by those experts of these States who had already previous experience in the planning and execution of those type of events, ie the habilitating phase of the first National Formation Course for Directors of Field Workshops.

The next stage in 'PRONAGER Amazonia' will be the realization of Course OW's in other States covered by the resources of SUDAN. The Information Bulletin already announces that SUDAN has programmed a repeat performance of the programs in the States of Amazonia such Amapà, Roraima, Amazonas, Acre, Rondônia, Goiás and Mato Grosso. In the state of Rondônia, in 1996, a Course OW took place which resulted in the local SIPGER, headquartered which in the town of Ji-Paraná and covering about 20 municipalities. The anchor Institution of the Amazonia SIPGER is the "Centre for the Ecology and Sustainable Development"(CEDOCES) administered by the TDE's José Wilson, Lindomar Ventura dos Santos and Nereia Pereira dos Santos. The Course OW of Ji-Paraná was sponsored conjointly by the Federal University of Rondônia, by IATTERMUND, EMATER-Rn, the local Mayor's Office and the State Secretary for Planning, dr. Emerson Teixeira. The number of Enterprises which have sprung from the Massive OW Capacitation method in the State of Rondônia has already acted as an incentive for two 'Forums' on Selfmanaging Enterprises in Rondônia. The first of these was organized on the Campus of the Federal University of Rondônia, in the State Capital Porto Velho, while the other took place last year (1998) in the town of Ouro Preto. The Rondônia SIPGER relies on a 'peasant-to-peasant' technical support services Network in which ACARAN (Central Articulation of the Mutual Rural Selfhelp Associations) under the directorship of Carlos Suares de Lima, plays a central catalyzing role. They set up the first Job and Income Generating 'Labor Bank', the 'BETGER', which was instrumental overcoming the unemployment problems in the town of Nova Brasilândia. This Bank operates on the principle of engaging so-called 'surplus labor' in the planting of young nursery trees which then are sold on to the local sawmills for reforestation purposes. Another important Institution which resulted

from the Amazonian OW's is the '*Amazonian Development Institute*' which is based in the town of Guajaramirim, a town on the border of Bolivia. This Institution occupies itself with the formation of educational cadres at all levels. The Institute is headed by the professorial duo Dorosnil and Carmen Moreira.

### ***"More than a Job: A Future"***

The flag raised in the struggle against unemployment by Walter Barelli and the PAE is viewed with enormous sympathy not only by the long suffering masses of the unemployed in the State of Sao Paulo, but also in the 'Merco-Sur' region (Argentina, Uruguay, Paraguay and Bolivia), and continues to find echos in the press of other Latin American and Africa. Barelli is inspired by the philosophy of Mario Covas, Governor of the State of Sno Paulo, who defines *"the right to work as one of the basic requirements for the exercise of citizenship"* and who also is convinced that it is *"from the basis of a decent jobs which guarantees a decent life to a family that the citizen can feel truly an integral part of society, with rights and duties, making their small contribution to the economic and social progress of the State and the Country as a whole"*.

It is for this reason, emphasizes Mario Covas, who has just been elected governor of São Paulo, that one of our compromises of our electoral campaign was to provide employment to those who want to work and motivate those with the will to produce". The PAE caters for clusters of populations with lower levels of economic development in the rural and urban areas. The PAE program aims at providing professional qualifications to the unemployed and orient them towards the structuring of autonomous, community and cooperative activities or in engaging in production and service delivery microenterprises.



## BRAZIL 1987

(post-exile de Moraes)



- 1987 saw the end of the Dictatorship in Brazil and the method returned to its country of birth, **Brazil**, where it was applied especially in its *Field* and *Course* forms, both in rural and urban environments.
- Since dozens of **PROGERS** (Job and Income Generation Programs) Field and Course OWs took place in the most of the **States of Brazil**.

## BRAZIL 1995-2001



- **194** Field OW's were run
- **18** Course OW's
- **4** Enterprise OW's
- **79,257** people organizationally and entrepreneurially capacitated
- **1,860** Business start-ups combining membership enterprises and family businesses, creating a total of
- **9,066** jobs. (Labra 2011)

Source: FAO 2002: Regional Office for Latin America and the Caribbean. FAO Brazil – Technical Co-operation Report