

***Project Title: Frontier development in the Central Brazilian Amazon Basin
Preliminary Field Research Report***



Location: Southern Amazonas State, Brazil. Apuí, Manicoré and Humaitá counties.

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My doctoral research aims at filling gaps in our knowledge base about colonization and development processes in Amazonia, specifically the southern Amazonas state in Central Amazon Basin, where little research has been done in land use change compared to the states of Pará, Mato Grosso and Rondônia. Thus, the objectives of the preliminary fieldwork were to understand current land change processes in southern Amazonas and the present-day inflow of factors (capital and labor), as well as collect historical information on the colonization history of the region.

1. Summary of Activities

I was able to visit the cities of Manaus (capital of Amazonas state) and Apuí, Manicoré and Humaitá in southern Amazonas, where I could interview key informant specialists on land markets and agricultural production, and newcomers to the region who are purchasing lands and farms within and outside settlement projects (**Annex 2**). My trip started in Manaus (2nd to 6th of July, 2019) where I interviewed former and current representatives of the regional coordination of INCRA (National Institute for Colonization and Agrarian Reform), agency responsible for settlements and land titling along federal roads.

From July 6th to 13th I conducted a total of 20 interviews in Apuí and in the Rio Juma Settlement Project. I used a motorcycle and a pick-up truck from Idesam to visit different regions in the settlement, covering a distance of 800 kilometers. As I have many acquaintances, I could explore interviews with newcomers, as I was introduced by such acquaintances (**Annex 3**).

After taking a bus that took 6 hours to traverse 220 kilometers of unpaved roads, I explored the Matupi Settlement project and its surroundings in Manicoré from July 13th to 16th, with a motorcycle. I could understand a bit of the local economy regarding land, timber and cattle (**Annex 4**).

Another bus took me from Matupi to Humaitá city located 180 kilometers to west on the Madeira riverbank, where I stayed from July the 16th to 21st. There I conducted some key informant interviews and rented a motorcycle to travel 200 kilometers (within the municipality) to visit the Realidade Village, adjacent to the Realidade Settlement Project, where I spent one night and could talk to important key informant and newcomers. I conducted 40 interviews in total, as shown in the table below.

Interviews made during the fieldtrip by type and location

County	Key informant	Landowner	Subtotal
Apuí	4	16	20
Humaitá	7	2	9
Manaus	3	0	3
Matupi	5	3	8
TOTAL	19	21	40

Key informants interviewed were representatives of associations, INCRA, the state agency for animal and vegetal defense, bank managers responsible for rural credit, and community leaders.

On July 21st, I took a bus to Porto Velho (Rondônia) and from the 22nd to the 27th I attended the workshop entitled "Protected Areas Governance and Infrastructure Development in Southern Amazonas and Northern Rondônia. Organized by TCD, the workshop is part of the project of Governance and Infrastructure in the Amazon funded by Moore Foundation. I helped to held it and learned from actors and stakeholders about the current trends in the territory, as well as their strategies and tools used to promote better governance in the region.

1. Next steps for my doctoral research

In this fieldwork, I met with key informants that participated in the planning and colonization of the region. Such informants also shared essential documents, which will be instrumental in telling the history of colonization of southern Amazonas. I will study such documents and also ask for more reports from INCRA and ADAF (Forestry, Agricultural, and Animal Defense Agency of Amazonas). I will peruse several materials, which summed with archival data research planned for next year, will complete my research on the colonization history of the region.

Regarding the interviews, I collected rich data on the mechanisms through which people are investing in land purchases and agricultural expansion (including deforestation) in the region. I will organize and transcript all data gathered in the interviews, which will allow me to perform some descriptive statistics.

Most importantly, this preliminary fieldwork made me reflect on the hypotheses I submitted to this TCD grant. I concluded that Hypotheses set 2 (see **Annex 5**) has to be changed. Evidence gathered suggests that capital inflow does not come only from households seeking to capture agricultural rents (H.2.1). Inflow come from different actors that are not necessarily interested in agricultural production. This finding suggests that land speculation is a significant motivator for other actors too, who invest in land-grabbing, forming pastures and sell to others interested in agricultural production.

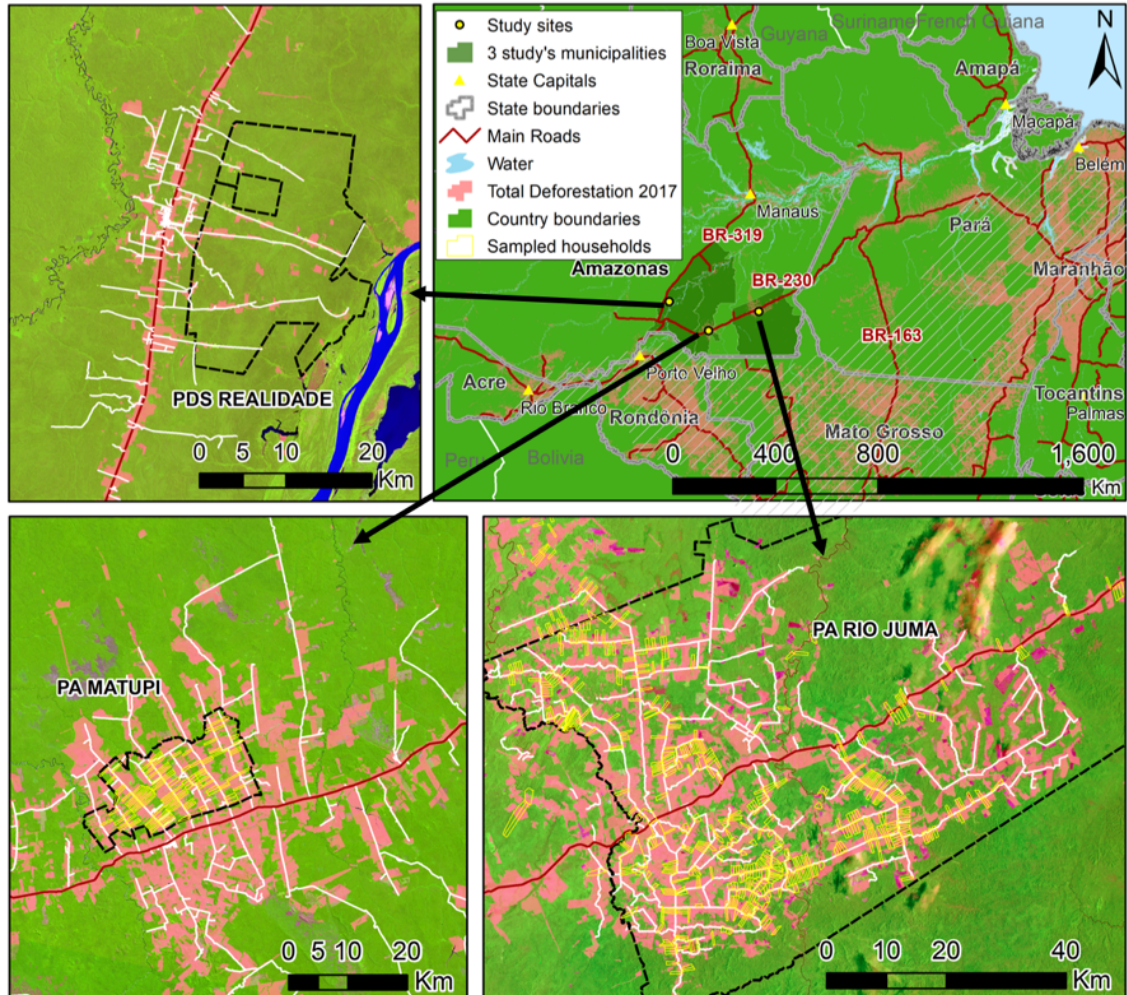
Similarly, I will not be able to test H.2.2., as I found that instead of shell companies, land-grabbing and speculation seldom use companies. Instead, they informally (cryptically) organize

themselves and use managers to invest in services to grab lands, promote illegal timber, and form pasturelands to raise cattle. Because I did not validate Hypotheses set 2, I could not gather that to test Hypothesis set 3 (see annex 5). Thus, I am tending to conduct a more descriptive and interpretative analysis to depict the scenario of capital inflows in the region and their different actors and strategies, sources of labor, and so on. That said, I outline below my preliminary thoughts to move forward.

Land control involves political and economic processes, central to understanding the active creation of new frontiers and territories. Land trade in the Brazilian Amazon frontiers can often assume an illicit and highly profitable nature, which causes environmental change, contentious processes, and capital accumulation. I will explore the processes generative of illegal possession of public lands and the involved actors. By triangulating information from key informants and actors such as government representatives, landowners, technicians, and specialists, I plan to combine archival research (including legislative changes) to illustrate how these actors coordinate to control and exploit lands and natural resources for speculative purposes. Individuals taking part in this market interact through providing services and investments for controlling land and consolidate farms with the expectation that it will gain value and might be legally titled in the future. Although this is a customary market in such Amazon frontiers, I argue that the geography of public land-grabbing of the Brazilian Amazon has become more complex and specialized since the neoliberal capitalist penetration started.

The current political scenario seems to offer grounds that reinforce such illegal practices. I will discuss how ongoing changes in the agrarian, environmental, and agricultural legislation have been favoring the agribusiness sector, promoting the agrarian reform on its behalf. Such changes allow for more public land being legally titled and put into the official market, which increases land concentration that could be at the expenses of contentious incidents against family farmers, traditional and indigenous communities. The study will be novel in offering insights into the role of illegal land trade in the agricultural expansion and environmental change in the Amazon, valuable to policymakers tasked with formulating responses to the current scenario.

ANNEX 1. Amazon region showing the arc of deforestation (hatched) and the study areas in Southern Amazonas state) showing the three regions' settlements, the secondary roads (white), and the sampled households in PA Matupi and PA Rio Juma.



ANNEX 2. Apuí fieldwork



ANNEX 3. Matupi Village Fieldwork



ANNEX 4. Humaitá and Realidade Village.



ANNEX 5. Hypotheses Sets from the Fieldwork Research Proposal

Hypothesis Set 1 (H1) Deforestation and Market Characteristics. I hypothesize that deforestation in CAB proceeds more quickly than in AD. Further, deforestation processes in CAB and AD differ with respect to the functioning of land markets.

H1.1 – Deforestation occurs more rapidly at property scale in CAB than it did in AD. Many migrants to CAB appear to arrive with some available capital, more than was the case for the majority of migrants to AD. This enables them to invest in land clearing and agricultural activities within the first few years of arrival.

H1.2 – Prices in land markets are lower in CAB than in AD. Distance and relative lack of social overhead capital (i.e., infrastructure) tend to make production costs high in CAB, which puts downward pressure on prices. As happened in AD (Southeastern Pará), however, this encourages speculation and land consolidation, both of which accelerate deforestation in the short-run to establish claims.

Hypothesis Set 2 (H2) Capital Inflows. I hypothesize that capital has two primary sources:

H2.1 – Households. Capital inflows to CAB comprise investments made by individuals and households seeking to improve their welfare through productive activities, particularly in agriculture and extraction, with rent-seeking also being a likely motivation. I expect that some migrants keep enterprises and other business in other regions as a source of continuous capital inflow to CAB.

H2.2 - Shell companies. Capital inflows to CAB derive from organized groups operating through shell companies. Incentives are primarily speculative although productive investments are made. This capital inflow provides a mechanism for money laundering.

Hypothesis Set 3 (H3) Labor Regimes and Social Relationships. I hypothesize that the labor regimes imported by newcomers are conditioned by capital inflow type. I further hypothesize that integration with the pre-existing resident community depends on the source of capital inflow.

H3.1 - Labor regimes differ across the two migrant populations. Households with capital engage in local labor practices, specifically by using household labor with a variable amount of labor paid via *diárias* or wages. By contrast, shell companies and related enterprises use contract labor, whereby workers are often held captive in a system of debt peonage (e.g. Pereira, Simmons, & Walker 2016).

H3.2 – Those with household capital integrate socially with the resident population according to social status across the income distribution (poor farmers vs wealthier individuals). Individuals associated with shell companies maintain a low social profile in the region.