

DILEMMA OF DILMA: BALANCING DEVELOPMENT AND ENVIRONMENT

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ABSTRACT

President Lula da Silva's leadership over eight years had made Brazil one of the most rapidly developing countries in the World, as well as a nation on the leading edge of environmental policy. He had put the country on a firm economic footing. He gave impetus towards a responsible environmental policy -- the latter being hailed as among the world's most progressive. Lula's success in declaring bold targets for reducing greenhouse gases had put him at or near the top of the list when it came to eco-conscious world leaders. Taking Lula's place to become the country's first female president, trained economist and former Marxist rebel Dilma Rousseff has pledged to help make Brazil "one of the most developed and least unequal nations in the world." But, with developmentalism and environmentalism so often at odds, it is important to note where Brazil's Presidents stands at the intersection of these dynamic, often dichotomous issues. For a nation as rich in natural wealth and resources as Brazil, this transition of power is not important merely in terms of politics or global affairs but perhaps for something much farther-reaching -- like demonstrating to the world that social and economic progress and development needn't necessarily be in conflict with the preservation of the nature.

Background

João Augusto de Castro Neves opines, "When you look at China, it has manufacturing; India has information technology, and when you think of Brazil, you think of land, agriculture and food production."¹ The environmental history of Brazil has been multi-faceted- remaining at the backburner for most periods and gaining primacy at other times. Since the colonial period, the cycle of fervent overproduction and periods of massive economic gain, followed by the draining of resources and associated poverty, has been played out again and again in Brazil and Latin America as a whole. When Dutch and Portuguese settlers arrived in northeast Brazil in 1630, they decimated vast swathes of the tropical rainforest with sugar plantations that depleted humus and minerals from the soil, irreversibly altering the naturally productive ecosystem. Once the country's richest, most fertile area, the northeast is now mainly savannah and one of the poorest regions of the Western Hemisphere.

During the military dictatorship, supported by the US to help shake Brazil's third-world status, farmers were encouraged with financial incentives and policy-bending to move into the fragile Amazon zone, cultivating land to manoeuvre financial gain. Despite the perceived economic benefits, allowing farmers to use more land could negatively impact the economy in the long term. Since then, sizeable advancement has been made in implementing environmental law, but policies still indirectly encourage rapid development. Settlers who clear small forest areas and use them for cattle ranching, for example, are automatically granted plots under land tenure laws. For now, major infrastructure projects are providing new and improved access to vulnerable land. The rise of the Brazilian beef industry in the world market had a large part to play, with cattle ranches responsible for an estimated 70% of deforestation in the Amazon zone.

Problems Areas of Environment

A significant problem for the government's historical inability to enforce these laws has led to a state-sponsored lethargy. Sustainability is vital for the area to remain economically productive. Delving into the Brazilian context, it is apparent that there are certain areas which have continued to raise concerns whatever was the nature of government: deforestation --the main source of greenhouse gas emissions; the role of the farmers and indigenous people; changing weather patterns; and implementation of national policies and international agreements and regime which is determined by the outlook of the national leaders

Legacy of Lula

In 2003, Lula da Silva, a member of the Worker's Party, was the first to rise from the ranks of the working class to become the President. Lula's personal history contributed significantly to his vision for Brazil's future and instilled a need for greater economic and social equality. Brazil stepped onto the path of profound transformation- economic reforms began to tackle Brazil's foreign and domestic debt and address the problems of poverty and social justice. Finally, it could strive towards a responsible environmental policy - the latter being hailed as being among the most progressive in the world.

Lula chose to surround himself with a Cabinet made of equally fervent Ministers. For his Minister of Energy, Lula appointed economist and former Marxist rebel Dilma Rousseff, who was no stranger to hardship. Under the military dictatorship in the 1970s, she was sentenced to two years in prison for her opposition, where she reportedly endured torture at the hands of her captives. For his Environmental Minister, Lula selected another ambitious social activist and staunch environmentalist, Marina Silva. As the end of his term neared, Lula rode a great wave of popularity for his measured yet progressive approach towards development. Despite generating some disappointment among the most ardent environmentalists for not making the preservation of nature his highest priority, Lula's success in declaring bold targets in the reduction of greenhouse gases and reducing the rates of deforestation in the Amazon to record lows has nevertheless put him at or near the top of the list when it comes to eco-conscious world leaders.

The rate of deforestation fell by 80 per cent over the past six years, as the government carved out about 150 million acres for conservation — an area roughly the size of France — and used police raids and other tactics to crack down on illegal deforesters, according to both environmentalists and the government. Lula's Policies during the first phase included creating fourteen conservation units and efforts to curb deforestation (the rate of deforestation declined from 25,000 sq. km in 1988 to 7000 sq. km in 2009). In the second phase he took to the development of pharaonic infrastructure construction works e.g. Madeira HEP plant, asphaltting of roads and sanctioned new power plants in extremely important biodiverse regions of the Amazon.

The Arrival of Dilma

At the close of his time in office, with an approval rating nearing ninety per cent, Lula endorsed his long-time advisor, Dilma Rousseff, for President. With that support, she quickly rose to the top of the list of candidates, promising to carry forward Lula's tradition. Throughout her election campaign, Dilma's stand was based on continuing development with hardly a mention of environmental policy. In her address to Brazil and the world following her inauguration, Dilma spoke about the nation having "crossed over to another shore" regarding social and economic development -- a trend she plans to continue. Dilma spoke in praise of the policies of her predecessor. She emphasised the point of Brazil having "crossed over to another shore" regarding social and economic development -- a trend she planned to continue. It was only towards the end of her speech that she offered insight into her environmental goals:

I consider that Brazil has a sacred mission to show the world that it is possible for a country to grow rapidly without destroying the environment. We are and will continue to be the world champions in clean energy, a country that will always know how to grow in a healthy and balanced fashion. Ethanol and hydro-energy sources will be greatly encouraged, as well as alternative sources: biomass, wind and solar energy. Brazil will continue to give priority to preserving natural reserves and forests. Our environmental policy will benefit our action in multilateral forums. But Brazil will not let its environmental action be conditioned by the success and fulfillment, by third parties, of international agreements. Defending the environmental balance of the planet is one of our most universal national commitments.ⁱⁱ

Keeping in mind the fact that the baggage of having succeeded Lula is not easy, the arrival of Dilma opens a volley of questions: it be possible for the President to make the country grow without destroying the environment? Development is meant for whom? What should Dilma do with Amazon? Some of these issues would keep her preoccupied during her tenure.

Initiatives of Dilma

Since Dilma Rousseff was elected president in late 2010, there have been signs of a shift in the government's attitude toward the Amazon. Efforts have been made to continue with the past and not put the environment on the back burner. In this process, Dilma continued with some of the previous government's policies and simultaneously brought in some unique policies. Her programmes, old and new, can be viewed as under

a. Dilma's 13-point agenda

Having launched the 13-point agenda on sustainability, she somewhat put a foot forward towards the management of the environment. "Dilma does not come from the ecological movement," said Carlos Minc, Brazil's former environment minister and one of the authors of Rousseff's green programme. "She is a developmentalist but a developmentalist with strong environmental sensibilities". This could be fathomed by these issues in the agenda

- sustainability with economic growth
- to cut Amazon deforestation by 80% and emissions by around 39 per cent by 2020.
- veto initiatives that imply an amnesty for deforesters
- introduce wind, solar and biomass energy schemes- Dilma, who is a developmental economist by training, would definitely include a boost to energy generation.

On analysing the programme, there are two kinds of conjecture – the negative revolves around the key question of whether Dilma will continue to consider the environment “an obstacle to development,” as she said during the Copenhagen climate change summit. She will intensify the mega projects in the Amazon. Reflected by her emphasis on PAC and most of her political program. The positive skeptics believe she would become a more consensus oriented politician like Lula being convinced by arguments from the environmentalists and continue Brazil's positive trend of curbing deforestation.

b. New Forest Code

Officialised in 1965, just a year after the end of the military's bloody regime, the Forest Code was implemented to halt, if not reverse, the negative impact of deforestation in the Amazonas by defining how much land could legally be felled. At the time, it was considered a progressive move for a developing country. Although the code has been challenged in the past, the proposals currently under debate are the most radical yet. A bill seeking to overhaul the 47-year-old Forest Code, a central piece of environmental legislation, is the most serious test yet of Ms. Rousseff's stance on the environment. This bill promises amnesty to landowners who cleared land before June 2008. It can be viewed as a second-generation policy being debated in Congress, which would seriously undermine regulations prohibiting the clearing of native jungles.

The fight over the Forest Code has stoked Brazil's age-old struggle over development versus conservation in Brazil. This country bears the weight of international pressure to protect the Amazon from deforestation because its sheer scale could affect global climatic conditions. Agriculture is a pivotal part of the country's economy, accounting for 8 per cent of GDP, and absorbing a quarter of the labour force. As it stands, with just one-third of the country's arable land worked, Brazil is second only to the US in agricultural production. Agriculture represents 22 per cent of Brazil's gross domestic product. The so-called ruralists in Congress say that the old code is holding back Brazil's agricultural potential and needs updating to allow more land to be opened up to production. Environmentalists counter that there is already enough land available to double production and that the proposed changes would open the door to a surge in deforestation.

In May 2011, the House approved a more sweeping amnesty for those who had illegally deforested, outraging environmentalists and scientists. It did not help that the deputies refused to receive a group of respected Brazilian scientists that issued a report condemning the changes. “In the House, there was very little consultation with scientists,” said Carlos Nobre, a scientist at Brazil's National Institute for Space Research who specialises in climate issues. Still, he said, scientists “waited too long to realise that the House wanted to radically change the Forest Code, creating a broad and unrestricted license to deforest.”

Ms. Silva, who was raised in the Amazon, resigned in 2008 after a backlash by rural governors to restrictions on illegal deforestation she had put in place. But she left what environmentalists consider an effective policy to control Amazon deforestation. Among other tactics, Mr. da Silva's government used satellite images to home in on deforesters, organized police raids and blacklisted the worst offenders. “The ruralists have pushed so much to change the Forest Code because the government actually started enforcing it under Marina Silva,” said Stephan Schwartzman, director for tropical forest policy at the Environmental Defense Fund in Washington. Ms. Rousseff, a former energy minister, has so far flashed a more pro-development stance, environmentalists say, shifting the balance from the administration of her predecessor, Lula who appointed Ms. Silva.

Supporters of the amendment believe that by removing restrictions, Brazil could usurp its main rival and become the world's largest agricultural producer, a status they say would better Brazil's position in global

markets whilst alleviating small-scale farmers from poverty they claim to be avoidable. The far-left-leaning Rebelo is quick to dismiss accusations of an assault on the land, arguing instead that the economic benefits of his measures will outweigh the negative environmental impact. “Our concern is with the environment, but also with the situation of the farmers in our country,” he says.

A provisional measure now allows the president to decrease the lands created for conservation. The government is granting more flexibility for large infrastructure projects during environmental licensing. And a proposal would give Brazil’s Congress veto power over recognising indigenous territories. “What is happening in Brazil is the biggest backsliding that we could ever imagine regarding environmental policies,” said Ms. Silva, who now devotes her time to environmental advocacy. The debate over the law has revealed the stark disconnect between a population which is increasingly supportive of conserving the Amazon and a Congress in which agricultural interests in the country’s rural north and northeast still hold sway. The fracas came to light as Brazil was set to hold a United Nations conference on sustainable development in Rio de Janeiro.

Before taking office, Ms. Rousseff promised to veto any revision of the Forest Code that granted amnesty to landowners who had previously deforested illegally. Then her government negotiated a version of the code, approved by the Senate in December, that would give amnesty to farmers who broke the law before 2008 — provided they agreed to plant new trees. The House is expected to debate the legislation again with Ms. Rousseff holding final veto power.

As Tatiana Carvalho from Greenpeace Brazil puts it: “Besides biodiversity losses, and the effect on climate change, the amendments will certainly have a negative impact on the practice of agriculture. Water quality and abundance will be affected.” Given arable agriculture’s reliance on rainfall, production in other regions may well be threatened by changes in climate and rainfall cycles. Land directly south of the Amazon, whose fields provide the country’s most lucrative and dependable export, soy, would be particularly threatened. Philippe Sablayrolles of GRET explains that the situation is more complex than some environmental activists realise.ⁱⁱⁱ “There are two schools of thought,” in terms of support for change, he explains. “The first is practical; though it makes sense to conserve the forest’s ecosystem, it is a difficult law to apply logistically—you would have to have a policeman behind each tree. “The second is that it is contradictory to demand that farmers conserve land they have been allowed to buy. It is necessary for the economy that the land they have been given by the government is productive”.

Although the Forest Code has been passed by Congress, Rousseff still has the option of vetoing the bill, which provides amnesty to farmers who flouted minimum forest coverage requirements in the past. The vote in the House showed how heavily represented the less developed north and northeast are in Brazil’s Congress, a relic of the military dictatorship.

c. Bolsa Verde (Green Grant Programme)

This gives financial assistance to poor families that help preserve Brazil's Amazon jungle- one of the important strategies of the Brazil Without Extreme Poverty Plan.

d. Amazon Fund

This encourages business models that reward communities and landowners for sustainable management of the forest. It was set up in 2008 with financing from Norway and Germany, which approved 19 projects worth a total of \$235m.

e. On the International Front

Rousseff’s administration will bring increased clout to negotiations over climate and global trade at most international platform. The importance of Brazil has been climbing ever since the hosting of Earth Summit at Rio in 1992. Any issue on which there is a North-South divide, Brazil is the chief protagonist of the South nations.

f. PAC- the Accelerated Growth Programme

Much of the \$ 200 billion budget funds the construction of HEP highways in the Amazon. Belo Monte-hydroelectric power plant, First conceived by the military government in the 1980s, located in the heart of the Xingu river. Brazil's northern Pará province is the homeland of the Kayapó people. Staying around the tributaries of the giant Xingu river, itself a nearly 2,000km long tributary of the Amazon, the livelihood of the Kayapó people is under grave threat by the authorization of the construction of a dam that will flood their homeland.

The Belo Monte dam third-largest hydroelectric dam (after China's Three Gorges dam and the Brazilian-Paraguayan Itaipu dam) will flood 400,000 hectares of the world's largest rainforest, displacing 20,000 to 40,000 people – including the Kayapó. The ecological impact of the project is massive: destruction of biodiversity, flooding of the rainforest will liberate massive amounts of methane, a greenhouse gas far more damaging than carbon dioxide. and the impact on an entire society, is unimaginable. The rich resources of their lands (minerals, timber, and potential hydroelectrical power) have brought pressures from outside. Although the Brazilian constitution explicitly prohibits the displacement of "Indians" from their traditional lands, it provides for one convenient exception: where the National Congress deems removal of the people to be "in the interest of the sovereignty of the country". Proponents of the dam argue that its construction is in the nation's interest.

The Kayapó people's leadership has learned how to participate in the world economy. They were one of the first indigenous peoples to participate in international commerce, with the Body Shop, and they learned how to fight back against projects they did not support. A five-day media conference they organised to fight the Bel Monte dam in 1989 generated enough international attention that the World Bank refused the loan necessary for the project to proceed. Now, as the project raises its head again, the Kayapó have forged alliances with non-profits worldwide to continue their battle. In February, Chief Raoni delivered a petition with 600,000 signatures to the Brazilian government, and construction of the dam was temporarily blocked. But this week, the Brazilian government gave the project the green light. Chief Raoni and his people have, essentially, played by our rules. They learned the ways of a foreign society, and they waged their battle according to those foreign rules and with those foreign weapons, launching petitions and protests, and engaging media and lawyers. I am reminded of another photo that recently appeared on these pages: that of an "uncontacted" Amazonian tribe, their bows raised, their arrows aimed at the Brazilian Indian Affairs Department aircraft flying overhead. For all his efforts, Chief Raoni, too, might as well have been shooting arrows at the Brazilian National Congress building.

The Kayapó and their partners have launched a last-ditch effort, including another petition, to have the Brazilian government listen to their concerns, and respect traditional land rights.^{iv} A land of pristine rainforest that is still populated by vibrant communities of original inhabitants – what industry's requirement to "consult" with indigenous people means: the parties will, at some point, show up in a room together and voice their opinions. The indigenous people will have every right to say no to the project. But no one is required to heed that.^v

g. Road Link

A new trade route has been established to reach the Asian Market along the Brazil–Peru border passing through Madre de Dios. This has opened new vistas to the Asian market. At the same time the relationship with the neighbouring countries has changed dimensions.

h. Oil Exploration

The discovery of oil reserves along the Brazilian coast left Lula so elated that he declared, “God must be Brazilian”. The US oil giant Chevron was entrusted with the oil drilling operations. There was a major oil-spill in November 2011 in the Frade Field. While investigating, Brazil’s environmental agency IBAMA declared that Chevron had put tremendous pressure on the reservoir, ignoring the geological make-up. Dilma has been urging oil companies to obey the countries' environmental policies and protocols or face condemnation.

Evaluating Dilma’s Policies

The road is not easy with the baggage of Lula’s legacy. The standards set are high, and there are deliberations and suggestions on what to do. Some of the positive stands taken include: the contrast to PAC-stop the construction of BR 319 highway; opposite to provisional measure 458-put an end to land ownership legalization based on deforesting^{vi}; opposite of the reform of Forest Code’s Reform Proposal- do away with amnesty for environmental violations; transparency in construction works-mitigation and impact actions must be treated openly; making EIA serious and extensive ; good urbanization; UK NGO Bonds’ concerns about the new Brazilian Forest Code – Dilma has promised to uphold the previous government’s international commitments to reduce deforestation in the Amazon by 80 per cent by 2020.

Despite this commitment, the new forest code proposal was approved in the Brazilian Senate on 6 December 2015 without considering the concerns of Brazilian civil society organisations and scientists about the proposed changes as follows: (i) no increase in deforestation; (ii) no amnesty for those who formerly disrespected the law and destroyed forest; and (iii) keep environmental control and not allow states to decide

on the deforestation limits. They have requested her to veto the damaging proposals and meet her promises to reduce deforestation in the Amazon by at least 80 per cent by 2020, and keep Brazil at the forefront in the efforts to tackle climate change by halting deforestation.^{vii} A poll by Datafolha showed that 85 per cent of Brazilians believed the reformed code should prioritise forests and rivers, even if it came at the expense of agricultural production.

Stumbling Blocks

Environmentalists fear the amnesty will embolden those who have already ignored limits on reducing tree cover to take more land. Another impediment to the environment is the rapid expansion of hydroelectric dams and the development of vast offshore oil fields. An important leadership challenge is from the environmentalist Marina Silva - When Marina began serving as Lula's minister of environment in 2003, Dilma was minister of mines and energy, in addition to a position as chief of staff.^{viii} Dilma and Silva first came into conflict from within their respective positions in the Lula administration - with the former leaning towards an industrialising agenda that appealed to development via infrastructure projects, the likes of which have drawn ire from environmentalists worldwide. In the end, Dilma's voice won out. Eventually, Silva resigned, and Dilma was promoted to Chief of Staff. She resigned from her post in 2008, largely because her Plan for a Sustainable Amazon did not jibe with Dilma's Accelerated Growth Program. In the process, Marina became an internationally respected Amazon defender.^{ix} "Sixty per cent of Brazil is covered by forest, and it is entirely possible to reconcile this with our industry in a way to create jobs and profits without damaging the environment," Marina has said. "The big challenge facing us as we start this century is to marry up the economy with the environment successfully. And Brazil is the best placed to do that." Constitutional Status of **indigenous land** remains a grey area in terms of legal claims. Deforestation in Brazil has slowed down because of greater law enforcement and the use of satellite imagery to track deforestation activities. An important resistance comes from MST, which is upset over any visible agrarian reform and points to the issue that the Dilma government still has not understood the importance of agrarian reform as a social programme.^x

The Way Forward

Combining science and technology with modern extractivist practices can be an interesting prescription. Using river and rail transport instead of highway and road-based solutions will reduce the environmental footprint. Besides, the importance of sustainable tourism or eco-tourism needs to be encouraged. Besides, Brazil must increase its capacity to produce knowledge. Institutional aspects like the creation of Ministry of Amazon and creation of more conservation units in Amazon will help in addressing issues more efficiently.

"The skewed proportional representation in Brazil has shown that the environmentalists have much less power in Congress than they have in public opinion," said Gilberto Câmara, director of the National Institute for Space Research, which monitors Amazon deforestation. In an article for the Economist's "The World in 2012," President Dilma Rousseff has argued for "the Brazilian model" to be emulated by other developing countries. The essay rightly emphasises Brazil's record in poverty alleviation and environmental issues.^{xi} Two events that compel that the world is looking towards Dilma are the vetoing of the Forest Code and the hosting of Rio+20 summit. Dilma had commented on hosting this summit "We want the word 'development always associated with the term sustainable. We believe that it is possible to grow along with sustainable use and preservation of environmental resources."^{xii} The hosting is also important in terms of the role of BRIC countries in a changing world.

Dilma retains a measurable popularity among most Brazilians. She scored high marks for her environmental policy. However, the dilemma remains: Should the priority be development or the environment? Development is still more important is corroborated by the fact that Brazil has overtaken Britain to become the sixth largest economy in the world. It has, however, acquired more clout in international forum devoted to environment. She must tread the path carefully

ENDNOTE

ⁱA Washington-based analyst and political editor of the Brazilian Economy magazine.

ⁱⁱ Dilma's speech at the inauguration of her second term in 2014.

ⁱⁱⁱ Opinion of an NGO-cum-consultancy firm specialising in sustainable development in rural communities, with a view to reducing structural inequality,

^{iv} The Inter-American Commission on Human Rights in 2013 has urged the Brazilian government to consult "in good faith ... and with the aim of arriving at an agreement with each of the affected indigenous communities".

^v , Jacqueline Windh "*The Brazilian Tribe that Played by Our Rules, and Lost*, The Guardian, UK, Friday 3 June 2011

^{vi} The law –Provisional Measure No. 458, Of 10 February 2009 – is one of the most controversial environmental decisions of Lula's two terms in office.

^{vii} UK NGO Bond had written to the President raising concerns about the new Brazilian Forest Code.

^{viii} From a rubber-tapping family in the Amazon rainforest, Marina, in the 1980s, led demonstrations with martyred environmentalist Chico Mendes, and in 1994 she became the first rubber tapper to be elected to Brazil's federal senate.

^{ix} Marina Silva ran for President in 2010 on the Green Party ticket and won 19.4 per cent of the votes.

^x Joao Pedro Stedile, one of the main leaders of the landless movement(MST)in Brazil, in an interview in the newspaper *Estado de Sao Paulo* in early 2012.

^{xi} "The World in 2012," in *The Economist*, annual edition of 2012.

^{xii} Extracts from Dilma Rousseff's speech delivered to the World Social Forum in Porto Alegre, 26 January 2012.

