

# Mapping the Current Condition of Solidarity Economy and Family Farming in RN, Northeast of Brazil

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## Abstract

This research surveys the current conditions of the solidarity economy (SE) and family farming in the Northeast of Brazil, examines sustainability of alternative local food systems, the role of food provision, the level of food security, and the possibility of community development. The full research intends to explore ways to contribute to the livelihood of the people involved in the study. The research method is Participatory Action Research (PAR) which is composed of four collective processes, mapping conditions, implementation of actions for change; analysis of the effects of actions and reflection. Thus, the main objective of this portion of the research is the mapping of the current condition of the SE and family farming. The methodology consists in a literature review and the analyses of interviews with actors in the Northeast state of Rio Grande do Norte (RN), the stakeholders were divided in three groups for pedagogical purpose, family farmers and people directly engaged with SE, community organizers and academics. This is a work in progress and include data from interviews with the group of people directly engaged with SE and family farming. The results appointed some conditions and possibilities of the SE, the importance of supporting institutions for the SE in this micro-region and will serve as basis for the continued research.

*Keywords:* Solidarity economy, Family farming, Participatory Action Research

## 1. Research Statement

This paper is a work in progress, the broader study in which this preliminary study is part of will explore how can the process of participatory action-research contribute to the improvement of the living conditions of the family farmers of the Xique-Xique Network?

To answer the initial guiding question is necessary to comprehend the current condition of both the solidarity economy and family farming in Rio Grande do Norte, thus the question driving this research is: What is the current status of the social economy and family farming in the northeast of Brazil?

The Research objective is to better understand the conditions of both the solidarity economy and family farming in Rio Grande do Norte and the role of institutional spaces for this sector of the economy.

## 2. Literature Review

The term Social Economy and Solidarity economy has been present in the academic and political sphere for some time now. The definitions of its principles are somewhat similar, but the limitations and scope of its coverage differ. The first World Social Forum in 2001 marked the rise of the Solidarity Economy as a study subject and

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as an emergent movement. It was organized to oppose to the World Economic Forum that represented the powerful capitalist sectors, such as banks and multi-national corporations. In 2003 the Brazilian Secretariat of Solidarity Economy was created within the Ministry of Labor. The very first mandate of the secretariat was to map the solidarity economy and its impact in Brazil. (Lechat, 2009). The role of the social economy is to offer “alternative economic strategies to reduce poverty and unemployment, and to implement new civil-society-based economic revitalization strategies” (Mendell, 2009 p. 178). For Gaiger (2004), one of the main objectives of the solidarity economy is to provide a new practice in the workforce, breaking with the degrading working conditions and reconciling the worker with the process and fruits of their labor in order to overcome the disposable and alienating character of the productive activity. Mendell (2009) states that there are three supporting pillars of social economy; the social enterprises themselves, an enabling policy environment, and leadership. The role of government is to create institutions to provide the enabling and thriving conditions for Social Economy such as, capacity building, political spaces for discussion and representation, research, and networking. A definition adopted by the Chantier de l'économie sociale states that “as a whole, the social economy refers to the set of activities and organizations stemming from collective entrepreneurship” (Mendell, 2009 p.186). Though there are common characteristics to it, the limits, boundaries, and definitions for SSE sometimes overlap, as different manifestations of it are observed all over the world.

In the other hand, at the heart of the Western world economy is the globalized food system, McMichael (2013) claims the global food regime is capitalism itself. He refers to it as a regime because of its hegemonic power. McMichael divides its evolution in three phases, a ‘colonial regime’, where by 1879 the British empire started dominating international relations with the colonies’ settlers, which in turn provided them with a centralized international trading power until the 1930s. The ‘industrial regime’ after a disruption in global trading during the World War II shifted the power centre from war torn Europe to the US which implemented industrial agriculture all over the world since the 1950s. By the 1970s the industrial food regime gave place to the corporate food regime from 1980s – 2000s (McMichael, 2013). The global food system we have today is based on dependency and it materialized with colonizing. The native local sustainable systems were violently dismantled to give place to the large-scale monoculture for export. In Brazil, Guimaraes’ says that the development history since colonization, from the 1500s when the Portuguese expeditions arrived in the Brazilian coast. Thereafter the Brazilian colonization was based on sequential extraction cycles. The transition of the global food regimes McMichael describes coincides with this extraction cycles and accompanying economic crises in Brazil, indicating that Brazil was integrated in the centralized system. It is easy to see how political turmoil in Brazil is influenced by power shifts and implementation of new systems from the Global North.

The global apparatus of agribusiness probably started out of the good intention to protect farmers. Nicole Faires (2015) states that President Hoover fixed the price of wheat and cotton, thus when the market price dropped, the government would buy them. The financial security of producing crops with a guaranteed sale at minimum price caused over production. President Roosevelt in turn, created another regulation to

control the excessive production of these crops, “rather than paying farmers too much for a worthless crop the government now paid them not to produce wheat or cotton, by that logic any business that got into trouble by poorly estimating the market, should be bailed out and paid” (Faires, 2015 p. 2). The same thing happened when corn became a subsidized crop. Food processing, in turn, was sought as an answer to the surplus problem and the high fructose corn syrup frenzy began. These actions started to build a governmental structure that would later compose a set of measures aimed at protecting and funding agribusiness exponentially. Governments became the largest holder of private banks loans. Currently these corporations are increasingly operating in the “direct creation, application, and enforcement of international law, through the representation of governments that support the expansion of corporate rights” making corporations more sovereign than the state (Cerny 1995, p. 618). However, the agri-food industry has neither competencies nor the purpose of food provision to society, shows no commitment with public health or social responsibilities. This industry has one goal, that is, the continuous growth of their profit. Nestle (2013), suggests the food industry invests an enormous amount of money for lobbying, publicizing research results when it’s favorable to the industry while undermining results that criticize their products. In his book ‘Folks, This Ain’t Normal’, Joe Salatin (2011) criticizes how the government regulates the food market staging as intended to ensure the public health but that, in reality, prevents healthy eating. Salatin states government regulation makes it harder for small farmers to have direct access to local consumers.

From 2003 to 2016 Brazil experimented with its first ‘left’ leaning administration with the Workers’ Party (PT) in coalition with the Liberal Party. In an interview Stédile, an important Brazilian Marxist economist and one of the founders of the Landless Workers Movement (MST), stated that his policy benefited the bankers, the large transnational corporate groups, agribusiness, at the same time it significantly enlarged the existing programs and created new social assistance policies, especially related to public higher education, health, poverty, and hunger (Balza, 2009). In 2003 the Brazilian Secretariat of Solidarity Economy was created and became an umbrella for a number of policies and programs to promote the growth of the SSE and family farming sector. The first Census of Family Agriculture published in 2009 demonstrated the importance of family farming for national food security, since it was responsible for the production of about 70% of the food consumed in the country, which, served as justification for government support. However, the PT party was linked to large corruption schemes and lost support even among its own base. In the elections of 2014 the PT managed to re-elect Rousseff, but lost the congress. Conservative political forces, which seemed to coordinate the Legislative and Judiciary powers, allied to a mass media at the service of national and international capital interests, paralyzed the country while a strong economic crisis emerged that culminated with the impeachment of President Dilma Rousseff in May 2016. As Michel Temer’s sworn in as the president, his first official act was issuing presidential decrees to eliminate the Ministry of Culture, the Ministry of Agrarian Development that were the largest institutional structures and channels of federal support to the SSE, craftsperson and family farming.

### 3. Methodology

The recent literature on participative action research (PAR) has shown an increasing interest in applications of PAR in community development. The PAR approach has roots in the Northeast of Brazil, when Paulo Freire used processes of what today is known as PAR in the early 1960s (Brandão, 2016). He successfully developed an approach to alphabetize 300 illiterate rural workers without access to school, excluded from social participation in a 40-hour course, using their own socioeconomic context and contribution to build the program with participants while using the local resources available.

In Spain, a group of researchers named Guzmán, López, Román and Alonso (2013), applied PAR with the participation of local farmers, social organization groups, and management professionals to design and implement an approach to promote capacity building management and organization in farming-related production. In the Andes region a project that started with the question of how can researchers help small-scale farmers reduce poverty became a PAR project focused in marketing network approach that later evolved to include farmers from the Andes regions from Ecuador, Bolivia, and Peru (Devaux, 2007). The approach particularly helped farmers develop market niches adding value to potatoes, for instance promoting food processing to offer ready-to-eat potato snacks in branded packages. Alana James (2007) talks about using PAR to resolve Complex Adaptive Issues, which she defines as a problematic state or place a group of people finds themselves tensioning between the ideal situation and their reality. PAR involves a straightforward process of collective design and implementation, which is intended at understanding a group of people while changing their conditions. It is seen as an effective approach for improving the desired conditions of groups in community development since it works in continuous cycles. If the first cycle does not produce the results expected, the group can reflect, reshape the plan and actions until the desired changes are achieved, second because it is a collective process where the population involved will participate in every step. Essentially PAR is composed of four collective processes, the first is to **map** the issues and action plans to change the conditions, second implement **actions** for change, third is to measure and **analyze** the effects, fourth is to **reflect** and change the approach accordingly either because it did not produce the expected results or to set new goals and continue developing further. Mapping the issues includes diagnose of larger community conditions, causes of problems, how these problems have been solved by other people, identifying groups or people around the community that could contribute, establishing connections, plan actions, set up working groups and more. Action stands for intervention towards changing the condition, from this step on, the details are harder to predict as the input of the involved will build the design of actions according to the groups needs, wants and will depend on the available resources and ability of participants. In analyze and measure step the researcher can continue to involve the participants by asking the participants how they are feeling, what are their ideas. Reflect is where the whole approach is reviewed and the results or impacts are evaluated to give basis to a new cycle.

#### 4. The Research Design: The PAR Process of Mapping

For this paper the portion of the investigation will focus on the preliminary research, to contribute to the first of PAR processes, the mapping, it will include a literature review about the conditions and possibilities of family farming, social and solidarity economy. The establishment of connections with researchers and community developers in Brazil and with the *Associação de Apoio às Comunidades do Campo* [Association of Support to Rural Communities] – AACC contributed to this investigation.

The stakeholders were divided in three groups, identified as ‘family farmers and people directly engaged with solidarity economy’; ‘community development agents’ and ‘activists, economists, politicians and academics’, in this portion of the research twenty semi-structured interviews were conducted with the first group, the family farmers and people directly engaged with solidarity economy. This group were also identified as to have the most significance to the study and more likely to be exposed to its risks, thus, their input will be carefully considered in the development of other portions of the PAR. The interviews were conducted in periodic markets, social events such as forums and meetings addressing topics related to SSE and family farming.

For the analyses procedures, the transcript of the interviews was coded and analyzed with the assistance of the NVivo, a software that allows for a better visualization of the connections within the data and supports qualitative research organization of unstructured data.

#### 5. Results

The objective of the main research is to understand the conditions of family farming and possibilities pertaining the social and solidarity economy while bringing beneficial changes to the population involved. The interviews with the local population involved with the solidarity economy and family agriculture in the region of RN inquired about their own experiences, their own standpoints on the role of scientific research about the subject; about the condition of SSE and family farming in that micro-region, highlighting issues they face, it also inquired about the institutions of support. The results were amassed in three main categories: Conditions map; The role of research; and The government role. The purpose of these categories were to focus on the objective of mapping and make the most of the preliminary research results in contributing to further development of the methodology PAR. in view of recent changes in the political direction happening in Brazil since Michel Temer was sworn in May of 2016, thus, the research also investigated the role of institutional spaces for the sector, as new administrative reforms caused major cuts and extinguished program and public policies.

The Figure 1. is a hierarchical treemap of the main findings, organized in themes that emerged from the coding process forming a general overview of the results of the analyses. Boxes’ size is proportional to their relevance within the data, larger boxes represent higher incidence of that theme in relation to others. Boxes located inside other boxes indicate a subtheme.

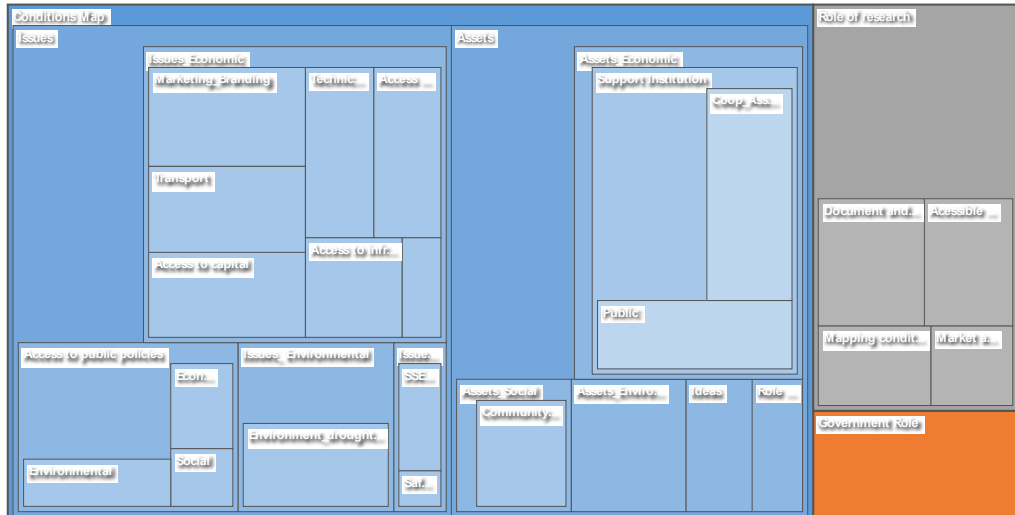


Figure 1: Compiled results overview made with NVivo.

## 6. Mapping Conditions

Most of the data regarded conditions, as shown in Figure 1, the conditions occupy the larger portion of the graphic, thus, issues and assets themes emerged most frequently in the perception of the family farmers, craftsperson and social entrepreneurs that participated in the investigation, specially about issues faced by the participants. The themes were then clustered into categories pertaining aspects of sustainability such as economic, social and environmental, which are a central subject for this research.

### 6.1 Mapping the issues

The participants were asked to talk about issues they may face in their ventures. From the twenty participants, eighteen mentioned one or more issue. Most issues appointed were classified as **economic** issues, highlights were given to the distribution of goods produced, specially in the area of commercialization and marketing, access to transportation, infrastructure and lack of physical space to sell their products directly to the consumer, which, in turn result in having to distribute a portion of the production to intermediaries reducing their revenue. In regarding to capital, the respondents appointed the lack of opportunities for start-ups in the sector and stated the limited access to credit makes it hard to maintain cash flow, stalling their growth. Another issue was the lack of access to knowledge, specially, in the area of organic fertilizers and best practices to increase crop harvest; technology for access and treatment of water, for instance to help them build cistern and wells, which in turn would allow them to maintain irrigation in drought periods.

The main **environmental** issues appointed by the participants was the periodic droughts that has allegedly shown an increase in lengthen in the past six years. Another problem stated was the difficulties they face as non-certified organic producers, since the certification was deemed economically unfeasible; growing deforestation was also

mentioned by two respondents.

The interviews were analyzed individually, thus, fewer responses were readily classified as social issues, three respondents stated that the stigmatized image associated with being a family farmer or a craftsman to be a major issue. The other issue was identified when a participant stated to feel unsafe as a woman working in certain public market spaces.

Access to public policies emerged as distinct theme, as it was appointed by most of the participants as a major issue. Mainly the participants expressed concerns about the lack of specific public policies, the difficulty in accessing the existing public policies and the extinction of public policies understood as effective by the recent reforms implemented by the Temer administration.

Within the specific public policies mentioned were the ones to capacitate family farmers in various areas and to support family farmers attain organic certification. Many participants criticized the reforms that extinguished the MDA, and expressed concern for the future. Another common critic among the participants was about the existing policies, particularly the ones aimed at giving rural producers access to credit, described as inaccessible due to lengthy and over bureaucratic process, particularly for older farmers, since some process uses digital tools.

## 6.2 Mapping the assets

The participants revealed that institutional support is exceptionally important for the economic sustainability of projects. From the twenty participants, fourteen stated they have some sort of partnership with an institution and credited their success largely to having access to institutional support. The more than half of participants stated they are members of worker's cooperatives or associations, one participant said "The little ones need to come together to build something bigger than everyone gets stronger" [My own translation]. Some participants claimed the government had cut programs they used to participate in, specially in the federal sphere. Nevertheless, eight participants declared to they have received support from government institutions, highlighting that recently the municipalities and educational institutions are more likely to contribute. Participants mentioned that most municipalities also organize local periodic markets weekly giving family farmers and the SSE a public space to sell products.

As environmental assets the analyses revealed the most participants make use of principles of agro-ecology, multi-culture systems and organic production. The participants also shown interest in sustainable techniques to avoid chemical fertilizers and to promote healthy eating of non-industrialized whole foods. A few participants mentioned the importance of strengthening local markets.

The main social assets that emerged in the results was the access to community support, although some participants that stated they have community support revealed they do not have any other support and stated that is a major limitation.

The participants were asked to offer ideas to the issues they appointed, these ideas were classified as assets. Among the answers offered, organization in some sort of collective or cooperative was one of the most popular responses, offering a diversified line of products for sale through partnerships with other producers. One interesting answer "regarding to the issue of water access, we have to prepare ourselves, build cisterns, seek alternative technologies, use the muddy water, through the construction of biological desalination

filters” [My own translation]. Another answer provided advice for policy makers to develop opportunities for the local public institutions to buy food products directly from small farmers. One participant suggested partnering with elderly homes, “they could buy directly from us and would have access to a healthier diet” [My own translation].

## **7. The Role of Research**

Four themes emerged from questioning participants about how a scientific research could help the sector develop, two of the themes were more prominent among the answers, the first was classified as ‘accessible technical research’ and the second theme was named ‘documentation and communication’.

The participants stated they need access to knowledge and technology in many areas, and claim that the knowledge they seek is not easily available, or is displayed in a difficult language or needs to be adapted to specific conditions. One response explained about the lack of conversation between the studies and its application “...we hear about studies on bio-pesticide, bio-fertilizers, ways to use animals and insects to fight pests. ...My suggestion to the university, to the university students, is that they really take the academic production to the field. What is the use of a study that does not get out of the lab?” [My own translation].

The ‘documentation and communication’ theme refers to have research done on documenting processes, the positive outcomes of the sector, specially because most of them make use of agro-ecology principles but normally do not have the legitimacy of an organic certification, one farmer said they have to “first sell the story of how their product was produced than sell the product” [My own translation]. They suggest research be done to offer an endorsing vessel to the sector’s importance for the economy and the environment, though one participant mentioned that “If this scientific research can reach the environment outside the university, it can help open up people's horizons. Because in the academic environment we already have support. The university, the academia they know our means, but the population at large, is still discovering” [My own translation].

The other theme was ‘mapping conditions’ participants suggest more research be done to classify the issues, to make them more well-defined, they also would like to see a mapping of the possibilities. One participant suggest results of such research could be used in conversing with the authorities. “I think if you have this written, formal, I think it is much easier for you to claim benefits. We would be able to identify the points clearly and make it easier to demand from them” (government) [My own translation].

The last theme regarded the need for research about market and branding development focused to the sector. They claim to have little knowledge about it and also very limited resources to invest in it, making it hard to stablish a product in the market when competing against industrial products even if they offer better quality. Another suggested more studies should be directed to find product trends and market niches in the area.

## **8. The Role of Institutions**

All participants mentioned the importance of institutional support for the success of the sector, people who have support and those who did not have access to



support stated institutions play a crucial role, specially in the economic sphere. Start-up funds and cash-flow are major set backs in the sector, the government is the only available guarantor, without it there is no access to credit. In a farmer's voice: "It is fundamental the support of the government; I think the solidarity economy has to walk in partnership with the government. The government has to help us because we are small but together we are great" [My own translation]. They also explained that public policies have to be created in conversation with the local actors and when made available should be easily accessible, constant and prompt, and should not depend in the orientation of each government. One participant said that "...Government support is a question of respect for the food producer". The respondents said yet that is the role of the government to established a better image of the sector.

## 9. Conclusions and Implications

The study brought to light conditions and possibilities in family farming practicing solidarity economy, finding some geo-specific challenges faced by the group studied, but it also highlighted some systemic problems of this segment faced by family farmers worldwide.

Despite the importance of family farming, it faces unfavorable situation in the food market caused by lack of support from the public institutions the unfair conditions exerted by agribusiness. Family farmers suffer from the lack of infrastructure, discouraging regulations, and difficulty accessing to new technologies. Issues concerning the distribution of farm produce are the main obstacles for family farming to succeed. It is noteworthy to highlight that the negative connotation given to the agribusiness model in this review is not due to high investment in technology, or the focus on productivity, or the use of machinery that can make labour less intensive. The negativity comes from the premise that to achieve higher profits this industry uses unfair practices to access privileged powers to undermine science, countries' autonomies, peoples' sovereignty, social justice, and the environmental health of our planet. Thus, the fundamental problem with this model is its purpose.

One type of partnerships mentioned by the farmers studied was the access to periodic markets usually arranged by the municipalities, which in some cases represents the only market place available for farmers. The Ministry of Social Development and Hunger Prevention has conducted a mapping of food security in Brazil to collect information for public policy development. The result of the mapping carried out in 2014 highlighted the role of the periodic markets in the country's food security, it showed that periodic markets are present in almost all small and large cities in the country and unlike most modern food shops such as supermarket chains, periodic markets are still a market for the sale of fresh and naturally produced goods and preserved products processed by handmade methods without the use of chemical additives. Another important aspect found in the report was that most products are sold by the producers (Ministério do Desenvolvimento Social e Combate à Fome, 2014). Periodic markets represents a beacon of sustainable resistance and promotion of health.

The importance of institutional spaces of support for the SSE is considerably high, not only for the micro-region investigated but in Brazil and the world, it is a general

economic condition. Lechat emphasizes that even large corporations that are considered successful rely heavily on public subsidies and policies to thrive. “The capitalist economy cannot survive without the subsidies, services and infrastructure offered by the state. The solidarity economy, too, needs the support...” (Lechat, 2009 p.174). The dualism between social and individual have causes from hunger to wars rooted in the irrational pursuit of private profit at any cost, be it environmental or the exclusion of a large portion of humanity from access to basic needs. Therefore, whether the SSE is an expression of capitalism or a utopian way to imagine the economy, it is clear that a balance between capital and social representation must be reached to construct democratic societies.

The future implications and the continuation of this research include the use the results as a starting point for the remaining process of PAR. Starting with the presentation of the results to the participants and a collective reflection about it. Some tentative activities include the realization of workshops to plan and implement actions. The results appointed some conditions and possibilities of the SE, the importance of supporting institutions for the SE in this micro-region and will serve as basis for the continued research.

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