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Northeast Brazil: The Sugar Cane Industry

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Richard H. Nolte, Executive Director  
Institute of Current World Affairs  
366 Madison Avenue  
New York, New York 10017

Dear Mr. Nolte:

"Returning one day to Recife from Cabo, I thought that the heat of the day and the strong scent of the cashew fruit along the road had affected my vision. From the side, the church did not exist. It was because the church, on the Largo de Paz, had crumbled completely except for its graceful, baroque facade---that had not fallen to its knees but, rather, had loosed itself from the roof, said goodbye to the nave and the sacristy, cut all its links with the rotten beams and become a front alone, with the blue sky serving as glass in the little window of the belfry.

"The agrarian structure of the Northeast is like that church, before the fall. From in front, it has the charm of the white plantation houses nestled like retables among the hillocks of green cane. But within, the last sacring bell has rung in a long and cruel mass. Just like the church, the Northeast preserves its facade bearing the little that is pretty out of its past. But if you pull at its rotten rafters and its cracked tiles, you are going to crush many people under the rubble."

This analogy by the Brazilian journalist, Antonio Callado, dramatizes a situation which statistics corroborate. Specifically, he refers not to the vast area of the whole Northeast, most of which is drought-ridden sertão, but to the narrow coastal belt called the zona da mata. In the dry interior, it is nature which has been unkind; along the humid littoral, it is man who has been unwise.

Over the crystalline hills which border the Atlantic Ocean in the states of Alagoas, Pernambuco and Paraíba, one of Brazil's economic cycles is dwindling to a close, leaving as legacy a monoculture based upon latifundia.

The sugar industry survives only by the grace of artificial stimuli: subsidies from the Government, preferential prices by the United States, and credit from the Bank of Brasil. Boomlets, such as that created by the jump in world prices after withdrawal of the Cuban supply in 1960-61,

only aggravate the situation as it encourages the usineiros to cling to their credo that change is not necessary.

But boomlets bring only brief respite and, by 1965, the Governor of Pernambuco was pleading the region's cause before Castelo Branco, President of Brazil: of the 47 usinas (sugar refineries) in the state less than a fourth were operating, representing unemployment for 150,000 rural workers. A Recife newspaper, Diário da Noite, compared the sugar economy with the local Boa Vista bridge across the Capibaribe River; floods of 1964 and 1965 had twisted its girders and washed away its supports so that it sagged into the dirty waters, an impassable derelict. But the same article closed on the words of a state deputy who neatly shifted the onus, saying:

"By going to explain the situation to the Marshall-President, Paulo (Guerra, Governor) completes his mission. The rest then remains with the Government to do its duty."

This statement exemplifies the prevalent attitude of the power structure in the Northeast: blame the Government and wait for it to repair the damage.

In the Northeast, the coastal strip occupies only 5% of the total area of the region but is of the greatest importance due to the population density (27%) and its economic power. Benefitted by ample rains from the Atlantic Ocean and by a relatively fertile soil, the zona da mata is characterized by excessive concentration on a sugar monoculture. Until the late 19th century the basic producing unit was the engenho, a plantation with its own primitive mill, producing a crude sugar for local consumption (rapadura) and an alcoholic by-product (cachaça). Then, entrepreneurs began incorporating the engenhos, creating larger agro-industries centered on the usina, a sugar refinery producing for the national and international markets.

In the 1920's the expanding internal market, geared to the ubiquitous cafezinho (demitasse cups of coffee loaded with sugar) and the boom world market, due in part to sugar beet failure in Europe, exalted the sugar industry. Then came the Great Depression. Prices plunged and stocks piled high. To avoid a fiscal and social crisis, the Brazilian Government intervened, establishing quotas and subsidizing the price. Thus began an artificial support which persists until today.

The increasing pace of Brazil's economic development during and

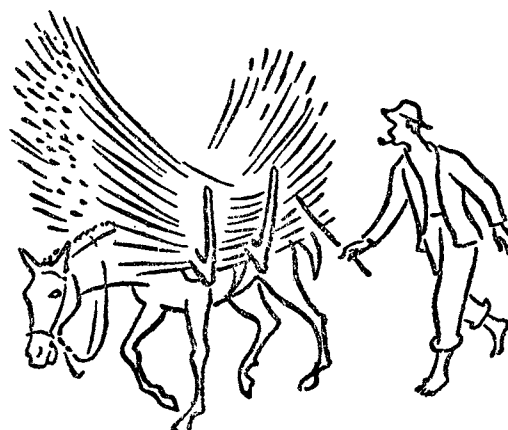
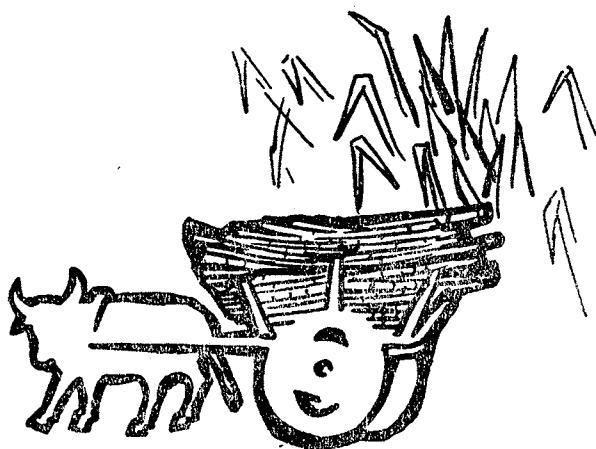
after World War II revealed the faults in the sugar structure in the Northeast. To meet the proliferating demands, the Pernambucanos and their neighbors doubled production between 1946 and 1961, while South Brazil, paced by the State of São Paulo, increased production ten times. As a new industry in the South, soils, machinery and men were fresher for the job.

The Northeast's simplistic reaction to this recent competition has been to put more workers in the field and to cultivate additional acreage, usually of marginal soils far from the mill. But these measures have been short-sighted and only serve to compound the social and production ills.

As official palliatives over the years failed to cure the sick industry, it progressively exacted its profits from the overexploitation of land, man and machines. Soils were not revitalized. Labor was not remunerated. Equipment was not maintained.

The inevitable consequences of rundown soils tended by man and animal power is poor yield—as low as 40 tons per hectare in Pernambuco. Using modern methods, São Paulo realized 80 tons per hectare.

Once cut, the cane must be transported to the usina. Some of the larger operations have their own narrow-gauge railroads for the hauls, often many miles from field to factory. However, as cropland is pushed further to the periphery of the landholding, as is now the trend, time required for transport increases geometrically due to resort to ex-drawn carts or, at best, trucks over dirt lanes.



Days sometimes pass before the cut cane arrives at the usina, and it is no surprise that the moisture content (sacarose) is significantly reduced. The same depreciation results from the retarded cutting of the cane due to insufficient capacity of the processing equipment. Spread over seven or eight months (August-March), cutting of the cane is determined more by the schedule of the refinery than by the condition of the stalks.

Cane past its prime is often processed by inferior equipment and methods which render only 80 or 90 kilos of sugar per ton of cane. These factors contribute to the significant differential in production costs between the Northeast, Cr.\$7927 per sack, and the Central-South, Cr.\$6107 per sack in the 1965 harvest—i.e., at the cruzeiro rate of that year, a \$1.00 per unit handicap for the Northeast.

Capital investment in fertilizers, transport and equipment could correct the low yields and factory inefficiencies common throughout the sugar industry of the zona da mata. However, usineiros have shown themselves much more prone to other expenditures—conspicuous consumption in the form of palatial homes in Recife and Rio, cars, foreign travel, etc.—and the transfer of funds to the South where industry or tourist facilities bring higher and faster returns.

Furthermore, the traditional trade relationship of the Northeast to the South is "colonial", i.e., selling raw materials and buying manufactured goods, to the persistent deficit of the former. Also, since the financial capital of Brazil is São Paulo, money deposited in a branch bank in Recife becomes available for plant expansion in the industrial complex; in any case, commercial banks are chary of agricultural loans.

The result of this "cruzeiro drain" is a capital deficiency in the Northeast, accompanied by low tolerance for financial crises. A drop in the sugar price is a disaster. One bad crop brings bankruptcy. Enforcement of the thirteenth-month bonus brings a "run" on the Bank of Brasil; by late 1966, sugar producers owed the Bank \$20-million in loans due.

Just as a poverty-stricken resource base alters plant ecology, so it does human ecology—Alberto Tamer, a São Paulo journalist, summarizes the problem: "One can state with absolute certainty that

a great part of the misery which afflicts the population of the Northeast is due to a monoculture which exploits man but does not feed him."

The social structure of the sugar culture is complex and highly stratified. The land holdings pertaining to an usina usually encompass several engenhos, each continuing to bear the same name it carried before it was absorbed. At the apex of the personnel concerned with the field production is the supervisor whose responsibility extends to the total crop operation. Below him are several administrators, usually one in charge of each engenho. The administrator, mounted on a horse and wearing knee-high leather boots, spends his day in the field overseeing the workers.

Basic component of the salaried workers is the merader, resident on the sugar plantation. He is generally obligated to give five work days per week and, during the harvest, often seven days. As early as 5:30 a.m. he reports to the place assigned him by the administrator. He works alongside dozens of others—cutting and trimming the cane with a sickle-like blade called a foice, or tying it into bundles called feixas, loading it on ox-drawn carts or transferring it into trucks when the carts are pulled to the nearest road. Women and children often labor in the fields alongside the men. A group works as a team and is paid according to the amount of cane that is cut. Other tasks assigned are clearing the land after the last cutting, plowing, fertilizing, spraying, planting, etc.

The meraderes live in houses provided by the usina, scattered at great distances over the property of thousands of hectares. Usually each engenho has a small center where there is a company store (barracão), often a school, and sometimes a social center. Depending upon the good will of the usineiro, the merader families may receive some medical and dental attention.

The second type of salaried worker is the independent who lives in a surrounding town. When an usina needs labor in addition to the meradores, trucks are sent in to pick up loads of these waiting men. Since many engenhos and usinas are closing down or turning to cattle-raising, former meraderes are swelling the number of independents, and the competition for an occasional day's work is intensifying. Unemployment or underemployment of this group is said to number 220,000 in Pernambuco alone.

Third major contingent of the salaried workers in the sugar area

are the caatingueiros---transient workers who come from the drier interior for the harvest season and then return home during the rest of the year to tend their own subsistence plots. Enjoying alternative sources of livelihood, the migrants are spared the subservient role of the residents and independents.

In addition to the field workers a somewhat more elite group, product of the 20th century modernization of the sugar industry, man the machinery of the usina itself. They are better paid and reside apart from the field workers in the community which clusters around the mill and the administrative headquarters.

Developing even before the abolition of slavery and flourishing during the first half of this century is another sector whose existence is closely related to the sugar industry: fereiros, or tenants on the land of engenhos. They are allotted small parcels of land on a lease basis which they cultivate sometimes as truck gardens to supply the local market, sometimes in cotton, sometimes in cane. As payment for the use of this land, the foreiro often fulfills the obligation of the *corvée*, assisting gratuitously in the planting and harvesting of the engenho's cane. After World War II the increase in <sup>u</sup>sugar price prompted the plantation owners to expel many foreiros so that their land could be turned over to cane cultivation.

The idea of a binding contractual agreement between employer and employee was introduced into the Northeast's agricultural society only within the last decade, and it has gained little support on the part of any of the parties because it is based upon an impersonal human relationship which is not comprehended. Rather, the psychology which obtains is familial---one does not need to document, sign and countersign one's mutual obligations. The largess of the benefactor will provide the medicine when it is needed or grant the favor of the jeep for the ride to the hospital, etc. Though the salary may be low, it is supplemented with food or clothing offered as charity by the senhor-de-engenho or usineiro.

It is, therefore, important to stay in favor with the patrão in order to enjoy these fringe benefits. The daughter of a senhor-de-engenho told me how her father knew each one of his workmen by their first name, and when the time for the year-end settling arrived, he

would grant special favors to his favorites.

A wife of a leading usineiro said to me, "Our people are good and obedient. We treat them well. Of course, it is paternalism. I admit it. But we have to have it."

Through the centuries the inhabitants of the large landholdings have functioned as an ingrown clan. The peasant enjoyed the security and protection assured him by life-long service to the patrão; the landowner profited from the social, economic and political powers invested in him by his feudal holdings. The institution operated as a self-sufficient domain—economically, socially, and politically.

The sociologist Gilberto Freyre has commented: "The Big House of the Neruega plantation in Pernambuco, with its many rooms, drawing-room and corridors, its two convent kitchens, its dispensary, its chapel, and its annexes impresses me as being the sincere and complete expression of the absorptive patriarchalism of colonial times..."

The introspective loyalty of this clan group was, into this century, harbored from intrusions by a lack of transport and communications facilities. Centuries of isolation and autonomy created an archipelago of plantation and fazenda "cultures" scattered throughout the Northeast. Each functioned as a relatively self-contained unit, structured as a stratified pyramid with decision and command flowing exclusively from top to bottom. Neither alien ideas nor alternate choices confused the peasants' adherence to the norms decreed by the owner, and generations of master-servant relationships inculcated an unquestioned obedience and loyalty in a peasant society so molded as to believe that its own interests were congruent with those of the owner and his family.

In that the sugar plantations have enjoyed a monopoly of the labor market throughout the centuries, the peasant society has had little power to bargain in order to improve its wage conditions. Laws to protect rural laborers from exploitation or to provide them with legal means to secure their rights were practically non-existent until the Revolution of 1930, impeded first by slavery and subsequently by laissez-faire. The situation of the merader further inhibits earning possibilities since he is incorporated in a paternalistic system with payment in kind—house, garden plot, and favors—as a substitute for payment in cash. The average annual income of many is, therefore,

less than \$100, and the peasant sector is essentially outside of the national economy.

The diet of the peasant society is commensurate with its earning power, and the effects of generations of malnutrition are manifest throughout the Northeast. Harking back to colonial days, Gilberto Freyre describes the eating habits "marked by the over use of dried fish and manihot flour (and later of jerked beef), or to an incomplete and dangerous diet of feedstuffs imported under the worst conditions of transport...Prominent among the effects of hypenutrition are: a decrease in stature, weight, and chest measurement; deformities of the bony structure; decalcification of the teeth; thyroid, pituitary and gonadal deficiencies leading to premature old age, a generally impoverished fertility, apathy and, not infrequently, infecundity."

The diet of the poor in the Northeast today has deteriorated from that described by Freyre. Dried fish and jerked beef have practically



ABOVE. To the left, a cane-cutter and, to the right, an administrator on an usina in southern Pernambuco.



disappeared from the table as their prices rose beyond purchasing power. Staples are manioc, beans and rice, contributing to a starch-heavy intake. The result of the increasing imbalance between wages and food prices is that an ever larger part of the peasant's earnings must be used to feed himself and his family. Surveys have found that it is common for the salaried rural worker to spend up to 80% of his money at the company store, but sometimes half of this goes for cachaça (alcoholic drink). In fact, many times he does not even have currency, but rather vales, paper slips, which the usina has used to pay him and which are accepted only at the store on the plantation.

Tandem with the health situation is the low level of education. Reasons for the abysmal educational state are manifold. Certainly motivation is lacking among the peasant society itself which cannot comprehend the value of formal learning to their type of life. Government officials are much more inclined to concentrate resources in the urban centers, leaving the countryside to fend for itself. By law the usinas and engenhos are charged with the responsibility of providing the physical structure for the school which the local government should provide the teacher. From first-hand observation on one of the more progressive usinas, it is obvious that the buildings themselves are inadequate, attendance is low, and teachers are ill-prepared. It is difficult to interest a qualified teacher in isolating herself on an engenho which offers little of the physical comfort or companionship of peers available in a town. As example, one of the engenho schools on an usina I visited had been under the supervision of a 12-year old girl for three months, awaiting the appointment of a replacement teacher.

Starting in the 1930's and accelerating after World War II, the Northeast has undergone a modernizing process of socialization due to urbanization, mass media, improved communications, technological innovation, economic alterations, etc. Closely related are the phenomena of migration and urbanization which intruded into the rural society at all levels. Whereas traditionally the landowner resided on his engenho, usina or fazenda—thereby maintaining the direct personal relationship which succers paternalism and group loyalty—he now is most likely to live in the city, establishing his principal house there, increasingly investing his profits in urban enterprises, and visiting his country

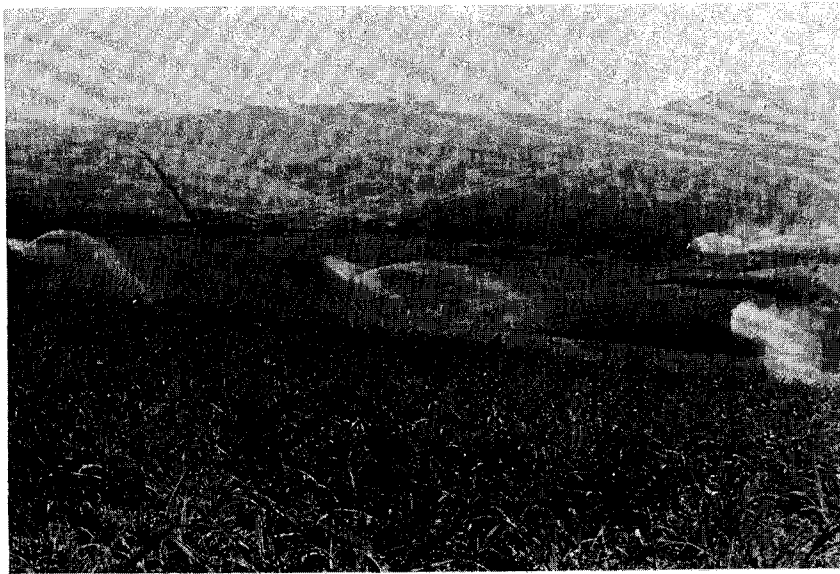
holdings only occasionally. In his stead an impersonal administration oversees the plantation, taking no interest in the workers as individuals and doing away with the "favors" in kind which previously supplemented the low wages. The construction and maintenance of houses for moradores has diminished and increasingly field laborers come from among the independents whose growing numbers assure a supply.

Rather than the patrão, the empreiteiro fills a role of increasing importance. He is a labor contractor who services usinas by providing the needed number of men to complete a certain task. The workers are in no way attached to the usina but rather to the empreiteiro, and they may change their locale from day to day.

The number of independents is on the increase for a number of reasons. On the one side, the population is expanding and, on the other, unemployment is spreading due to changes in the agricultural methods and activities. The vagaries of the sugar market are forcing many usinas either to close down and dismiss their workers or turn to cattle-raising which requires many less hands. The Serviço de Orientação Rural de Pernambuco (SORPE) estimates that there are over 220,000 unemployed in rural Pernambuco alone.

Palmares in southern Pernambuco, sometimes called "the capital of the sugar country", is overrun with men without work. At daybreak the trucks from the surrounding usinas come into town and pick up loads of men eager for a day's work. The traditional system of the morador, resident on the usina, is disintegrating, and in its stead is a growing nomadism, men whose complete earnings are tied within a bundle as they walk from town to town in search of work. Competing among themselves for a pittance of subsistence, they are, even more than before, victims of the usina's monopoly of the labor market.

As Brazil's pace of modernization has quickened over the last decades, the society has undergone structural differentiation leading to increasingly specialized activities by state and federal governments and to the development of new subsystems all of which have intruded upon the traditional, diffuse role of the latifundia system. Those with vested interests in the pattern of the past see these changes as disruptive and unproductive. Thus, the wife of an usineiro commented to me:



ABOVE. Cane fields cover the hills of southern Pernambuco. This modern usina sprays to control blight.

"Our system has always operated on the basis of paternalism, I admit it. But at least there was a basis. Now the owners no longer have that margin of profit which they can devote to services for the workers. Furthermore, the State is moving in with its bureaucratic apparatus of social welfare---there are the Institutions of Social Provision, and the syndicates---the owners are losing their sense of responsibility. It is a new kind of paternalism, but it is impersonal and does not function well. It breaks up the old system, and the worker is left with nothing."

As the secondary and tertiary sectors of the society have grown with the industrialization and commercial expansion of the country, the power center has shifted from the rural areas to the urban centers. Thus, as of the decades of the 50's, the landholding class no longer could garner sufficient votes to outweigh the city population; also, they had lost their absolute control over their political domains due to absenteeism. It is generally conceded, for instance, that Cid Sampaio, Governor of Pernambuco (1958-1962) was the first holder of that office to owe his election to the urban sector.

Through four centuries the Northeast persisted as an isolated,

tradition-bound, paternalistic society with only its elite apex having contact with the outside world. For the peasant society, the boundaries were largely set by those of the engenho or usina, a closed world without structure beyond that set by the decree of the master and the exigencies of the labor. The subculture, better described as "mass", vegetated as an anomic, parochial stratum, unaffected by the national pelity.

In the last three decades a number of forces have attacked this closed society: urbanization, absenteeism, impersonalism, unemployment, nomadism, communications, shifts in agricultural activities, financial strains, urban power, governmental interference, etc. The traditional norms and structure are being challenged for the first time, and the peasant society which depended upon those norms and structure is entering a stage of disturbing transition.

Sincerely yours,



Frances M. Foland

Sketches, p. 3: Brasil Aqueareiro

Photos: FMP

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