

Policy mix for palm oil expansion in the Northern Brazil: between social inclusion and elite capture

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The energy grid in Brazil is heavily based on renewables and hydroelectric power and biofuel play a key role. Such a model has been shaped up in the last decades through a combination of policies to support institutional arrangement, technology building, and market development. The limited focus on social dimension in the expansion of renewables (e.g., social conflicts, land concentration, working conditions), however, has created demands to the design of a policies which place the social dimension in the center. The national biodiesel program is an example of this trend, in which a set of policies was created in order to foster the inclusion of small farmers in the production chain. The recent expansion of oil palm in the Amazon, however, raises some questions regarding the effective results of the social inclusion strategy in this initiative. In 2010, the Palm Oil Zone was launched in the Northeast Amazon where social and environmental conditions were identified as the most appropriate for this production system. In the following two years, a series of policies and institutional arrangements were developed in order to create incentives to farmers, corporations, researchers, banks and state agencies to engage in partnerships. As a result, the cultivated area of oil palm increased ten-fold between 2011-13, leading to a fast territorial transformation in the region. In this paper we address the policy mix based on four pillars – environmental/territorial, economic, political, and social - that supported this process and analyze the social outcomes regarding job generation, food security and land security. We conclude that the efforts to facilitate the expansion of oil palm has mainly benefited large farmers, and corporations. While a few small farmers have been benefited economically, many have lost their land due to a land grabbing process, lost their autonomy to develop their mixed production system, and became overloaded with their responsibility to supply seeds to large corporations.