Land credit policy in Brazil: evidence from social networks

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Brazilian poverty rates are generally highest among family farmers in the country’s Northeast region. Of special note among rural development policies is the National Land Credit Programme (Programa Nacional de Crédito Fundiário—PNCF), which provides credit to farmers with little or no land to buy a property and carry out the necessary improvements. However, in an effort to reduce default rates, to receive credit, farmers are required to be organised; therefore, the policy indirectly promotes association and the generation of social capital (the assets that are the result of social relations). Thus, although not explicitly the policy’s main objective, the generation of social capital can contribute towards rural development in the country.

Evaluating the performance of programmes with qualitative characteristics is a challenge for policymakers. Given that social bonds can be discovered by observing social networks, this methodology was chosen for the analysis of selected cases of land credit programmes in the states of Bahia and northern Minas Gerais, using NetMap. The methodology features an egocentric perspective (which presupposes semi-structured qualitative interviews), to identify all agents involved in the projects, from farmers’ associations, banks and churches to community organisations, the government and so on. After the construction of the map, it was possible to differentiate the relationships by different types and weights, and find outstanding agents that provide greater cohesion, divergence, trade relations etc.

As shown in Figure 1, the mapping demonstrates a strong relationship between neighbouring projects (black circles), in addition to the presence of churches, rural workers’ unions and a large network of mutual support. In the case of Bahia, it is worth noting the presence of public entities (purple circles) and of stakeholders and trade relations (in orange), enabling better infrastructure conditions and a stronger presence across all spheres of the government, and ensuring proper support to the development of these projects.

This was not the case in Minas Gerais, since the network presents low levels of participation by the government and commercial agents. Connectivity is also restricted between neighbouring farmers’ associations, making it difficult for farmers to access the market, in addition to limiting their financial gains and their capacity to pay off their debts.

Thus, the contribution of social capital will only be effective if it is able to move beyond bonds of solidarity between farmers’ associations, lead to a positive relationship with the public sphere and build reliable pathways to sell the farmers’ production; otherwise, the social network will be ‘closed in on itself’, even though such associations do exist. Therefore, given that the programme has been active since 2003, it is important to reassess the role of local stakeholders—particularly public agents—in supporting and administering these programmes.

Reference:

Notes:
2. For more information about PNCF, see: <http://www.mda.gov.br/sitemda/secretaria/sra-crefun/sobre-o-programa>.
3. For more about NetMap, see: <http://netmap.wordpress.com/about/>.