



The bull's horn marks the opening of the rodeo in Ribeirão Preto, São Paulo

# There is more to rural Brazil than just agriculture

The Rurbano Project shows that following the model of developed societies, Brazil is reducing the historical gap between the countryside and cities

**Claudia Izique**

In 1950, 64% of Brazilians lived in rural areas according to calculations by the Brazilian Institute of Geography and Statistics (IBGE). Twenty years later, with the modernization of agriculture and migration to the cities, this percentage has fallen to 44%. In the 1980s, however, the statistics were surprising in that despite the decline in jobs in agriculture, the employed rural population was growing, indicating that a major process of change in rural areas was in progress. Two decades later the new scenario emerged: Modern livestock farming and subsistence agriculture were sharing space with service businesses, industry, tourism and recreation; this increasingly blurred the dividing line between the rural and urban spheres in Brazil. Moreover, the process proved to be unstoppable, in that the latest available data from 2009 indicate that 44.7%

of Brazilians who live in rural areas have income from non-farm activities, and in São Paulo, this figure climbs to the impressive level of 78.4%.

This change is an undeniable sign that Brazil was beginning to reproduce the dynamics typical of a developed country. The analysis of the change began in the late 1990s in the research entitled *Brazil's New Rural Scene 1992/98*, known as the Rurbano Project. Supported by FAPESP, the Centers of Excellence Program (PRONEX/CNPq/FINEP) and the Office of Rural Development in the Ministry of Agriculture and Food Supply (SDR/MMA), the project brought together more than 40 researchers, 11 states, and two groups from the Brazilian Agricultural Research Corporation (Embrapa). In 2000, the results of the first two phases of the research became the cover story of Issue 52 of the magazine



Festa do Peão in Barretos, São Paulo, 2003, the largest "country" event in Brazil

*Pesquisa FAPESP.* "The rural world is bigger than the agricultural world," noted the then-coordinator of the project, José Graziano da Silva of the Institute of Economics of the University of Campinas (Unicamp). Today he is Director General of the United Nations Food and Agriculture Organization (FAO).

In addition to shedding light on an analytical perspective that until then had been mistaken, which reduced the rural world to the agricultural world, the results of the Rurbano Project, which continues today, has had and continues to have a major impact on public policies. The National Program for Strengthening Family Farming (PRONAF), for which only rural producers who earn 80% of their income from agricultural production and agricultural employment and have no more than two permanent employees had been eligible, changed these rules, and in 1999 paved the way for financing other activities. As Walter Belik of the Institute of Economics at Unicamp and current project coordinator explained: "Today, a rural producer is able to obtain a loan to purchase a motorcycle he can use to sell products at the market."

#### EVOLUTION OF THE PROJECT

The Rurbano Project started in 1997 with the purpose of reconstructing historical series based on data from the National

Household Sample Survey (PNAD). It was found, for example, that in the 1990s the rural population was growing at an average of 0.5% per year, and that three out of every ten employed people were involved in non-farm activities. Ten years ago, this percentage was two out of ten.

In the second phase of the research, begun in 1999, researchers observed that areas used for agriculture and raising livestock were losing ground to the breeding of exotic birds sold in supermarkets, in restaurants, and to agribusinesses, to fish-and-pay enterprises and ecological or rural tourism, as well as to condominiums for the middle and upper class, not to mention rodeos, of which there are estimated to be over a thousand throughout Brazil. The Peão de Boiadeiro de Barretos "country" festival in São Paulo by itself is a R\$20 million *real* annual event that creates more than 5,000 direct and 10,000 thousand indirect jobs, according to its organizers.

Moreover, the research showed that of the 7.7 million families that reside in rural areas, many of them held more than one job; i.e., they combined work in the field with non-farm activities. In all cases this enabled them to earn a considerably higher income. Half of these families were self-employed, and 538,000 worked exclusively in non-farm activities.

Moreover, according to the data, there has been a significant increase in the number of unemployed and retired people living in rural areas; this demonstrates that a disconnect that was specific to cities was being created between the place of residence and place of work. "The expansion of cities toward rural areas and the ease of transportation contributed to this," Belik emphasized in describing the phenomenon known as commuting.

The researchers also studied working women. "The number of rural families that included a working woman was found to increase among families with more than one employed person, mainly in Southeastern Brazil and in São Paulo," noted Eugênia Troncoso Leone from the Unicamp Institute of Economics. The participation of women in the income of rural agricultural families was therefore low, and probably built into the head of household's income. But this was more significant among families with more than one employed person. "Among non-farm families, domestic employment was the principal activity of working women," Leone said.

In the third phase of the Rurbano Project, which began in 2000, the researchers delved deeper: They began to analyze the impact of these changes on the environment and on employment,

and did so using case studies and other methods. “In total, there were 20 projects, half of which conducted research in rural areas,” Belik explained. In fact, he himself was responsible for the sub-project entitled *Indústria Rural e Emprego*, which studied in detail the situation of families in municipalities in the State of São Paulo. “We identified a new rural industry with a strong connection to the market, which produces food, apparel, and household items and that is part of a real production network, exploiting niches and supplementing the product lines of large industries,” he said.

In the municipality of Lagoinha, in Vale do Paraíba, for example, five families were interviewed. Four were cheese makers, and one produced rum from sugar cane. All of them grew corn, forage cane, and raised livestock on their premises, in addition to producing beans for their own consumption. They had no skilled laborers or financial resources to start a business. Moreover, they had difficulties adapting to the health regulations that applied to the processing and shipping of products.

The studies were not restricted to São Paulo. A group of researchers led by Aldenôr Gomes da Silva of the Federal University of Rio Grande do Norte (UFRN) found that income received by those who had left the labor market is

of major importance for agricultural and nonagricultural families. These results also pointed to the significant role of retirement benefits and pensions in the composition of the income of rural families and the strong influence of agribusinesses that produce fruit in creating jobs for people in rural areas. As the people moved away from the sphere of influence of these businesses, there tended to be fewer nonagricultural options.

#### POVERTY AND SELF-CONSUMPTION

Phase 3 of the project ended in 2003. “José Graziano became Minister of the Special Ministry of Food Security (MESA) in the first term of President Luiz Inácio Lula da Silva, then he went to the office of the president and left Unicamp,” Belik noted. The group dispersed, as he says, and a smaller team started Phase 4 of the Rurbano Project with support from the Ministry of Agricultural Development (MDA). It focused on studying rural policy and self-consumption, also based on PNAD data.

The research showed that self-consumption was invisible income that supported food security and that 11.1% of households (rural and urban)

In small rural municipalities where agriculture is the principal activity, food insecurity was greater



Organic farming in Correias (RJ), 2008



Agroindustrial small-scale businesses, such as this traditional still in Guararema, São Paulo, survive in the vicinity of major metropolitan areas

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People who work in agriculture spend an average of 4.1 years attending school, well below the 9.3 years for the other sectors

among the poorest 10% of the population that was the target audience of the Brazil without Poverty Plan. “They did not participate in the market; they produce for themselves, Belik said. Brazil without Poverty Program recognized this group of producers and, under the Bolsa Familia Program, started giving people who

live below the poverty line R\$ 70 per person per day, or assistance equal to R\$ 2,400, transferred in three installments, to purchase seeds, equipment, as well as other inputs for producing food.

In this phase of the project, completed in 2005, the focus was food security for the families receiving income transfers from the federal government, in addition to painting a picture of poverty in the agricultural population, whether living in the countryside or in cities. It was found, for example, that the largest contingent of people in a situation of food insecurity lived in the urban areas of small rural municipalities and that,

when their principal occupation was agriculture, the problem was exacerbated. By contrast, when the principal activity was related to industry, the food insecurity index fell from 49.4% to 21.3%. “These data show a correlation between place of residence, the principal occupation, and the situation of food insecurity,” Belik stressed.

Currently, roughly 3.4 million families live below the poverty line, and 1.1 million of them reside in rural households. Of these, 367,000 produce for self-consumption. They are more fortunate than families that reside in metropolitan areas or in cities outside the sphere of metropolitan areas, where just over 108,000 families benefited from this income that is “invisible” yet essential for ensuring food security. Using the Rurbano Project methodology, the researchers launched a new phase of the research project entitled *Evolução da Pobreza no Brasil 2000–2010*, the data from which have yet to be published. They will be presented to the National Council on Scientific and Technological Development (CNPq). “We will so-

on publish two or three articles on this subject,” Belik added.

#### REDUCING INEQUALITY

Despite the income transfer and family farming support policies, the inequality in income distribution in the agricultural sector still is greater than in other sectors. “From 1995 to 2009, there was a substantial reduction in the inequality of the distribution of income from labor among all employed persons, said Rodolfo Hoffmann from the Unicamp Institute of Economics, who, along with Graziano, coordinated the first two phases of the Rurbano Project. During this period, the Gini income distribution index fell from 0.585 to 0.518. In the agricultural sector, however, this decrease was much smaller, from 0.565 to 0.533.

A few factors contribute to this difference, including the low level of education. “For people who work in the agricultural sector, the average number of years of schooling is very low (4.1 years in 2009 versus 9.3 years in the other sectors) and the gap tended to widen throughout the period from 1995 to 2009,” he explained. “For those who work in industry and services, by contrast, the education differential tended to fade beginning in 1998, which helped reduce inequality in income distribution.”

The impact of the increase in the real value of the minimum wage, which contributed to reducing inequality, fell unevenly on agricultural work. “Agricultural

income is lower, and for unregistered workers, the minimum wage does not effectively function as a floor.” According to the PNAD, the result is that there has been no reduction in the inequality of the distribution of income from their primary jobs among agricultural workers from 1995 to 2009.

Moreover, there is no evidence of any substantial changes in the distribution of land ownership. “Concentration of land ownership is strongly associated with the changing position of employment. In 2009, employers in the primary sector occupied an average area of 235.7 hectares, a figure 10.4 times higher than the average of 22.7 hectares for self-employed persons. Because they occupy such large areas, the 86.7 million hectares (56.6%) appropriated by the nearly 368,000 employers exceeded the 66.4 million hectares (43.4%) appropriated by the nearly 3 million self-employed persons,” observed Hoffmann and Marlon Gomes Ney of the Federal University of Norte Fluminense (UFNF), in the study entitled *Agriculture and the Recent Drop in Income Inequality in Brazil*, published in *Políticas Públicas e Desenvolvimento* by the Federal University of Viçosa (UFV).

Because agricultural income is, on average, lower, it is a progressive component of total income; in other words, it contributes to reducing the inequality in the distribution of income in the country as a whole. ■

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#### PROJECTS

Brazil's new rural scene, 1981/95 (Phase II) – No. 1997/00104-6 (1997-1999)  
Brazil's new rural scene, 1992/98 (Phase III) – No. 1999/10890-4 (2001-2003)

#### COORDINATOR

José Graziano da Silva (Unicamp)

#### INVESTMENT

R\$40.683,35 (Phase II) and R\$302.099,00 (Phase III)

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#### SCIENTIFIC ARTICLES

1. SILVA, J. G. da. O novo rural brasileiro. *Nova Economia*. v. 7, n. 1, p. 43-81, 1997.

2. SILVA, J. G. da *et al.* Meio rural paulista: muito além do agrícola e do agrário. *São Paulo em Perspectiva*. v. 10, No. 2, p. 60-72, 1996.

3. SILVA, J. G. da, DEL GROSSI, M. E. A mudança do conceito de trabalho nas novas Pnads. *Economia e Sociedade*, No. 8, p. 1-16, 1997.

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#### FROM OUR ARCHIVES

*Brazil's new rural scene*  
Issue No. 52 – April 2000



Araioses (MA), 2005: People living in areas of subsistence agriculture are the target audience of the *Brazil without Poverty* Plan