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**DEFICIENCY AND INEFFICIENCY IN ESTABLISHING PRODUCTIVE CHAINS:
PROBLEM OF PERIPHERAL ECONOMIES**

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The State of Pará has had the privilege of having in the person of the agronomist, researcher, teacher and Secretary of Agriculture Eurico Pinheiro, one of the leading authorities on the crop of rubber tree (*Hevea SP.*), in Brazil. This paraense that died at the age of 84 in May 2011, produced 68 technical works that stand out to obtain clones tolerant to wrong leaves and planting in "escape zones", i.e. those where environmental conditions are insufficient to allow the germination of conidia and penetration – the most common form of asexual reproduction of fungi – in this case the fungus *Microciclus ulei* (p. Henn.) v. Arx, causative agent of evil sheets, also called the burning of the leaves. Under conditions of high humidity cause the downfall of new leaves causing the impoverishment of branches growth of these and, later, the death of plants.

When his management as Secretary of Agriculture, in the period 1970-1974 Government Fernando Guilhon, released in 1973, the Rubber Tree Project with the goal of fostering the rational of rubber tree plantation in the State of Pará to cope, at the time, the deficit that Brazil already sported in the production of natural rubber.

Rational rubber tree planting is the basis to install your agribusiness, which comprises a production chain that culminates with the rubber industries and their artifacts. The State of Pará has agronomic conditions – ecology and crop – for that agribusiness installs on paraense ground and by extension in the Amazon to Brazil to become self-sufficient and an exporter of natural rubber, leaving the uncomfortable position of importer.

But it was not what happened. The Brazil hit new record imports of natural rubber in 2010, reaching the mark of US \$ 790.4 million (260.8 thousand tons) – a record by which we should be proud of from US \$ 283 million (161.3 thousand tons) in the previous year; increase of 179.3%. Data of the Ministério do Desenvolvimento, Indústria e Comércio Exterior (MDIC).

In the context of deficit in the production of natural rubber, the State of São Paulo, with restricted Ecology for the cultivation of rubber tree, is the largest national producer with 77,340.4 hectares and 36 million feet planted in 2008, according to the Instituto de Economia Agrícola (IEA), of Secretaria de Agricultura e Abastecimento de São Paulo.

Noted that the concern and commitment of the researcher Eurico Pinheiro, on occasion, the Secretary of Agriculture, has not achieved the desired goal. See the deficiency and the inefficiency of the peripheral economies to establish productive chains. Not just that the factors of production and favourable market are present for agribusiness is established. Viability depends on other segments concerned in this economy of scale in order to integrate and strengthen the comparative advantages, transforming it into competitive advantages for agribusiness.

By the time the Secretary of Agriculture Eurico Pinheiro launched the Project of Rubber Tree of the concept and the understanding of the productive chains was virtually unknown in Brazil. However, 38 years after the launch of this project, the Brazil increases its dependence on imported natural rubber and Pará and Amazon established the productive chain of the rubber tree. Why? Because still missing understanding of this process which leads to deficiency and inefficiency in establish it.

The productive chain is the result of the increasing division of labor and increased interdependence between economic agents. This is a set of consecutive steps through which pass and will be processed and shipped the various inputs and production itself.

This concept began to take the body, in the us by the work of professors John Davis and Ray Goldberg, Harvard University, in the second half of the 1950s, when analyzed the performance of the American agricultural economy and established the Commodity System Approach defining it as:

"A system that encompasses all actors involved with the production, processing and distribution of a product. This system includes the market for agricultural inputs, agricultural production, warehousing, processing operations, wholesale and retail, demarcating a workflow that goes of the inputs to the final consumer. Encompasses all institutions that affect the coordination of the successive stages of the flow of products, such as governmental institutions, futures markets and trade associations".

The main features of this system can be grouped into seven sections: 1) emergence of the term agribusiness; 2) discussion of rural production specialization and professionalization; 3) introduction of intersectoral dependency issue; 4)

agribusiness as a integral system, either economically or socially; 5) concern the coordination capacity of the system, which is affected by the economic and institutional environments; 6) focus on each product's system and setting a geographic locus; 7) strengthen the differences between the systems of agribusiness and other industrial systems.

The theoretical bases for the Focus of Commodity System derive from the neoclassical theory of production and of the matrix product of Leontief input-product. It was the basis for the introduction of dependency analysis also expressed concern among sectors in the measurement of the intensity of the links in the chain, emphasizing the sequence processing system.

Although the systemic approach is increasingly targeting studies related to agribusiness, affections to problems is well known that the production chain, greater expression of agribusiness, it misses by present deficiencies and inefficiencies in their linking. And this is a serious problem in deploying this system into peripheral economies.

In Brazil, the concept emerged in the 80s, with the Agroindustrial Complex expression groups Were pioneers in the study of agro-industrial chains, highlighting the work of Angela Kageyama of the University of Campinas and Geraldo Muller, then in CEBRAP. However, the focus was the debate of public policies and distributive, getting theme strategy in the background. In the late 90s, the book the Brazilian Agribusiness, Ney Bittencout Araújo, Ivan Vedekin and Luis Antonio Pinazza, spread the concept of agricultural business with greater amplitude than that treated by traditional agricultural economy.

Even in the 1990s, the Programa de Estudo dos Negócios do Sistema Agroindustrial (PENSA), linked to the University of São Paulo, today called Centro de Conhecimento em Agronegócio, introduced two new aspects to the study. Under the influence of teacher Ray Goldberg, Harvard University, focused on the analysis of productive chains by the Organization of interconnected markets, allowing the study of competitiveness. Under the influence of teachers Douglas North, University of Washington, and Oliver Williamson, University of California, Berkeley, has entered the role of institutions and transaction costs on productive chains. The sum of the two strands led the advance of study and practice of acting on the agroindustrial chains, not only public policies, but mainly private strategies.

The role of institutions in the formulation of productive chains is very important. Are markets or contracts, the agribusiness depend on building a stable institutional

environment in which disputes are mechanisms for their solution, in which the legal system to operate at minimum cost, in which agents have defined property rights and feel safe to negotiate and engage in long-term relationships. The markets don't work in institutional vacuum, nor contracts.

Not just that there are links in a chain in operation it is necessary to think of it and make it work, otherwise, to prevent deficiency and inefficiency constitute an important segment to promote economic development, that until this moment happens with agribusiness rubber tree in Amazon.

Therefore, make necessary the formulation and analysis of private and public policies involving productive chains aimed at identifying weak links and encouraging these through appropriate policy. This instrument allows to stimulate the development of agribusiness with governmental relevant engine