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THE MUNICIPALITY AND THE DEVELOPMENT IN BRAZIL

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The analysis of the technological advances and productivity growth, as they are called today, is basically the first chapter of the book: *“An Inquiry into the Nature and Causes of the Wealth of Nations”*, published in 1776, by Adam Smith (1723-1790). He is considered the "father" of Economic Science. These two variables are the foundations of economic growth. This is the "locomotive" of development that combines the social and environmental variables.

In the second decade of the 21st century, most Brazilian cities, mainly in the Amazon Region and the Northeast, and who have high rates of poverty, do not include in their plans of government economic growth, as a result, there is a precarious development, when a lot, established in issue of the state and federal governments, based on social policies. Why? The formation of the country helps in this understanding, but not all.

The discovery of Brazil comes from the interest of the Portuguese overseas business expansion. The discoverer had as a priority the interest market, especially the discovery of mines of gold and silver, although the gold only has entered into the economy of the colony in the 18th century, there was in new land a facsimile of the goods churches: the pau-brasil. It would the commercial structure through the royal monopoly, that here was operationalized by factories, administrative unit prior to the municipality.

In March 1531, Martim Afonso de Sousa, began the process of populating the new colony. At the beginning of the settlement was a strategy of experimentation in which if administered according to the needs, the difficulties and problems that were born with the municipalities (HESPANHA, 2001).

These were the sole initiative of the Metropolis, to give a guarantee to the plan of sugar production, and also as a forum of local motivated by the need to solve

problems and conflicts posed by the community life that were formed in the colony. Began to form under the validity of *Ordinations Manuelinas* of 1521, and *Ordinations Filipinas* of 1603; the two were systems of legal precepts.

At the beginning of the peopling the villages were to be organized and only took a shape more defined at the beginning of the 17th century. In this first policy delimitation installed themselves the administrative and judicial council by the will of the Crown, eager to begin a process of colonization (TAUNAY, 2003).

After the deployment of this political unity, would gradually, forming the society. The reflections of this formation are felt to the present day, that is, the local society - municipality - is not a protagonist of their development, as also occurs in most of them in the regions cited above.

The municipality, such as the first administrative divisions of Brazil, and the general government, obeyed, in the mold of bestowal of power, the framework of centralized monarchy of the 16th century, managed by estates increasingly bureaucratic. The expansion of local forces would, many times, as provisional transaction, but, with the return to traditional order, as permanent structure of government (FAORO, 2001).

In Portugal, the Court is not reassured with the armada of Martin Afonso, still feared losing the domain of its still exotic cologne. It created a new plan of colonization in Brazil, more audacious and extensive, with the aim of covering the entire territory and at the expense of its occupants.

Thus, in 1534, still under the government of D. John III, are created the first administrative divisions of Brazil. Was the piece of land donated to donors, for a total of twelve, among them Martim Afonso de Souza, who received the largest fraction in reward for services rendered. They had pulled the base of land structure in Brazil, with the establishment of allotment: plot of uncultivated land assigned to settlers by the Portuguese kings.

The first administrative divisions of Brazil only be transmitted hereditarily. Each Lord of earth was absolute lord in their territory, had the power to found towns, apply the justice, stipulate and raise taxes of the settlers, grant allotment. And obligation to ensure the defense of land and its inhabitants, expel the invaders and send to the crown a part of that gained. Were you employed directly linked to the king in Lisbon (CARVALHO, 1946).

The creation of villages depended on the interests of the king and the grantee. This situation began to change with the establishment of the Government-General, in 1549. If the eldest of our towns was born by the will, the same cannot be said of the other. The towns and cities in the 16th century were born close together, as a polo to attract another. The development of agriculture with the consequent agglomeration in a given territory the rise (MAIA, 1883). But, without change in the agrarian structure and in political power.

In other words, the towns drove their economies for agriculture, his life came to be on this earth, its future depended on its success, could not remain at the mercy of a central power far and ineffective, and greedy fund raiser, or of governors-general and their subordinates whose concerns were primarily to protect the interests of the crown. They began to try certain autonomy.

However, in a society that was forming in classes, and working within a patriarchal system, the municipality was engaged by the lord that immediately impressed on the institution to guideline sought by their interests. The Council of the chamber became a summary of dominant families and their most authoritative spokesman (ZENHA, 1948).

The captains were the basis for the formation of the municipalities already that launched the first foundations of the structure of the market place and of its institutions, and with this the municipality to present persistent characteristics until the present day. More importantly, the decision to implement the captains and their limits are imposed in a exogenous to the Brazilian territory (MATTOS et al., 2012).

The struggle for autonomy was constant. The sugarcane production, the expansion of cattle ranching and farming of food offered to municipalities ever more power in the face of the metropolis, not only in the economic force, but also political influence in the councils. Cite examples, decisions of the boards of São Luís and of São Paulo.

São Luís annulled the implementation of Decree of 12 February 1682, after the deposition of the governor that will fall in favor of traders, i.e. has against a benefit to traders in the capital of the metropolis.

São Paulo did not applaud immediately the king D. John IV, as was usual the council do, because the people did not accept the papal order that excommunicated who enslaved captive indians. Even tried to independence with the crowning of Amador

Bueno, who abdicated the crown. In 1641, the king was critically acclaimed, but without the camera to be reconciled with the governor-general and the Jesuits (MAIA, 1883).

The territorial expansion driven by livestock, for gold and the occupation of the Amazon, occasioned the creation of a greater number of municipalities, in the 18th century. However, it was the century in which the metropolis has its objective pursued since the middle of last century, which is the suppression of political autonomy of municipal councils (CARVALHO, 1946). Has itself a indicator of origin of mischaracterization of political power of the majority of the boards of aldermen that persist to the present day.

In the 19th century the colonial period comes to an end in Brazil. The Captains are repealed in 1821, and the Empire creates the Provinces. The councils of colonial become weak, shaken, as devoid of all important functions (LEAL, 2012).

Paradoxically, this period of growing wealth, the municipality felt the decline of its power. Perhaps, because those who were in front of her didn't know the history, or did not believe in the possibility of occurrence with them, not if they used the city as an instrument of political emancipation and economic. When they did, but so timid, occurred in defense of the interests most immediate of a given layer, not the entire social structure.

In 1830, the country source was established and already had a position in the economic world frankly capitalist. Recent studies indicate that around 85% of the total product was consumed internally. It was in this scenario that, in rapid movements, the great transformations of capitalism and the establishment of the Brazilian National State. Seen in the scenario of America, the Brazilian production had a total value very close to that of the United States (CALDEIRA, 2011).

On the contrary, at this juncture the municipality is losing its economic leadership, and more than that, the understanding and the political power of commanding their development. This is because the colonial economy of municipal, creates an internal market and a commercial bourgeoisie site formed by muleteers, wholesaler site as intermediaries and major traffickers of slaves at the top of this economic chain. (CALDEIRA, 2011). The mercantilist interest not bumped with the interests of the municipality, these come from the rural economy.

The new economic actors abandon their origins and the importance of the municipality. In addition to these, other factors would come during the nineteenth

century, contributing to a new secondary role of municipality in the formation of its economic growth.

A factor of inflection in the process of economic growth of Brazilian municipalities, after the country's independence, was the lack of normative instrument of land regularization after the abolition of allotment, in 1822. The Land Law of 1850 certain membership to the registry so vague, which resulted in a large variation among municipalities. In this sense, the comparison of the contrast between the processes of development of the economies of Brazil and North America can be exemplarily verified in the comparison between their respective laws of land.

While in the United States, in 1862, the Land Law – Homestead Act – amplified the access to land and essential role in attracting millions of immigrants to the country, in Brazil the Land Law blocked the access of the poor to land, at the same time that sanctioned the agrarian structure created by the system sesmarial of 1375, established in Portugal, i.e., a step backwards to 1822.

Although the basic motivation of the Law Allotment was the cultivation of the land - an uncultivated land unproductive should be allocated to produce wealth - however this principle, in practice, it has never been exactly observed, resulting in a consolidation of the latifundium.

The time who saw the damage to the Brazilian development with the implementation of the Land Law was José Bonifácio, to denounce the return of "allotment" as incompatible with the development of agriculture, and consequently of municipalities.

The strength of the economy of coffee and rubber – the late 19th century and early 20th century – had the misleading concept of prosperity, but in contrast, however, with the pockets of absolute poverty within the country, i.e., in the municipalities. This scenario would put the United States as a poor country, not only with respect to more advanced, but also when compared to the neighboring Latin American countries.

According Angus Maddison (2006), the per capita GDP of Brazil, in 1890, in absolute value, was lower than: Mexico, 1.2; Argentina, 2.7; United States, 4.2; United Kingdom, 5.0. These data differ strongly in the 1820s, by which it appears that the "gap" between Brazil and the United States and the United Kingdom would be expanded to twice or more during the imperial period.

The prevalence of these two commodities in Brazilian exports was not enough to trigger a process of sustainable development, and nor helped to promote meaningful diversification in the productive structure, penalizing the majority of municipalities.

The economic policy supported the coffee interests concentrated in São Paulo – immigration policy, creation of Instituto Agrônomo de Campinas, Construction of railways, exchange rate devaluation, and the constitution of mark legal and institutional Necessary for the expansion of market relations specifically capitalists to this economic segment.

Who benefited? The city of São Paulo that through the coffee exporters, who have accumulated the most wealth produced in the interior, began to finance the base of the industrialization of São Paulo (SUZIGAN, 1986). The wealth and power of the class of coffee growers and exporters of coffee became the greatest symbol of prosperity imperial along the Second Reign (1840-89), and the First Republic (1889-1930).

With the performance of the economy below the potential of the country, Brazil ended the period of the First Republic as a poor country, and more, the majority of the municipalities in extreme poverty. This poor performance had more to do with the internal weaknesses – economic policy, quality of labor, low productivity, poor institutions, the business environment is not favorable, and the diminishing role of municipalities in the economy – that with the external vulnerabilities.

It can be argued that the economic policy over the period 1889-1945 in Brazil, if not curbed, at least not brought economic growth desired. On the other hand, policies, exchange and exploitation of coffee, were responsible for the coffee accumulation and consequent onset of industrialization in São Paulo (CANO, 1997).

Its contribution to agriculture, in addition to not encourage this activity in other regions of the country, increased the capacity of coffee production, contributing to the overproduction that preceded by some months repercussion in Brazil of the Great Depression of industrialized economies (PELÁEZ, 1970).

After the Second World War, the coffee had lost part of its influence on the terms of trade, emerging the cotton, with more stable prices on the international market, as the second most important export product. The State of São Paulo again benefited, because the economic crisis of 1929, she walked the path of the diversification of agricultural production, and the cotton as a crop which replaced the coffee plantations in the municipalities of São Paulo.

Also there was also an extraordinary increase in the relative importance of crops for the domestic market (rice, beans, sugar cane, cassava, maize, wheat, etc.), that now represent about 58% of the value of agricultural production of São Paulo. This was as a result of the research developed by Instituto Agrônomo de Campinas (IAC), In São Paulo, who developed new cultivars, and obtained a large increase in productivity of these crops (VILELLA & SUZIGAN, 2001).

It is noteworthy that even before the coffee crisis, São Paulo has developed an aggressive program of research and planting of eucalyptus trees for the production of sleepers for the railroads that built in the state, by Companhia Paulista de Estradas de Ferro. Pioneering work of the agronomist Edmundo Navarro de Andrade (1841-1941), started in 1904 (GOVERNO DE SÃO PAULO, 2015).

In the mid 1900s, the new frontier of coffee became the Paraná, while Santa Catarina and Rio Grande do Sul expanded their agricultural economies with fruit growing, and with the gradual integration in the production of poultry, swine and dairy cattle. This expansion and diversification, influenced from São Paulo, had two positive consequences for the development of these states: The strengthening of the economy of municipalities and the establishment of the foundations for the industrialization process.

The economic dynamism of the Midwest, established in the Cerrado biome, began at the end of the 1970s as a result of the following actions: Political division of the State of Mato Grosso in two federal units, Mato Grosso and Mato Grosso do Sul, in 1977; financing by Programa de Cooperação Nipo-Brasileira para o Desenvolvimento dos Cerrados – PRODECER; agronomic research led by Embrapa.

The most characteristic feature of this transformation lies in Mato Grosso. This state today is the national leader of agribusiness, which drives the development of its municipalities. The area planted with soybean is 9.5 million hectares and 3.5 million hectares planted with corn. Until 2025, the prediction of Instituto Mato-grossense de Economia Agropecuária (Imea), (see< <http://www.imea.com.br/imea-site/view/uploads/estudoscustomizados/AgroMT2025.pdf> access in 05.11.2016>), Is that the area planted with soybean in Mato Grosso reaches 15 million hectares.

While the regions west, Southeast and South are indices of positive development, the majority of their municipalities, the North and Northeast regions have opposite trend, i.e., economic growth is stationary, the economy depends on issue of social policies, and more, society seems to be numbed to conform with this model.

The development starts by the municipality, and establishes the basis of economic growth rests on social and environmental policy. The economic growth to be sustained must generate accumulation of capital to finance the modernization and innovation, forces promoting the next economic cycle.

Outside of these limitations has become stagnant, growing poverty and reduction in quality of life. The Amazon and the Northeast must react, starting by managers and local society to understand and put the municipal management also in the role of inducer of economic growth. Because, without municipalities economically strong no state developed.

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