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Citation for published version:
Blanc, J 2015, 'Enclaves of inequality: Brasiguaios and the transformation of the Brazil-Paraguay borderlands' Journal of Peasant Studies, vol. 42, no. 1, pp. 145-158. DOI: 10.1080/03066150.2014.967685

Digital Object Identifier (DOI):
10.1080/03066150.2014.967685

Link:
Link to publication record in Edinburgh Research Explorer

Document Version:
Peer reviewed version

Published In:
Journal of Peasant Studies

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Download date: 05. Apr. 2019

Enclaves of Inequality: Brasiguaios and the Transformation of the Brazil-Paraguay Borderlands

Jacob Blanc

Abstract: This article traces the history of Brazilian immigration to Paraguay and the emergence of 'Brasiguaio' communities, arguing that the enclaves are products of the development policies of each country's military dictatorship. Although Brasiguaios are currently associated with wealthy Brazilian agriculturalists in Paraguay, the majority of these immigrants have been poor workers who face constant marginalization from state bureaucracies and unequal access to land. Paraguay's eastern border region is among the most complex spaces in Latin America of cultural, economic, and national hybridity. The transformation of this borderland is predicated on a highly unequal social hierarchy that resulted largely from the evolution of Brasiguaio immigration.

Key words: rural immigration, dictatorship, development, agriculture, borderlands.

An estimated 450,000 Brazilians currently live along Paraguay's eastern border region, accounting for sixty percent of the region's inhabitants and nearly ten percent of Paraguay's entire population.[1] Starting in the 1960s, settlers that came to be known as Brasiguaios (an amalgam of the Portuguese words for 'Brazilian' and 'Paraguayan') crossed the border into Paraguay and established enclaves that present some of the most intriguing and least studied cases of rural immigration in modern Latin America. Despite the dominant perception of Brasiguaios as wealthy agriculturalists devoted to soybean production, the majority of Brazilian immigrants in Paraguay are small-scale farmers who, like many of their impoverished Paraguayan neighbors, have faced constant marginalization.[2] In the past decade, violent clashes

[1] Although it is difficult to establish the exact number of Brazilians living in Paraguay, most estimations fall between 400,000 and 500,000. A commonly cited number is 459,147 from a 2002 report by the Brazilian Ministry of Exterior Relations (cited in Albuquerque 2010, 59). It must also be noted that while Brazilians comprise the largest portion of migrants in Paraguay, other immigrant groups in Paraguay include (in order of largest population) Koreans, Uruguayans, Mexicans, Japanese, Chileans and Germans. (Menegotto 2004, 46)

[2] The author would like to thank professors Gay Seidman and Francisco Scarano at the University of Wisconsin and the two anonymous reviewers at the *Journal of Peasant Studies*. Additionally, conversations in the summer of 2013 helped shape the arguments found herein; special thanks to Ricardo Canese and Herib Caballero Campos in Paraguay, and Senilde Guanaes and Paulo Renato in Brazil.

between landless Paraguayans and powerful Brazilian landowners have cast an unprecedented spotlight on Brasiguaios.[3] Rather than focusing on the dynamics of these recent conflicts, this essay seeks to examine the origins of Brasiguaio immigration in order to understand the characteristics and contradictions that have redefined the Brazil-Paraguay border. In doing so, I will argue that the actions and contexts of both nations set in motion the transformation of the space between them, a process that was profoundly shaped by the role of Brasiguaios.

Brasiguaio immigration was the product of the military regimes of Brazil and Paraguay. The ambitions of both governments met at their shared frontier along the Alto Paraná borderlands, a region where small-scale farmers were initially deployed in order to clear and settle Paraguayan lands, only to then be discarded when monopolies of Brazilian agriculturalists were eventually established. The evolution of a Brazilian presence in Paraguay can be attributed to three distinct—yet highly connected—processes. The first was the unveiling of national development goals where each dictatorship prioritized industrialization and territorial expansion. A second factor was the construction of the Itaipu Dam, a bi-national development project built directly on the Brazil-Paraguay border that, when completed in 1991, was the largest hydroelectric dam on the planet. Whereas development plans had already set in motion the reallocation of people and capital toward the Alto Paraná borderlands, the Itaipu Dam was the first major catalyst of Brazilian immigration to Paraguay. Most significantly, Itaipu's initial treaty required Paraguay to lift its century-old ban on Brazilian immigration. With the border now open, the governments of both nations urged Brazilian farmers into Paraguay with the promise of cheap, available, and fertile lands.

[3] An example of the global media coverage of land conflicts and their attendant role in the impeachment of Paraguayan President Fernando Lugo include: Romero 2012.

On the heels of the Itaipu Dam, the third and final process that determined the evolution of Brasiguaio enclaves was the mechanization of agriculture. Once a significant number of small-scale Brazilian farmers had established a presence in eastern Paraguay, the military regimes of both countries encouraged new forms of industrial agriculture. Above all, this meant the production of soybeans, a crop that required a relatively minimal workforce and led to the complete reorientation of land relations along the border. As soy grew in importance, land became increasingly concentrated in the hands of a new rural elite and small-farmers were displaced and exploited at an alarming rate.[4] That these agricultural oligarchies were comprised almost exclusively of Brazilians indicates the complex dynamics of Brasiguaio immigration: Brazilians living in Paraguay wound up being expelled by their own countrymen.

In seeking to understand the impacts of Brasiguaio immigration, this paper will lean on the perspectives of borderlands theory. Such an approach allows us to look beyond the existence of borders as political constructs and to focus instead on the historical effects of *borderlands*, above all on how the social dynamics of border regions affect the formation and territorialization of states and communities. Whereas the literature on frontiers and borders initially came about in the context of the U.S. West from scholars like Frederick Jackson Turner and Herbert Eugene Bolton, in recent years the field of borderlands studies has become highly innovative and employed to interpret regions throughout the world. (Weber 1986, Adelman and Aron 1999, Hämäläinen and Truett, 2011) As Cañizares-Esguerra (2007) has shown, these theories have been especially useful in examining Latin America, where the concept of borders is deeply rooted in the realities of colonial history. However, scholarship on Latin American borderlands has tended to focus primarily on the U.S.-Mexico border (Weber 2009, Johnson 2010, St. John

[4] It should be observed that 77 percent of Paraguay's arable land is currently owned by just two percent of the population. (Source: Hobbs 2012)

2011) and as such, the present article will intervene by extending the conceptual framework of this literature further down to the Southern Cone.

In their seminal study of borderlands, Baud and Schendel (1997, 216) wrote that 'borders create political, social, and cultural distinctions, but simultaneously imply the existence of (new) networks and systems of interactions across them.' So rather than analyzing the Brasiguaios through the rhetoric and intentions of central governments, we are better able to concentrate on the social realities provoked *by* them. In the case of Brasiguaios, these social realities are productions of the ways in which the Alto Paraná borderlands have been completely transformed in the span of only a few generations. Because of the policies and development goals of Brazil and Paraguay's military regimes, the political border between them has essentially dissolved, leaving in its place a re-imagined frontier where class conflict and access to land have replaced nationality as the primary determinants of social hierarchy.

Scholarship on Brasiguaio immigration first emerged in the late 1970s and early 1980s as authors like Domingo Laino (1977), J.M.G. Kleinpenning (1987), and Alfredo da Mota Menezes (1990) argued that the abusive policies of the Stroessner regime were at fault for the dire conditions facing Paraguayan farmers. Following these initial studies, foreign economists like Andrew Nickson (1981, 1988) and Beverly Nagel (1991, 1999) examined the transformation of Paraguay's eastern border region and traced the emergent soybean enclaves to the presence of Brazilian immigration and the mechanization of agriculture. As the soybean industry came to dominant Paraguay's economy by the late 1990s, a new movement of scholar-activists, led by the Paraguayan sociologist Ramón Fogel, dedicated themselves to revealing the destructive nature of the industry and the abuse of their countrymen. (Fogel 1990) In response to these harsh criticisms, a sustained debate emerged that explored the characteristics of Brasiguaio

communities in order to nuance their image as homogenous usurpers of Paraguayan lands. (Wagner 1990, Cortês 1994, Feliú 2004, Menegotto 2004, Albuquerque 2010) Although this recent scholarship has correctly softened the dichotomy between nationalities, it has failed to sufficiently acknowledge the dominant power relations both among the wide spectrum of Brazilian farmers, and between the administrations of Brazil and Paraguay. As such, the present article will intervene in the existing literature by looking less at the geopolitics between countries, and more at how inequalities formed in the borderlands as a by-product of their development policies and practices.

Although they are associated with wealthy landowners, the historical construction of the phrase "Brasiguaio" reveals its deeper complexity. The term Brasiguaio was first publically articulated in 1985 in a conversation between a peasant and the Brazilian congressman Sérgio Cruz. The encounter took place during a meeting between Brasiguaio leaders originally from the Brazilian state of Mato Grosso do Sul currently living in the city of Mundo Novo, in the Paraguayan border region of La Paloma. The peasant addressed Congressman Cruz, stating that, 'I mean to say that we don't have rights as Paraguayans because we aren't Paraguayan; we don't have rights as Brazilians because we abandoned the country. But tell me something: in the end, who are we?' Cruz responded by saying: 'You are Brasiguaios, a mix of Brazilians with Paraguayans, men without a country.' (Wagner 1990, 11)

The notion of being men without a country is at the heart of understanding the history of this borderland. While the overall path of Brasiguaio settlement corresponded to the development plans of the Brazilian and Paraguayan governments, the struggles of thousands of nameless immigrants prove that the region's transformation did not generate prosperity for the vast majority of workers who crossed the border. More than just representing an immigrant

enclave built on unequal social relations, Brasiguaios became vehicles and sites of contested citizenship and claims to land, embodying the dynamics of one of Latin America's most complex borderlands.

The Formation of a Borderland

The current border between Brazil and Paraguay was established in the Loizaga Cotegipe Treaty of 1872 that ended the Triple Alliance War—a victory for Brazil that killed nearly 90% of Paraguay's male population. At that time, little economic importance was attached to the region and the relevant part of the treaty stated simply that the border should follow the Paraná River. The treaty's unclear description of the limits of the Paraná's shores, however, led each country to claim jurisdiction over the area.[5] Despite the region's fertile lands and strategic position on a river that runs through four countries and empties into the Atlantic Ocean, the borderlands played a relatively insignificant role for the better part of the next century. It was not until the 1950s—when both Brazil and Paraguay embarked on new programs of national development—that the border region rose to international importance. Soon after taking power in Paraguay in 1954, General Alfredo Stroessner began an ambitious program of road building that linked the capital city of Asunción with the furthermost reaches of the country, namely the Chaco in the west and the Paraná River in the east. Upon his election in 1956, Juscelino Kubitschek of Brazil began a similar project of economic development that included increased direct foreign investment, import-substitution programs and the relocation of the Brazilian national capital to the interior.

[5] The ambiguity stemmed from the treaty's inclusion of the hills surrounding the Sete Quedas waterfalls as part of the Paraná shores. (Albuquerque 2010, 36)

By the mid 1960s both Brazil and Paraguay were governed by military dictatorships and were in the early stages of unveiling development projects based on territorial expansion and the incorporation of new lands for agricultural production. It was in this context that Brazil initiated the process of developing a hydroelectric dam in the Alto Paraná borderlands and began to press its claim to the region. Although the Brazilian government had opened diplomatic negotiations with Paraguay over a potential partnership in constructing a dam in the early 1960s, it was only in the aftermath of Brazil's 1964 military coup that any direct action was taken. After some initial hesitations, Paraguay finally agreed to open a dialogue with Brazil on the possibility of a joint development project, and officials from both nations met on June 22, 1966 at the Hotel das Cataratas in Foz do Iguaçu, Brazil.[6] This meeting produced the Act of Iguaçu that quelled tensions along the border and established the legal parameters for a bi-national energy project. Considering the historical enmity between Brazil and Paraguay, the Act of Iguaçu illustrates the extent to which both nations prioritized development and modernization. The Act outlined a survey of the hydroelectric potential of the borderlands and agreed that all energy produced by the 'flows of the Paraná River, from and including the Sete Quedas Falls to the mouth of the Iguaçu River, will be divided in equal parts between both nations.' (Mazzarollo 2003, 23)

A critical—yet often overlooked—component of the Act of Iguaçu was that Paraguay also had to lift its restrictions on Brazilian immigration. Brazil had been seeking the legitimacy to expand its interests into Paraguayan lands yet until this point had been almost completely unsuccessful.[7] With the Act of Iguaçu signed in 1966 Brazil took a two-pronged strategy for

[6] At the meeting, Paraguay was represented by the diplomat Sapeña Pastor; the Brazilian delegation was led by the diplomat Juracy Magalhães. (Monteiro1999, 14)

[7] Although large-scale immigration into Paraguay did not begin until the late 1960s and early 1970s, there are examples of Brazilians who succeeded in crossing the border to work in agriculture. Most of these Brazilians were peasant farmers, were the notable exception of Geremías Lunardelli, a Brazilian coffee baron who in the 1950s came to own more than one million hectares of subtropical forest lands in eastern Paraguay thanks to an initial 1952 land grant of 540,000 hectares given personally by Stroessner. (Kohlhepp 1999, 206; and Cortêz 1994, 17).

settling the border region. First, the lifting of restrictions on Brazilian immigration to Paraguay facilitated a steady flow of individual Brazilians who crossed over the border and established local settlements. Second, the creation of the Itaipu dam provided a political entry-point to interacting with the Paraguayan government while creating a massive, physical presence directly on the border itself.

Facilitated by the lifting of the ban on Brazilian immigration, the construction of the Itaipu Dam sparked the first large wave of Brasiguayo settlement in Paraguay. The Itaipu reservoir flooded 111,332 hectares of land across eight municipalities in Brazil, representing 13.9% of the entire region. Along with covering lands under cultivation, the reservoir also flooded 8,519 unique properties, 42 religious buildings and 95 schools. The majority (91%) of the flooded area was classified as 'rural' and the average size of each rural holding was 15 hectares, hinting at the propensity toward small and medium-scale farming in the region. In all, 42,444 people were displaced, representing 11.42% of the region's total population.[8] This process of expropriation and indemnification left thousands of rural Brazilians with no land and almost no money. As evidenced in the following quotation, many displaced Brazilians had little recourse but to resettle in Paraguay.

> I came to Paraguay because my property along the Paraná River was flooded; when Itaipu was constructed all of our lands were flooded. And since we were a large family, we were left with very little since the price that they paid us was not equivalent to the real value of the land, but rather to their own estimations… Since we had little money and the land [in Paraguay] was cheap and had lots of timber, we decided to leave for Paraguay. (Albuquerque 2010, 67)

Having recently gained access to the fertile lands of eastern Paraguay, the Brazilian government actively encouraged its citizens to move across the border. Propaganda was broadcast in southern Brazil in newspapers and radio stations encouraging settlement in

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[8] This statistics were compiled from (Ribeiro 2002, 28) and (Germani 2003, 54-58)

Paraguay, proclaiming that lands were very cheap and could quickly improve their lives. Land was, in fact, much cheaper and could be bought anywhere from 1/6 to 1/10 of the price compared to Brazil.[9] With funding from the World Bank and the Inter-American Development Bank, Paraguay's government instituted credit and tax programs in the border region that proved very favorable to Brazilians. The credit rates made available in eastern Paraguay were far better than those in Brazil, with the added bonus of zero income tax and a minimal land tax that was rarely enforced. Whereas all farmers—regardless of nationality— enjoyed these credit and tax policies, Brazilians in particular benefitted from another critical initiative: there was no export tax. This essentially meant that all production on Paraguayan lands could flow freely back to Brazil.

This first wave of Brazilian immigrants were not able to get citizenship across the border but they were motivated by the promise that their children, if born on Paraguayan land, would be Paraguayan citizens. Brazil, for its part, granted citizenship to children born in foreign nations if one of their parents 'were in the service of the nation,' leading Brazilian immigrants to think that their family would eventually have access to dual citizenship and political rights in both countries.[10] Smallholders in Brazil became very receptive to their government's publicity campaign to move across the border and, having been kicked off their lands, began to see Paraguay as a land of opportunity. As Kohlhepp (1999, 210) observes, for small landholders who had been expelled from Paraná, migration to eastern Paraguay did not only offer the prospect of higher quality lands; it included 'the added allure of social mobility in a nascent border community.'

Take, for example, the case of one Brazilian peasant who in 1977 relocated to Paraguay. After selling his 17.5-hectare plot of land to the Itaipu Binational Corporation for 520,000

[9] Kohlhepp (1999, 209) offers the 1/6 cost estimation, while Kleinpenning (1987, 178) quotes the price as 1/10 compared to Brazil.
[10] (Albuquerque 2010, 209-210)

cruzeiros, he moved to Paraguay and bought 75 hectares for only 230,000. With the money remaining from the sale of his original lands, he was able to build a house, plant 25 hectares of soybeans and still had a bit left over to buy a tractor the following year. (Menezes 199, 137) Stories such as these most assuredly spread through rural Brazil and motivated thousands of farmers to seek new opportunities in Paraguay, causing the number of Brasiguaio settlers to increase dramatically. As late as 1969 there had been fewer than 11,000 Brazilians living in eastern Paraguay, yet less than a decade later that figure jumped to nearly 150,000. By 1983, over 360,000 Brazilians made their home in eastern Paraguay, marking the true emergence of Brasiguaio colonization. (Kohlhepp 1999, 208)

Brasiguaios and the Military Regimes

If the pattern of Brasiguayo settlement would seem to favor the development of the Brazilian state, why then was Paraguay so willing to allow—and even encourage—the settlement of its lands by foreigners? To answer this question, it is necessary to first discuss the evolution of Paraguayan politics over the previous decade.

In 1963 the Paraguayan state created the Institute for Rural Wellbeing (IBR) and the Agrarian Statute, two entities that indicate the extent to which foreign settlement was being used as a primary development strategy.[11] The IBR was charged with the distribution and development of state-owned lands, with the official aim of incorporating Paraguay's peasant population into the nation's economic development. In name, at least, the IBR was conceived as

[11] Along with the IBR, another key mechanism of settlement were the private commercial enterprises known as *colonizadoras* that advertised on both sides of the border and oversaw the financial transactions with settler farmers. For much of the period of military rule, widespread corruption linked these two settlement mechanisms as government agencies and private corporations frequently colluded in dolling out land as political and personal favors. A final form of settlement came via spontaneous land occupations that involved groups of farmers taking over unused lands that belonged either to the government or to large landholders.

a tool of fair distribution that would modernize the countryside by gradually replacing the *latifundio* system with more equitable forms of property ownership and land use. Despite the declarations of a fair system of land management, the Paraguayan state distributed rural deeds in a manner that consolidated existing hierarchies. Elites throughout Paraguay were the main recipients of IBR titles, yet in the border regions specifically, a disproportionate number of government lands were handed over to Brazilians, since there existed a perception that 'these foreign settlers brought intimate knowledge of the techniques of soy production and often had access to capital and credit.'[12] Encouraging the development of Brazilian border settlements also benefited the Paraguayan state by having the effect of drastically driving up the price of land, with a rise in per-hectare value increasing up to twenty times between 1973 and 1994. (Kohlhepp 1999, 211)

More explicitly related to the emergence of Brazilian settlers, the Agrarian Statute established for the first time that the 'Executive Power' would hold the final authorization for the sale of lands. In practice, this modified the previous Agrarian Statute from 1940 that had prohibited the sale of lands along the border to foreign buyers.[13] This new law therefore legalized and hastened the presence of Brazilians, and by 1967 Paraguay removed a law prohibiting the sale of lands within 150km of the border to foreigners.[14] Furthermore, Kleinpenning (1987, 181) points out that, 'although this ruling had often been circumnavigated before then, its abolition meant that land could now be sold openly and legally.' In response to a question about Paraguay's lifting of property restrictions for foreigners on land near the border, Alberto

[12] (Menegotto 2004, 41). For example, one of the laws passed created by the IBR required that at least 20% of a local settlement population must be Paraguayan. Despite this new law, multiple examples were cited in the border regions of Alto Paraná and Canindeyú where Brazilians represented well over 80% of the inhabitants, despite being in clear violation of the law. (Kohlhepp 1999, 217)

[13] (Fogel 1990, 51)

[14] (Kohlhepp 199, 206)

Fernandez, a captain in the Paraguayan army and director of a private land settlement company, proclaimed: 'We're simply doing what Brazil already did when it stimulated the arrival of Italian, German, and Japanese settlers to its country.'[15]

The distribution of land in Paraguay's eastern border region followed a pattern of hierarchy and corruption that overtly privileged Brazilian settlers at the expense of Paraguayan peasants. Under the auspices of the IBR in the mid 1960s, the Paraguayan government sold off the state-owned lands to high-ranking officials and politicians, who frequently auctioned them off to Brazilian colonists.[16] Corruption was especially rampant in the early years of the border's colonization, as dishonest bureaucrats were given privileged government jobs in charge of land speculation and distribution. Feliú (2004, 47) cites a contemporary report proclaiming that 'those in charge of controlling and taxing the area quickly became millionaires, or basically that instead of actually administering, all the officials charged taxes however they pleased without drawing up any legal documents.' These processes mimic Baud and Schendel's observation (1997, 217) that 'When borderland elites were well integrated into networks of state power, they could become important allies of the state in its efforts to control borderland society.' In this manner, the collusion of state and local elites created widespread bureaucratic corruption that exacerbated an already unequal form of land distribution throughout the border region.[17]

[15] No author attributed. Por um sonho, a travessia de uma fronteira. *Veja*, March 3, 1971, 34.
[16] (Kleinpenning 1987, 179). It should be noted that the term "corruption" has been the subject of recent debate, wherein some scholars have considered it as a category imported "from the North" that is superficially imposed on foreign cultures. For more, see: Haller & Shore, 2005. Its use in this article is intended to portray instances where government bureaucrats and military officials acted outside of the purview of their immediate responsibilities, practices that enriched themselves and their acquaintances and/or distributed land in ways that ran counter to the letter of the law.
[17] For an analysis of why the Paraguayan government was willing to sell off its own land to Brazilians, see: (Kleinpenning 1987,180). It is important to observe, however, that although the Stroessner government clearly advocated for and facilitated the import of Brazilian immigrants, this process was not solely the product of official state policies. Much of this history resulted from the actions of local elites, members of the military, and corrupt functionaries who capitalized on opportunities in a poorly-regulated environment.

The Evolving Dynamics of Brasiguaios

With a clear understanding of how—and why— the Paraguayan state encouraged Brazilian settlement, it is helpful now to concentrate more on the settlers themselves and attempt to understand the experiences and historical evolution of Brasiguaio communities. The initial wave of Brazilian immigrants to Paraguay was not defined by the powerful Brazilian magnates that would soon control the region, but rather by a steady stream of small-scale farmers pushed across the border by the Itaipu dam. For the most part, these early settlers belonged to two main groups. The first was comprised of poor immigrants from the Northeast of Brazil who worked as agricultural laborers, farmhands, or in the informal sector. The second was small- to medium-scale agriculturalists from the southern states of Paraná, Río Grande do Sul and Santa Catarina. For the most part, the agriculturalists in the latter group descended from German and Italian immigrants, transposing not only a class hierarchy in the new border settlements, but a racial one as well. Since these Euro-descendent Brazilians often brought with them capital and industrial tools, they immediately gained favor with the Stroessner regime and were able to rise quickly through the social ranks. (Fogel and Riquelme 2005, 124) The upward mobility of these southern Brazilians is a stark contrast to the marginalized—and racialized—condition of both the poor Afro-Brazilians from the North East and the mostly indigenous and Guarani-speaking local Paraguayan peasants.

A passage from a 1971 article in the Brazilian magazine *Veja* speaks to the fragile position in which these initial immigrants arrived in Paraguay. Interestingly enough, the description also ends with a tinge of optimism, suggesting both that the immigrants themselves were hopeful of finding a better life, and that Brazilian society looked positively on the relocation of its own citizens to a neighboring country.

> Frequently over the past three years, dozens of families from Minas, São Paulo, Paraná, Rio Grande do Sul and Santa Catarina, undertake a new and impressive westward march on trucks that resemble ancient caravans. Loaded with disjointed beds, precarious luggage, modest clothing and, sometimes, with melancholy cows, malnourished pigs, speckled dogs, and agitated roosters… However, their most important cargo is hope.[18]

Upon arriving in Paraguay, however, these early Brasiguaios did not find entirely welcoming circumstances. Although the military regimes of both Brazil and Paraguay actively encouraged Brazilian immigration, the bureaucratic structures were not yet in place to provide the new settler farmers with access to the necessary paperwork or resources. Many Brasiguaios were forced to pay exorbitant amounts of money to receive their migration papers and in the words of one observer, they 'lived between illegality and permanent extortion from the Paraguayan authorities.'[19] Large numbers of Brazilian immigrants also struggled to gain legal ownership of the lands that they bought either directly from the Paraguayan state, or through companies based in Brazil known as *colonizadoras*. In a 1981 *Folha de São Paulo* article, a Brazilian activist named Juvêncio Mazzarollo claimed that by the end of the 1970s over 80% of Brasiguaios did not have the deed to their land. While Mazzarollo's estimations might be a bit elevated—he was a member of rural opposition movements and actively sought the end of both dictatorships—they indicate the reality that early Brazilian immigrants were often exploited and extorted by Paraguayan officials. Additionally, Mazzarollo cites an example from the municipality of Puerto Sece in Paraguay where 400 Brasiguaio families were forced to pay four times for the same land to four different administrators. (Ribeiro 1981, 8)

Considering the challenges faced by the initial wave of immigrants, and knowing their role in laying down the first roots of what would become a thriving immigrant enclave, the early

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[18] No author attributed. Por um sonho, a travessia de uma fronteira. *Veja*, March 3, 1971, 34.

[19] (Fogel and Riquelme 2005, 126). It is necessary to note that Paraguayan smallholders confronted similar problems, underscoring the fact that land bureaucracies exploited farmers regardless of their nationality. Moreover, the illegality and pervasiveness of these processes suggest the extent to which local practices in the border region developed independently of official state policy. For more on Paraguayan smallholders and the problems of land titles, see: Souchaud and Carámbula 2007.

Brasiguaios must be interpreted as a form of agricultural shock troops. Simply put, they were mobilized and exploited so that lands would be cleared, farms would be settled, and a base would be established from which larger development and industry could take root.

One of the more tangible measures of the borderlands' reconfiguration is through an examination of the deforestation that was necessary to clear fields for cultivation of Brasiguaio-controlled lands. Since the development of these new agricultural sectors necessitated open lands for cultivation, the first major Brazilian-led commercial activity along the Paraguayan border was in the logging and cutting down of trees for export. Menezes (1990, 211) notes that although not comparable in scope to the deforestation that had already begun in the Amazonian rainforest, 'the Brazilians, in a short amount of time, unleashed some of the worst devastation in the history of Latin America along Paraguay's eastern region.' In fact, between 1945 and 1991, deforestation in the border regions of Amambay, Canindeyú, Alto Paraná, Caaguazá, and Itapúa resulted in a 58.8% loss in forests. (Kohlhepp 1999, 212)

As the first wave of Brazilians began farming along the Paraguayan border, advances in agricultural technologies accelerated the settlement of the entire region. Starting in the 1970s, new technologies led to the increased mechanization of agriculture, allowing small and medium-scale farmers to expand their lands under cultivation without needing to hire more workers. This facilitated a new wave of land grabbing by Brazilian farmers who gradually expanded beyond the border regions. The new concentration of Brazilians in Paraguayan territories pushed out local peasants who, lacking the ability to acquire new lands, were often forced to relocate to urban centers. Confronted by the encroachment of Brazilian immigrants—along with the repressive structures of Stroessner's regime—rural Paraguayans took action in defense of their livelihoods and in 1970 formed a collective known as the Agrarian Leagues. For government

authorities, this organization was seen as a fundamental threat to national security, and Stroessner responded by deploying the army to expel peasants and farmers. One example comes from the municipality of Yhú in the Caaguazú, where in 1970 Paraguayan soldiers forcefully removed and set fire to the houses of 1,300 families in order to confiscate their lands.[20] Once local Paraguayans had been kicked out, military personnel frequently seized the lands and sold them off as private holdings—often to Brazilian colonists.

These patterns formed a vicious cycle in the development and reorientation of eastern Paraguay. As more small-scale Brasiguaios settled in Paraguay, their presence pushed out local farmers whose subsequent mobilizations were used by the government as a pretext to further appropriate peasant lands. That these territories were increasingly auctioned off to wealthy Brazilian serves as a striking arc in this narrative of an unequal borderland.

This was also the period when small-scale and diversified subsistence farming was replaced by soybean production. Between 1972-1977, the area under cultivation in Paraguay rose at an annual rate of 16%, of which 25% was dedicated exclusively to soybean agriculture. (Menezes 1990, 14) Soy first appeared in Paraguayan agricultural censuses in the 1970s, and its production expanded such that within 30 years Paraguay became the world's sixth largest producer of soybeans—a significant indicator for a country with fewer than seven million inhabitants. The cultivation of soybeans became so central to the Paraguayan economy that by 2004, the crop occupied nearly two million hectares—over fifty percent of all cultivated lands in the country. (Albuquerque 2010, 83)

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[20] (Riquelme 2005, 136). It should also be noted that opposition to Brazilian settlers also came from established political structures in Paraguay. In 1972 and 1974, leaders from the oppositional parties of Partido Liberal Radical Autentico (PLRA) and the Partido Febrista attempted to institute a law prohibiting the sale of land to foreigners along the border. These were some of the first institutional reactions against the 1963 Agrarian Statute that had originally legalized the sale of land to foreigners and specifically favored Brazilians. (Albuquerque 2010, 118)

Unlike previous crops grown in the borderlands, soybean agriculture required relatively low amounts of labor, meaning that the impact of soy cultivation on poverty was mediated through a decrease in employment and the concentration of lands and revenues primarily in the hands of Brazilians.[21] This represented a dramatic shift in the border region's agricultural production, since prior to the expansion of the soybean industry the leading crop had been cotton. Unlike soybeans, cotton had been almost entirely produced by peasant laborers on small plots of land and with relatively limited technology. Another critical marker of the region's economic shift was the change in the market forces that determined the value and destination of each crop. Whereas the Paraguayan government regulated cotton prices, soybean prices fluctuated according to the international market.[22] This reflected the Stroessner regime's desire to discard Paraguay's traditional reliance on small-scale agriculture, preferring instead to prioritize the inflow of foreign capital and the orientation of production toward global markets. It is impossible to speak of the rise of Paraguay's soybean industry without recognizing the dramatically increased presence of Brazilian immigrants along the border. According to Souchaud (2005,19) the three biggest soy-producing regions in Paraguay became Alto Paraná, Itapúa, and Canindeyú, which comprised 84% of national soy production. It is no coincidence that these three regions are also the exact areas with the highest concentration of Brazilian immigrants.

The case of Brazilians in Paraguay is especially interesting when viewed in the context of the countries' immediate geographic proximity to each other. Most of the necessary equipment was purchased in Brazil, and most vehicles not only had Brazilian license plates, but were also registered in Brazil, meaning that their taxes were likewise paid in Brazil. (Kohlhepp 1999, 210)

[21] (Fogel 1990, 47)
[22] For more on the differences between cotton and soybean production, see: (Nagel 1991, 112-114).

Additionally, the reconfiguration of Paraguay's border region was strengthened by the cultural practices of Brazilian immigrants. As is typical with most settler communities, social structures were brought to the new region that facilitated a consolidation of Brazilian culture. This included the high proportion of Portuguese-language newspapers and television stations, the establishment of various Brazilian churches and cultural centers, and the naming of cities in Paraguay that reflected the rising Brazilian influence: Novo Toledo, Novo Paraná, and most strikingly, Novo Brasil. (Albuquerque 2010, 94)

The Perils and Promise of Return Migration

Beginning in the early 1980s, what had been a unidirectional flow of immigrants from Brazil to Paraguay saw the first significant examples of return migration. This emergent trend was the result of decreasing stability in the military regimes of both nations, and a corresponding rise in land conflicts on each side of the border. The number of Brasiguaios who returned to their native lands was never significant enough to alter their steadily growing demographics in eastern Paraguay, but the pattern of reverse migration is nonetheless evocative of the fluctuations and fragmented development that have defined this immigrant enclave.

In 1981, the largest daily newspaper in Brazil, *a Folha de São Paulo*, ran a weeklong series called 'The Invasion of Paraguay' that focused on the multiple aspects of daily life in Paraguay for Brazilian immigrants. Under the subhead title 'The fear of returning, a major worry,' an interview with a Brazilian immigrant named Afonso Ridgher indicated an awareness that Brasiguaios were allowed to live in Paraguay only because General Stroessner allowed them to. Ridgher spoke of his concerns that any possible regime change in Paraguay would require him to uproot his family and return to Brazil, claiming that, 'Many say that we will have to cross the river again, if there comes another president.' (Ribeiro 1981, 6) Although Stroessner's

regime did not fall until the end of the decade, the 1980s saw the slow reassertion of political freedoms. As Stroessner's grip on power gradually loosened, rural Paraguayan peasants began occupying properties and increasingly targeted Brasiguaios who were considered usurpers of lands that rightfully belonged to the peasantry.[23]

The fact that most Brasiguaios were small-scale farmers who suffered similar repression as Paraguayan peasants became almost irrelevant. Albuquerque (2010, 107) argues that along with being vilified for the privilege and wealth of a select few Brasiguaios, most Brazilian immigrants were seen as '"gringos" responsible for the pollution of rivers, deforestation, destruction of the soil and the drunkenness of teenagers and adults. They are [viewed], consequently, as colonizers, invaders and destructors of nature and of Paraguayan culture.' Compounded by the hardships faced by the average Brasiguaio, the demonization and ostracization from local communities persuaded many to yearn for a return to Brazil. José Raimundo, a 68-year-old Brazilian immigrant living in eastern Paraguay summarized his disenchantment with life as a Brasiguaio: 'Everything was an illusion. Now I only want to sell my five *alquieres* and return to die in Colatina, [Brazil].'[24]

The opening spaces of political dissent mapped onto the animosity toward Brasiguaios as growing waves of land conflicts between Paraguayan peasants and Brazilian immigrants accelerated the scale of return migration, primarily back to the states of Mato Grosso and Rondônia.[25] While land-owning Brasiguaios might have been motivated to return to Brazil because of the increasing conflicts with Paraguayan peasants, many poor Brasiguaios were motivated by the promise of agrarian change being put forth by a new movement of landless workers in Brazil. In January of 1984, the Landless Workers Movement (MST) was founded in

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[23] (Albuquerque 2010, 231)
[24] (Ribeiro 1981, 8)
[25] (Kohlhepp 1999, 218)

the Brazilian city of Cascavel and launched a campaign of land occupations, demanding a sweeping program of national agrarian reform. According to Cácia Cortêz (1994, 45), it is was the emergence of the MST and the rise in its successful land occupations in the mid-to-late 1980s that signaled to marginalized Brasiguaios that it was time to return to Brazil. Whereas Paraguay did not return to democratic rule until the end of the decade, Brazil's military regime handed over power in 1985, adding further incentives for poor Brazilian immigrants in Paraguay to migrate back to their native lands.

The process of return migration, however, was far from simple. As mentioned in the discussion of the genesis of the term 'Brasiguaio,' these Brazilian immigrants often felt as though they no longer belonged to their home country and were greeted with acute animosity upon their return. Brasiguaios became stigmatized and were seen as dangerous outsiders by political authorities and the landed elite, who feared that the Brasiguaios would return in large numbers to threaten the established social order. (Albuquerque 2010, 229) The less-than-enthusiastic reception of returning Brasiguaios should be understand not as a markedly new phenomenon, but rather as a continuation of the inequalities that they already confronted for decades.

Toward a Redefined Border

When General Alfredo Stroessner fell from power in 1989, a huge wave of land occupations and peasant organizing spread throughout Paraguay. Taking advantage of the newly opened political landscape, these peasants asserted their own demands on a society that had long suppressed them. Indicating a profound legacy of the military regime's development of Brazilian immigrant enclaves, the majority of this renewed peasant political resistance occurred in the

same regions that had been settled, farmed, and monopolized by Brasiguaios. Of the 91 land occupations recorded in the first year after the fall of Stroessner, 46 (51%) took place in the frontier department of Alto Paraná. Additionally, the border departments of Caaguazé and Itapúa recorded 14 and 10 land occupations, respectively. (Nagel 1999, 159) This explosion of rural unrest—some of the most concentrated protest actions in the immediate aftermath of Stroessner's fall—reveals the extent to which Paraguay's eastern border region had suffered at the hands of the dictatorship.

But the anguish that reverberated throughout the Alto Paraná borderlands was not exclusively reserved for Paraguayan peasants. Instead, it was shared in almost equal part by the masses of poor Brazilians living on Paraguayan lands. These impoverished Brasiguaios had migrated to Paraguay either by choice (encouraged by Brazil's publicity blitz) or by force (the construction of the Itaipu Dam and the inflation of land prices in Brazil), yet faced unending exploitation—often by their own countrymen. Understanding the unique qualities of Brasiguaio communities thus allows us to explore the equally unique borderlands between Brazil and Paraguay and the ways in which it has become a space were inequalities are reproduced and performed. The phrase 'Brasiguaio' is therefore ripe with multiple meanings and connotations. Although Brasiguaios were originally given their name in the context of being a people without a country—perceived essentially as a people adrift—over the course of nearly half a century they came to represent the physical and ideological dynamics of an entire region. Signifying both the wealth and the poverty generated by the settlement of eastern Paraguay, Brasiguaios were vehicles for the reorientation of borders and the blurring of national, ethnic, and class boundaries. As such, Brasiguaio communities have themselves become sites of inequality,

embodying the complexities of immigrant enclaves and the processes that shape and redefine borderlands.

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