Introduction

In September 2015, after the United States Environmental Protection Agency (EPA) found that Volkswagen (VW) had equipped vehicles with a "defeat device" capable of outwitting diesel emission tests, a global storm followed. The multinational company fell into a spiral of executive resignations, governmental investigations, lawsuits, falls in stock values, and massive drops in sales worldwide.[1] In Brazil, the modest fine imposed on VW by the country's main environmental agency had a particularly bitter taste as it coincided with stunning revelations about the company's past.[2] In the midst of the diesel scandal, twelve retired automobile workers filed a lawsuit accusing VW of having helped the military dictatorship, in power between 1964 and 1984, to spy on, arrest, and torture them. The workers' action was a foreseeable consequence of the investigations by the Comissão Nacional da Verdade (CNV), mandated by the federal government to elucidate crimes committed under military rule. In 2014 and 2015, these investigations resulted in two reports based on damning evidence that at various moments VW had used its logistical, financial, and security resources to participate in state repression against workers it deemed "subversive."[3]

[1] "Abgas-Skandal: VW hat Ärger an allen Fronten," *Automobilwoche*, October 2, 2015.
[2] "Ibama multa Volkswagem do Brasil em R$ 50 milhões por fraude," *Ascom Ibama*, November 12, 2015.
[3] CNV, *Relatório da CNV: Volume II. Textos temáticos* (Brasília: CNV, 2014), 66–72, 85, 321, 330; final report of the Fórum de Trabalhadores por Verdade, Justiça e Reparação (2015), downloaded from: http://cspconlutas.org.br/2015/09/forum-de-trabalhadores-entrega-o-mpf-denuncia-da-participacao-da-volks-na-ditadura-civil-militar-do-brasil/; access date December 15, 2015.

The military era corresponded to a form of golden age for VW do Brasil (VWB), which remained Latin America's largest private corporation during the entire period, under the lead of its charismatic chief executive officer (CEO), Wolfgang Sauer.[4] In his autobiography published in 2012, Sauer spoke of his nostalgia for the osmosis between the multinational company and the military government.[5] He paid tribute to the "Brazilian miracle" of the 1970s, when historic growth figures, driven by policies that favored capital concentration, led the automobile industry to blossom. Sauer's memories reflected the "developmentalist" mentality of the elites in the period, that is, the belief that production growth, based on technical progress rather than social reform was the sole key to the improvement of society and the nation's self-realization. Of these bright years, Sauer wrote that only one thing still "pained" him when he "remembered or talked about it."[6] He did not refer thereby to any harm done to the workers, but to the "splendid disaster" of a "state of-the-art farm in the midst of the Amazon jungle," run by VW from 1973 to 1986, under the name Companhia Vale do Rio Cristalino (CVRC).[7] The history of this 140,000-hectare "pioneer" cattle ranch on the rain forest frontier, depicted by Sauer as "monumental," is an astounding example of the authoritarian development model, which the Brazilian state promoted in the early 1970s, in conjunction with private partners. At a moment when censorship covered the noise of torture throughout the country, the dictatorship invited domestic and foreign companies to participate in the "conquest of the Amazon," under the admiring eye of political, business, and media actors in Europe, the United States, and Brazil. Yet, in his book, Sauer underlined how, for him, this dream of conquest "transformed into a nightmare." As it awakened transnational protest, condemnation, and interventions in defense of rain forest populations and nature, the farming project gave rise to "grave difficulties," "criticisms," and "threats" for Sauer, preventing his "ascension towards head of global VW."

What Sauer experienced, to his cost, was a global shift in perceptions of tropical forests, from a developmentalist consensus based on the

[4] Antoine Acker, "The Brand that Knows Our Land: Volkswagen's 'Brazilianization' in the 'Economic Miracle,' 1968–1973." *Monde(s). Histoire, Espaces, Relations* 5, no. 6 (2015).
[5] Maria Lúcia Doretto, *Wolfgang Sauer: O homem Volkswagen. 50 anos de Brasil* (São Paulo: Geração, 2012).
[6] Note on translations: All translations from Portuguese or German to English are mine, except for a small number, which were already translated in the sources or literature that I have used.
[7] For this and the following: ibid., 342–50.

intensive exploitation of resources to a risk-centered approach marked by controversies over socioenvironmental disruption. This book tells the history of this global shift. Its main argument is that developmentalist policies in the Amazon, which were intended to integrate the region into the global economy, unwittingly made it an arena of global politics, which generated energetic debates about the future of humanity and its relation to nature. The modern colonization of the Amazon took the form of a joint venture combining Brazilian and foreign interests to construct a development model for what was considered an extreme world periphery. It rapidly became a globally watched experiment. The expectations it raised became doubts as the complex ecology of the region, home to the world's richest but also most fragile biodiversity, proved an insurmountable challenge even to farming projects with the most up-to-date technological arsenal. At the same time, the policies of farming modernization encouraged massive changes in land use, whose effects on the tropical ecological balance rose to being one of the central questions of a global environmental agenda in the making. The road to "Amazon development" also revealed itself to be full of ethical obstacles regarding the attitude to adopt toward native rural populations, as well as landless newcomers in search of work, in a – as the world suddenly discovered – not so virgin forest. In this highly inflammatory context, VW became enmeshed in successive scandals that revealed to the world the interconnection between capital influx, deforestation, and the reemergence of forced labor in the Amazon region.

VW arrived in the Amazon together with hundreds of other private companies, which embarked on extractive or farming projects to take advantage of the government's fiscal incentives or to pursue speculative goals. But the German carmaker had a different, politically more ambitious, approach. As Sauer underlines, "We were not just cattle producers, we were bringing civilization." Celebrated in Brazil, Germany, and elsewhere as a technological revolution in tropical farming, the "VW ranch" was supposed to pave the way for the conversion of the Amazon into a modern export economy and to function as a laboratory of solutions to help overcome hunger in the "Third World." However, this consensual image vanished after Cristalino became the subject of a multitude of controversies, leading to the mobilization of transnational networks of protest against the project. This pressure left no other possibility for VW than to sell the ranch off after only thirteen years of business. There were three main reasons for the demise of the CVRC: the conflicting interests behind a constructed, apparent consensus of development, a growing awareness

of the scarcity of resources, and the project's disappointing results in the areas of labor conditions and human welfare. Above all, the misfortune of Cristalino's "pioneers," and the protests they unleashed around the world, were the first manifestation of a radical shift in thinking about the Amazon, from the world's supposed granary to its burning lungs.

This historical example invites questions about the loss of authority of the politics of development in Brazil from the second half of the 1970s. How did the idea of development lose its framing role in politics? Why, in particular, did the project of developing the tropical forest fade a few years after it had been put into practice? These questions can be posed in the light of the Brazilian national imaginary, which traditionally saw the Amazon as a horizon for completing the territorial integration of the country. They must also be considered against the recent emergence of the rain forest agenda as a global issue. The intervention of a multinational company in Brazil's internal colonization project must draw attention to the international context of deforestation. Such a process was not only linked to a global demand for tropical commodities, but also gave rise to transnational chains of protest in the name of biodiversity and human rights. In this sense, Cristalino illustrates the start of a self-critical era of globalization, characterized by an increasing number of counter-systemic actors and trends along with the process of capitalist modernization and the multiple transnational connections the latter produced.

Due to the exceptional visibility of the VW ranch, the controversies that accompanied the project played the role of a catalyst, which both captured and contributed to shaping global trends of politicization of the Amazon. Cristalino was thus an early case in the succession of alarms about "rain forest disappearance" that have made the Amazon a popular symbol of socioenvironmental destruction. By exploring this case, this book sheds light on the concrete interconnections, the multiple-scale controversies, and the actors involved in the late wave of globalization of the Amazon. It offers a microhistorical perspective on how a high-tech farming project was transnationally planned, negotiated, and eventually deconstructed in dialog with environmental factors. It analyzes both the projections made by exogenous actors on the rain forest, and the encounters and conflicts that took place in the Cristalino ranch and its surroundings. The tumultuous history of the VW ranch, I argue, reveals how much the construction of the Amazon as a global place was intertwined with the decline of a particular worldwide narrative. This narrative had held that, in economically disadvantaged nations, nature had to be exploited more and more for the sake of development.

Key Word Development

Global historians have never quite known in what box to classify development, for it has alternatively taken the form of a Western ideology or of non-Western nationalism. While this transfer of a biological term into the vocabulary of governance is said to have inspirers as diverse as Adam Smith, Karl Marx, or Sun-Yat Sen, it became systematically used by economic experts in the context of the later British and French empires.[8] It referred to the politics of socioeconomic improvement of colonies, according to measurable standards such as the degree of industrialization, per capita income, or literacy rate.[9] With the emergence of a new wave of international organizations at the end of the Second World War, with accelerating decolonization, and with competition between the United States and the Soviet Union to expand their influence in the southern hemisphere, development became a global reference for "good change."[10] Fixing the standards of political organization, economic production, and social welfare of industrialized societies as an ideal to achieve for every nation, it was intended to pull the so-called Third World countries out of poverty.

Drawing on the postcolonial call to decentralize knowledge, critical writings later deconstructed the development model as a discourse through which the "West" imposed its norms to expand its domination on the "rest" in the context of capitalist globalization.[11] However, historical examples of southern nationalist approaches of development, which

[8] Heinz Wolfgang Arndt, *Economic Development: The History of an Idea* (Chicago: University of Chicago Press, 1987); Gilbert Rist, *Le développement: histoire d'une croyance occidentale* (Paris: Presses de Sciences Po, 1996); David Ekbladh, *The Great American Mission: Modernization and the Construction of an American World Order* (Princeton, NJ: Princeton University Press, 2011), 32.

[9] Nick Cullather, *The Hungry World: America's Cold War Battle Against Poverty in Asia* (Cambridge, MA: Harvard University Press, 2010), 30–1; Frederick Cooper, "Modernizing Bureaucrats, Backward Africans and the Development Concept," in *International Development and the Social Sciences: Essays on the History and Politics of Knowledge*, ed. Frederick Cooper and Randall M. Packard (Berkeley: University of California Press, 1997); Christophe Bonneuil, "Development as Experiment: Science and State Building in Late Colonial and Postcolonial Africa, 1930–1970," *Osiris* 15 (2000).

[10] Marc Frey, Sönke Kunkel, and Corinna R. Unger, eds. *International Organizations and Development, 1945–1990* (Basingstoke: Palgrave Macmillan, 2014); Odd Arne Westad, *The Global Cold: Third World Interventions and the Making of Our Times* (New York: Cambridge University Press, 2005).

[11] For a reference that gathers the points of view of many major post-development thinkers: Wolfgang Sachs, ed. *The Development Dictionary. A Guide to Knowledge as Power* (Johannesburg: Zed Books, 1992).

were able to emancipate themselves from Western influence, abound. Much ink has been spilled to describe how actors from the Global South have adapted, transformed, and sometimes deliberately parodied Western patterns of modernization with the purpose of consolidating local identities.[12] Yet, most scholarly literature has depicted these processes as a one-way street, analyzing development as a ready-to-consume product from the "West," which left the "rest" with nothing other than to build on it, deform it, or reject it. This book looks at the opposite movement by examining actors with Western roots who sought to position themselves within the nationalist agenda of the "receiving" country in the Global South, as in VW's case in Brazil. The politics of "economic integration" of the Amazon opened the door to European and North American investors as the Brazilian government saw in them the carriers of a model of development. However, to be qualified to participate in the colonization of the rain forest, foreign firms had to prove their Brazilian patriotism. Cristalino was a step in VW's strategy of "Brazilianization," which consisted of constructing the firm's local image in harmony with nationalist symbols, in order not only for VW products to take root in the country, but also to create a political context favorable to the company.

In this sense, we should see development as something other than just a vehicle of power pushing from north to south. In the history of the VW ranch, development repeatedly appears as the dominant term used by government and company executives, in both Brazil and Germany, to legitimize large-scale projects, in which centralized technical expertise prevailed over local knowledge. Unlike parent terms, such as "civilization," which had an imperialist connotation, or modernization, too narrowly affiliated with theories of postwar U.S. intellectuals, development possessed the quality of being malleable.[13] Its universal appeal resided in its semantic ambivalence, reinforced by a multiplicity of historical origins

[12] Frederick Cooper, "Writing the History of Development," *Journal of Modern European History*, vol. 8, no. 1 (2010), 5–23; Dirk van Laak, *Weisse Elefanten. Anspruch und Scheitern technischer Grossprojekte im 20. Jahrhundert* (Stuttgart: Deutsche Verlags-Anstalt, 1999); Arjun Appadurai, *Modernity at Large: Cultural Dimensions of Globalization* (Minneapolis: University of Minnesota Press, 1996); Kathryn Sikkink, *Ideas and Institutions: Developmentalism in Brazil and Argentina* (Ithaca, NY: Cornell University Press, 1991); Daniel Klingensmith, "*One Valley and a Thousand*': *Dams, Nationalism, and Development* (New Delhi: Oxford University Press, 2007).

[13] Boris Barth and Jürgen Osterhammel, eds. *Zivilisierungsmissionen: imperiale Weltverbesserung seit dem 18. Jahrhundert* (Konstanz: UVK, 2005); Nils Gilman, *Mandarins of the Future: Modernization Theory in Cold War America* (Baltimore, MD: Johns Hopkins University Press), 2003.

and political influences.[14] Envisaged in a Westernized international context, development could refer to well-intentioned ideals stressing the right of poorer populations to address basic needs. But it also evoked a global extension of the market-centered growth strategies that had permitted industrial revolutions in advanced capitalist countries. Latin American economists, especially within the United Nations Economic Commission for Latin America and the Caribbean (CEPAL) in the 1950s, intended the term differently. They viewed development as a process through which their nation-states would free themselves from dependence on foreign capital and demand while placing industrialization at the service of reducing domestic inequalities.[15] Not only charismatic leaders of the Brazilian left, but also the nationalist components of the conservative dictatorship that took power in Brazil in 1964 made this anticolonial conception their own. By contrast, the authoritarian governments that ruled thereafter forgot the ideal of social redistribution. They situated development as a march toward economic welfare, which only made sense within a strategy of national security, shielding the country from a supposed temptation by communism.

In this book, the examination of the making and unmaking of a large private–public, domestic–foreign partnership in farming modernization permits an understanding of development as a discourse constantly in the making, a political consensus resulting from bargaining between competing authorities. I do not claim to elaborate a synthesis of all the possible meanings of development, but rather to highlight how actors in the colonization of the Amazon manipulated the concept to serve different purposes. According to the context, development served as a key word to attract private investment, but also as a horizon meant to gather Brazilian citizens behind patriotic claims, as a pretext for the dictatorship to deprive society of political participation, and as a tool for foreign actors to be accepted within the Brazilian nation.

The late 1960s in Brazil marked the climax of a discourse of development taking place under the lead of an authoritarian regime, which was at the same time demonstratively patriotic and widely open to foreign investment. A showcase of this ecumenical model of development, the

[14] About the polymorphous uses of development, see Corinna R. Unger, "Histories of Development and Modernization: Findings, Reflections, Future Research," *H-Soz-Kult*, December 9, 2010, www.hsozkult.de/literaturereview/id/forschungsberichte-1130; Julia Tischler, *Light and Power for a Multiracial Nation: The Kariba Dam Scheme in the Central African Federation* (Basingstoke: Palgrave Macmillan, 2013).

[15] Octavio Rodríguez, *La teoría del subdesarrollo de la CEPAL* (Madrid: Siglo XXI, 1988).

project of state-planned colonization of the Amazon emerged in 1966. It was a platform for transfer of capital and "know-how" from industrial countries and intended, simultaneously, to assert Brazil's national sovereignty over its northern territory. The widely shared belief that the Amazon was an endless reserve of natural resources convinced both the Brazilian government and multinational companies that it had to be "populated," "civilized," and "developed." With the support of international organizations such as the Food and Agriculture Organization (FAO) or the World Bank, they designed a development agenda based on a set of certitudes: human will would win the war against nature; soil and subsoil resources would be integrated into a process of production, making the Amazon a global exporter; technical progress would connect the region to the rest of the country. Big farming projects like Cristalino, where high-level technology associated with ambitious politics and considerable supposed economic benefits, were the main testing places for this integrative model of forest colonization.[16]

Yet, this euphoria did not survive the empirical experience of colonization. From the mid-1970s, deforestation reached previously unseen proportions and violent land conflicts proliferated, so that socioecological disturbance in the Amazon began to worry actors from the areas of science, journalism, activism, and politics around the world. It also awakened numerous voices within Brazilian nationalism, created opportunities for constructing a major topic of identification for Brazilian environmentalist movements and gave rise to local Amazonian protest initiatives. The CVRC is a fruitful case for exposing disruption in the politics of development in the Amazon as they were being implemented. Triumphant visions of development repeatedly encountered their limits in the course of the VW project taking shape. The process of taming nature through modern techniques and transforming the peasants of northern Brazil into obedient and sedentary workers did not unfold as planned. What is more, the CVRC attracted international attention to the region and unwittingly helped transform it into the subject of impassioned political debates, notably about ecological sustainability and human rights. The military regime and VW made Cristalino the flagship of the Amazon's integration into national and global trade. However, by claiming to bring modern, high-tech, and globalized capitalism to a peripheral region, they also exposed the ranch to the controversies that modernization programs were likely to generate. In this regard, the "model ranch" suffered from

[16] Laak, *Weisse Elefanten*, 10.

an unfavorable historical timing characterized by a conjunction of trends that challenged authoritarian modernism at various scales.

At the local scale, the early 1970s corresponded to the beginning of accelerated mechanization and territorial expansion of farming in the Amazon, sustained by a capital flux from industrialized foreign countries and richer states of southeastern Brazil.[17] This (re)integration of the region into the national and international economy created new social and ecological risks. Ecological risks needed only a few years to become perceptible even to farmers themselves through the impoverishment of the soils cleared for cultivation or breeding. By the late 1980s, most state-funded agricultural projects by big companies had proved unproductive and had been abandoned or sold off. Social risks became manifest in the exponential intensification of land conflicts, culminating between 1985 and 1987, when, according to the Brazilian Ministry of Land Reform, 458 rural workers and their exponents were murdered, the majority in the Amazon.[18] It was clear, at the time VW left the region, that agricultural colonization had been a factor of social disintegration rather than of stability through development.

At the national scale, the life of the CVRC started at the highest stage of authoritarian rule, when the military regime, besides generalizing repression, followed a hard-line developmentalist policy. Making economic growth the supreme goal of all political undertakings, state developmentalism was interwoven with aggressive nationalist rhetoric, illustrated by Brazil's obstructive attitude during the United Nations Conference for Environment and Development in 1972.[19] However, this historical context only accompanied the launching of the CVRC. The larger part of the project's lifespan actually corresponded to a long period of political transition in Brazil. The phases of *distensão* (easing of authoritarian control from 1974 to 1979), *abertura* (gradual opening to democratic standards from 1979 to 1984), and *democratização* (the period from the demise of military rule to the adoption of a new constitution in 1988) created

[17] José de Souza Martins, "The Reappearance of Slavery and the Reproduction of Capital on the Brazilian Frontier," in *Free and Unfree Labour. The Debate Continues*, ed. Tom Brass and Marcel van der Linden (Bern: Peter Lang, 1997), 281–302; Anna Luiza Ozorio de Almeida, *The Colonization of the Amazon* (Austin: University of Texas Press, 1992).

[18] By comparison, 646 such murders had been committed during the previous twenty years: Anthony Gross, "Amazonia in the Nineties: Sustainable Development or Another Decade of Destruction?" *Third World Quarterly* 12, no. 3–4 (1990), 22.

[19] Leila da Costa Ferreira and Sergio B. F. Tavolaro, Environmental Concerns in Contemporary Brazil: An Insight into Some Theoretical and Societal Backgrounds (1970s–1990s), Working Paper (University of Campinas, 2008).

a space for civil society to mobilize and for new actors to participate in politics. These transformations deeply affected the authority of top-down narratives such as development.

Over roughly the same period, development as grand narrative for worldwide history also saw itself contested by cross-border initiatives. In the early 1970s, the writings of Ivan Illich, embedded in the thought of liberation theology, laid the theoretical ground for other actors to reject the politics of development, which industrial nations promoted in the southern hemisphere.[20] The thinkers of the Club of Rome published an internationally discussed report dismissing the idea that economic growth was a synonym for good change.[21] In the 1980s, global NGOs set an agenda for protecting biodiversity and indigenous rights in the rain forests, and even international development organizations like the World Bank integrated ecological and humanitarian clauses into their funding programs.[22] By starting to speak of "human," "cooperative," or "sustainable" development, they rubber stamped the end of the concept's symbolic hegemony, signaling that the simple evocation of development no longer sufficed to legitimize policies.

Development projects that looked modern in the early 1970s appeared in the late 1980s as the products of old-fashioned intellectual software disconnected from any kind of long-term vision. As Sauer explains, VW was acclaimed as a pioneer hero when it arrived in the Amazon, but was then decried by Brazilians and foreigners as "criminal" after the Amazon had risen from the status of endless reserve of resources to that of "lungs of the earth" and the local population from "primitive tribes" to "endangered peoples." Sauer, the "Volkswagen man," as he called himself, realized that the key word "development" had progressively ceased to be an uncontested paradigm, as it had been when the CVRC project started: "Theories about environmental preservation and sustainability would be part of the future, but in early 1973, when the government called me, a representative of Volkswagen, and a group of entrepreneurs, to occupy areas close to the farming frontiers, to develop the region and to settle Brazilians in their habitat, the key word was development."[23]

[20] Ivan Illich, *Celebration of Awareness: A Call for Institutional Revolution* (New York: Doubleday & Company, 1970).
[21] Dennis Meadows et al., *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New York: American Library, 1972).
[22] Philippe Le Prestre, *The World Bank and the Environmental Challenge* (Toronto: Susquehanna University Press, 1989).
[23] Doretto, *Wolfgang Sauer*, 342–3.