

## Background Information

### Brazilian Government Official

#### Eduardo Rodrigues, Minister of Finance and Employment

My name is Eduardo Rodrigues. I am the Minister of Finance and Employment in the Government of Brazil. Like any country, our government is working hard to develop the economy and to find ways for all of our people to have a good life. This is not an easy job as there are many demands on the government as well as on our country's resources. One of our main goals is to help many of our citizens find jobs. Our current unemployment rate is 17%. We must find ways to reduce this. Also, in our country, we have many poor people. Using our country's natural resources is the only way we can provide a good life for so many people.

There are many Brazilians who need our help. Farm workers move to the cities in the hope of finding well-paying factory jobs. Unfortunately, the only jobs these people get are ones for unskilled labourers that do not pay very well. Our government plans to open up areas of the rain forest along the Amazon to business and also give land to people who will farm this area.

We are trying to protect the rights of the Indigenous peoples in the rain forest. However, I believe that the needs of the greater number of unemployed must be my government's most important consideration. We must develop the rain forest if the millions of unemployed people of Brazil are to have any opportunity of earning a living. Only 7% of the people in my country live in the rain forest. What is more important: feeding the other 93% and providing jobs for them or leaving the rain forest to this small group of Indigenous forest dwellers?

Foreigners from around the world tell us that we should leave the rain forest alone. It is easy for them to tell us this when they live far away, but they do not understand the problems we face every day. The average yearly income for a large percentage of our households is less than \$4300; some earn less than \$900 a year. Most of these people have few skills and little education so they must accept low-paying jobs. Only by encouraging more industries in the rain forest area, can these workers earn more money in higher-paying jobs.

Brazil is a world leader in producing crops and cattle. Ranchers require land to raise their livestock and we are opening the Amazon region for this purpose. It is true that there are many large agriculture businesses owned by wealthy landowners in Brazil, but some of our poorer citizens are receiving government grants of small plots of land near the new highway that runs through the Amazon region. Those who are not successful in farming their own land can always work for the larger ranches and farms.

Not all of the decisions the government of Brazil is making about the economy are our own. Many of these decisions are driven by the need to make payments on the country's

loans. As a developing country, Brazil had to borrow many billions of dollars from the World Bank and private banks in Europe, Japan and the United States. The profits we make through trading go to pay the interest on this debt. In order to pay off the debt, government budgets have been cut and many people have been laid off from their jobs. Funding of social programs in health, education and benefits has been reduced as well. We also decreased the value of our currency. Unfortunately, measures such as these drive up the cost of living in our country. The government is trying to pay off the debt but we will need to use all of the resources this country has in order to do so. This includes the natural resources within the Amazon rain forest region.

Large international companies such as Sony, Xerox, PepsiCo, Shell, Toyota and IBM have chosen to locate in Brazil. The city of Manaus at the mouth of the Amazon River is home to a number of international companies as well as domestic manufacturers. My government, in an attempt to encourage international companies to do business in Brazil, has created a trade-free zone in the city of Manaus. We do not require that companies pay import duties, so they are able to make more money and want to continue to do business in our country. More Brazilians are needed to work in these manufacturing plants and they get paid more than if they were working elsewhere. The Brazilian-owned Samsung Electronics pays its workers an average of \$300 per month when the average factory worker's salary is between \$100 and \$200 per month. You can see how my people will benefit from foreign business.

The Government of Brazil is concerned about the rain forest and is working hard to ensure that its resources are used in responsible ways. For example, in 1996 we placed a ban on mahogany logging, although it is true that many still log the trees illegally. In recent years, we have introduced plans to reduce the cutting and burning of the forest. Just this year we worked with environmental groups to establish the largest rain forest national park in the world. Believe me, we want to protect the rain forest but our first concern has to be the well-being of our people.

Adapted from Don Northey, Jan Nicol and Roland Case, eds., *Brazilian Rain Forest* (Vancouver, BC: The Critical Thinking Consortium, 2002). Permission granted by The Critical Thinking Consortium for use by Alberta teachers.