

INTEREST REPRESENTATION AND NEGOTIATION IN THE BRAZILIAN CITRUS COMPLEX: TRANSITION TO A NEW POLICY MODEL?

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ABSTRACT

The purpose of this study is to gain a deeper understanding of the different interests and conflicts governing relations between Brazilian citrus growers and the country's orange juice agroindustry during consolidation of the agroindustrial citrus complex (AIC) in Brazil. The main proposal of this work is to define the characteristics of interest representation associations in the citrus sector within the context of the unstable negotiations between citriculturists and processing companies. This will lead to an identification of the causes for deterioration in the citrus agroindustrial complex's organizational environment and highlight the complex's new structure.

Key words: neocorporatism, agroindustry, citriculture, representation.

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1. Introduction

An examination of the conflict between citriculturists and producers of concentrated orange juice, leads one to the conclusion that consolidation of the agroindustrial citrus complex was, among other factors, a transition from the policy model that had characterized the complex to a new model. This paper demonstrates that the evolution of the citrus complex in Brazil favored the creation of associations that represented both industrial and agricultural interests, transforming these associations into important elements for analysis. Thus, a political approach, the neocorporative approach, can be used to explain the development of this agroindustrial complex in the closing years of the 20th century.

The paper's next section contains a discussion about the concept of neocorporatism and its usefulness in analyzing the process of consolidation and self-regulation in the citrus complex. The focus then moves to the instruments created to articulate - in some cases, apply political pressure - and promote the policies favored by their sponsors, whether citriculturists or the processing industry. The formation of these advocacy tools indicates a significant modification in the character of the political interchange between the agents, the associations that they represent, and the State.

This is followed by a section emphasizing the emergence and nature of the principal associations promoting the interests of citriculturists and/or citrus agribusinesses. The paper then identifies the most significant aspects of the confrontation between citriculturists and the orange juice processing industry in Brazil. The last section contains a conclusion and a summary of the inequalities found in relations between citriculturists and the processing agribusinesses, inequalities that characterize the sector's current restructuring process.

2. Neocorporatism and the importance of organizations by product

The evolution of the agroindustrial citrus complex led to the formation of associations to represent the interests of industry and agriculture, linked to their specific products. During the complex's consolidation, new ways of representing these interests were put into practice, transforming the sector into a differentiated case for analysis.

It is interesting to note how the international political-science literature, particularly Schmitter, 1990, Cawson, 1985, and Ortega, 1995, have attempted to disseminate a new concept as being the instrument of change in relations between the democratic State and organizations representing private interests. The search for a new model of political interchange originated from the need to understand and explain the complexity of the social and economic movements and allow political scientists to reinterpret the facts.

The definition of a differentiated model of corporatism – the doctrine of corporations – in the political evolution of many of the western European countries is modified by the adjectives societal, democratic, liberal, hired, and voluntary. In this new corporatism, or neocorporatism, an organization that represents particular interests is free to accept or reject its relations with the State, thus contributing toward the definition of these relations; on the other hand, in classic corporatism, it is the State itself that imposes and defines these relations.

According to Bobbio et al. (1993), using the definition of Schmitter (1974), *“the interests generated in civil society are organized into a limited number of associations (groups of producers, agriculturists' associations, trade unions), which are differentiated by their functions; hence, they do not compete with each other.... It is the State that gives these associations institutional recognition and monopoly in the representation of group interests, as it is the State that delegates a set of public functions to them”*(p.818). This differs from the interpretation of the pluralist profile, in which the interests generated in

civil society are not organized into limited numbers of associations. “*In neocorporatism, the actions of large representative organizations are not limited to exerting external pressure (as in pluralism), but are directly involved or incorporated into the process of forming and managing decisions*” (p. 819).

Thus, large groups organized by specific product, by groups of specific products, by sector, or by industrial or agroindustrial complexes, participate in the political formation of the State, particularly its economic policy. In the recent case of Brazil’s economy, therefore, the appearance of sectorial groups and forums of negotiation may be the best examples of the ongoing transformations in the national policy model. As Schmitter (1974) observed, the strategic interaction among producers – at times competitive, at others cooperative or even authoritative – at an intermediary level of the economy (between the macro and the micro) creates and supports the basic structure of the economy. It is this movement towards the orchestration of interests (Graziano da Silva, 1996) or toward a consensus of economic policies (Bobbio et al., 1993) that marks the institutionalization and formalization of economic and political relations.

The historical evolution of Brazilian citriculture culminated in the consolidation of the agroindustrial citrus complex in the early 1990s, (Paulillo, 1994). An important evolutionary element of this consolidation was the creation of a political process that conditioned institutional and structural factors. This process came from agreements among interest-intermediating organizations connected to specific products, i.e., citriculturists on the agricultural side, and the concentrated orange juice agribusiness and producers of citrus capital goods on the industrial side.

Considerations regarding citriculture associativity in the State of São Paulo’s are linked to the general movement of Brazilian agriculture, a movement that involved technology based change, growth of production and productivity, and the creation of agroindustrial complexes. In the words of Rodrigues, “*this is a period when business*

organizations went through significant reformulation to adapt to the new dynamic of agriculture based on the consolidation of agroindustrial complexes. It is the period when organizations defined by product appear and become consolidated as a method of adapting to this new dynamic, since agricultural policy is increasingly developed for specific products.... there is a tendency for agglutination surrounding the interests of a given agroindustrial complex” (1995, p. 238).

Brazilian citriculture is a case in point of this movement, since its agroindustrial complex was created during a period of crisis in the bureaucratic, authoritarian State, allied to the dynamics of the sector itself. In this context, Draibe makes the following significant statement, *“the prevailing corporative formula suffered a type of domination with the emergence of embryonic forms of neocorporatism or, in other words, of a different form for the insertion of private interests into the structure of the State. Many sectorial agencies were created, particularly the inter-ministerial commission councils, and the producing classes’ production became specialized.... The outline of this new form emerged through the creation of official, representative commissions and sub-commissions responsible for the establishment of new economic sectors. This, in turn, stimulated the emergence of new types of business associations that led to the birth of a parallel system of private interest representation based on functional peculiarities” (1985, p. 223-25).*

This end of the 20th Century policy model in the citrus complex is identified by Rodrigues:

“The situation in citriculture is more complex, since societal corporatism allows for increased autonomy and more heterogeneous action on the part of associations; indeed, the processing industry has three associations, ABECITRUS, ABRASSUCOS and ANIC. The citriculturists also have three associations representing their interests: CT Citricultura da FAESP, ASSOCITRUS and ACIESP.... The evolution of business associations in citriculture indicates the consolidation of a neocorporative association model. The field of action of these new

associations is decreasingly linked to the State, so much so that there is a growing feeling in the citriculture sector that its problems should be solved exclusively by the sector's representatives.... The transition from traditional corporatism to neocorporatism in citriculture was feasible because, when the "patrimonial and paternalistic State" went bankrupt in the second half of the '70s, the complex had already gained the necessary degree of maturity for its several segments to become more autonomously organized.... Both the historical time of consolidation and the specific dynamics of the sector had strong repercussions on its association model" (1995, p. 241).

The marked presence of these segment specific associations in the citrus complex's political and economic organization provides an understanding of how closely the complex resembles the neocorporative model. In the first place in neocorporatism, the actions of large interest intermediating organizations are not limited to exerting external pressure (typical of the pluralist model), but are directly involved in the formation and implementation of decisions. Secondly, neocorporatism is created and supported by the strategic interaction between the principal productive agents, occurring both competitively and cooperatively, even at the sectorial or complex level (meso-level). In the third place, the State confers institutional recognition to the representatives of these productive agents' interests. Lastly, these associations are organized specifically according to citrus product – and are, therefore, not solely organized by market – using non-economic institutional agreements that operate as real sectorial governance mechanisms. In other words, according to Schmitter (1990), the associations are organized by multicompany agreements and by the action of the State, which does not impose rules or conditions on productive agents, as in classic corporatism, but articulates and accepts the transmission of interests, somewhat "*consensually*," in the formalization and implementation of its economic policy.

Political scientists characterize and define the neocorporative

model as showing a noticeable absence of any basic organizational aspect. As stated by Bobbio (1993) and mentioned earlier herein, the fundamental difference between the limited number of representative organizations lies in the functions they develop; hence, they do not compete against each other. Since the citriculturists' interest-representation associations have frequently assumed conflicting postures, one may conclude that the current state of the citrus complex does not correspond with complete neocorporatism; however, the complex's real organizational and political scenario is very close to that model. As Bobbio (1993) concludes, the ideal neocorporative situation has never been seen anywhere in the world, but the concept, at least, is useful to analyze recurring trends and trials in a large number of European and, one might add, Latin American countries.

3. Interest representation and consolidation of the Brazilian agroindustrial citrus complex

Consolidation of the Brazil's agroindustrial complexes occurred simultaneously with deregulation of the country's economy and the State's weakening as an economic policy manager and business operator due to financial crisis. This situation was illustrated by alterations in the regulatory forms and by the new expression of hegemonic interests as agroindustrial companies integrated with a considerable portion of the agricultural sector. The power shift rearranged the dynamic of financial, industrial, agricultural, and commercial capital flows.

Within this context, the process of consolidation of the Brazilian agroindustrial citrus complex in the 1980s was a response to the economic strengthening of the industrial groups acting in the concentrated juice-processing segment to meet rapidly growing the international demand for concentrated orange juice. The growth of the citrus processing segment occurred at the height of Brazil's citrus era, concurrently with that of the entire agroindustrial sector. At that time, economic relations

between orange producers and concentrated orange juice manufactures were at their best; and the two segments worked together to create new participation and standards agreements.

A mark of the times was the emergence and the active participation of corporate interest associations. Processing industry representation became more effective with the creation of the Brazilian Association of Citrus Exporters (ABECitrus) in 1988. Orange producer representation between 1986 and 1995 was strengthened by the actions of the Paulista Association of Citriculturists (ASSOCITRUS), which performed exceptionally when the standards agreement was in effect. The formation of two new interest representation associations marked the beginning phase of citrus complex consolidation.

A fundamental characteristic of this new phase was significant change in the complex's regulation model. Decreasing State interference helped bring about self-regulation through the collective action of productive agents. The emergence of active representational associations and the formal agreement by both citriculturists and processors on product standards signaled that the manner in which the citrus complex was regulated had been modified. Thus, in 1986 the complex's organizational maturity had been established.

This ostensible maturity, however, lasted only until 1995. With the demise of the standards agreement, the relationship between industry and the growers became shaky. Corporative practices between the associations representing citriculturists and the processing industry were reduced, and conflicts that hindered the advancement of an inter-professional organization arose.⁴ Dissension became so widespread, that a large number of the orange producers began to question even their own representative organizations. After all, what new position should

⁴ Ortega (1998, P.16) defines "interprofession" as corporations that bring together the organizations of agrarian producers and industrial sectors of the same productive chain or agroindustrial complex.

these corporative associations adopt in the face of the extinction of existing agreements and the start of a restructuring process?

This portrayal synthesizes the organizational evolution of a complex that, from 1986 to 1995, went through an unheard of maturation process. It is from this perspective that an opportunity to analyze the citrus agroindustry restructuring process arises, a perspective characterized by a renascent process of interest articulation.

4. The emergence of interest groups and the corporate organizational environment in the citrus complex – 1986/95

The transformations that occurred in the Brazilian citrus complex cannot be explained solely by examining the complex's economic characteristics. The complex's growth in the '70s and '80s and the crisis of the '90s may be analyzed from a corporative viewpoint, where strategic orchestration between associations of private interests and the State can be used as the basis for analysis. Beginning in the '70s, organizations defined by their citrus complex activity emerged simultaneously with the union of agricultural and agroindustrial activities. The first discussions regarding the formation of an association representing the state of São Paulo's citrus complex took place in the early '70s. However, the divergent interests of a large number of agents prevented the association from being formed. Hence, ASSOCITRUS – Paulista Association of Citriculturists, founded in 1974, represented only the interests of citrus fruit producers.

The formation of an association of citriculturists occurred before the creation of an association to represent industrial interests. In fact, disagreements during the initial discussions concerning the constitution of an association of citriculturists were a favorable factor in the organization of industrial interests. But what was the real driving force behind the creation of an industry association? According to Paulillo (1994), "... *the creation of the Citrus Juice Export Committee, in the*

mid-70s, formalized the State's policy to facilitate discussions between agroindustrial companies and citriculturists to negotiate the price of the box of oranges. This led the citrus complex's agricultural and industrial segments to search for a representation policy" (p. 68).

In 1974, the newly created Brazilian Association of Citrus Juice Companies (ABRASSUCOS) represented the interests of the concentrated orange juice producers. This new association was active in several areas, among them orange price negotiations, databank formation, labor conventions, as well as communicating with national and international entities.

Both these associations were considered very strong up to the '80s. ASSOCITRUS had an influential lobby in the federal and state spheres, representing approximately 20 thousand citriculturists in the state of São Paulo. ABRASSUCOS, in turn, represented a small number of industrial groups with immense bargaining clout based on their oligopolistic power – in the 1980s it's members were responsible for over 80% of Brazil's concentrated juice production.

"The agroindustrial citrus complex entered the '80s with a strong lobbying presence representing the economic and political interests of the concentrated orange juice companies as well as the thousands of orange producers in the state of São Paulo. The State began to act indirectly, whenever necessary to coordinate forums that planned commercial policies for the agroindustrial citrus sector" (PAULILLO, 1994, p. 68).

Up until the mid-'80s, the processing industry was represented solely by ABRASSUCOS. But, for the Brazilian agroindustrial citrus complex, the decade of the '80s was marked by the increasingly strong representation of agroindustrial interests and the emergence of the principal corporative associations representing both the agricultural and the industrial segments.

During the '80s, conflicts of interests among the agroindustrial companies became inevitable. From these divergences emerged the

National Association of Citrus Companies (ANIC), which represented the interests of companies such as Citrosuco Paulista, Cargill Citrus, Bascitrus Agroindustrial and Citropectina, and the Brazilian Association of Citrus Juice Exporters (ABECITRUS) that represented companies of the Cutrale group. Dissension also reigned in the citriculturist segment and led to the 1988 foundation of the Association of Citriculturists of the State of São Paulo (ACIESP) to represent producers of the Araraquara and Bebedouro regions. Initially, ACIESP was to promote the interests of the its eight thousand citriculturist members and adjust orange production to conditions in the international concentrated orange juice market.

ANIC defended the interests of its members, both nationally and internationally, and was responsible for the implementation of a purchase and sales contract for oranges. This creation of a purchase and sales contract was an old aspiration of the processors, as a method of gaining a larger share in the international price increases for juice. With the contract's implementation, the government ceased to participate, via CACEX, as a mediator in the negotiations between citriculturists and processing companies.

The early '90s were marked by a politically confused panorama, with divided interests aggravating the conflicts between representatives of the various citrus complex interests. *"By means of price negotiations, types of contracts, and other issues connected to the relationship between agroindustry and agriculture in the agroindustrial citrus complex, the large associations (ASSOCITRUS, ACIESP, ABRASSUCOS, ANIC and ABECITRUS) monopolized the economic policy of the complex in its search for a greater bargaining power"* (PAULILLO, 1994, p. 69).

1994 saw the merger of industry's three interest representing entities (ABRASSUCOS, ANIC and ABECITRUS) with ABECITRUS becoming the sole representative of agroindustrial interests in the citrus complex. External issues were ABECITRUS' main concern. It directed

attention to the removal of tariff and non-tariff barriers, and sought to affect GATT (now the WTO) negotiations. It also was involved in other issues related to exports of Brazilian citrus products. Industry's single representative entity, ABECITRUS, was more responsive to changing conditions in the international citrus market than were the three separate representational entities it was formed from. This responsiveness, coupled with business mergers and the entry of new citrus complex industrial groups in the early '90s, allowed for a significant increase in the effectiveness of the complex's representation.

The unification of the Brazilian citrus processing industry's three associations produced two different results. In the citrus juice-processing segment, it allowed for a significant congruence of goals and results, since this single association represented the common denominator among processing companies. In this sense, unification reduced the conflicts that had divided the industrial segment. On the other hand, in the rural producer segment, it aggravated the existing conflict between companies and citriculturists, conflicts that had reemerged with the termination of the standards agreement in 1995. Moreover, the fragmented structure of citriculture segment hindered the citriculturist's economic and political development, doing nothing to improve their already weakened bargaining position.

In this context of growing social and economic conflict, the State acted in a coordinating capacity. In early 1996, at an event held at the palace of the Governor of the State of São Paulo, a proposal was made for the creation of a "forum" for discussion between representatives of the producers, raw material suppliers, industrial companies, and the State. The objective of this proposal was to define solutions for the crisis the sector was going through, a crisis created by the conflict between producer and processor interests that had led to the breakdown of the "participatory agreement." In March 1996, a proposal was made to establish a Sectorial Chamber of Citriculture in hopes of creating a means of sectoral coordination. The proposal was made public during a meeting

attended not only by representatives directly connected to the sector, but also by several agents acting indirectly in the citrus sector (suppliers of agrochemical products, fertilizers, the State, etc.).

However, the proposal did not produce the expected results. Negotiations between the principal agents involved, i.e., citriculturists and industry, did not alter the prevailing panorama of crisis. The proposal was presented again in 1997, with the State Government acting as intermediary in the negotiations between citriculturists and processing companies. According to the Secretary of Agriculture of the State of São Paulo, the purported objective of the proposal was to strengthen the companies' commitment to not employ anticompetitive practices.

At the end of 1997, ABRACITRUS emerged as a new organization representing citriculturists. This new entity, with approximately 2 thousand member citriculturists, sought to establish a more positive relationship with the processing companies and to strengthen the growers bargaining power within the complex. The creation of ABRACITRUS revealed the citriculturists' dissatisfaction with the existing entities that represented their interests: ASSOCITRUS and/or ACIESP. Under the leadership of ASSOCITRUS and ACIESP, citriculturists bargaining power diminished and their traditional productive structure had fragmented.

5. Negotiation and representation of interests: the citrus complex specifics

Bargaining power was now the associations of interest principal tool. The termination of the standard agreement in 1995 changed the process of negotiations between agroindustrial companies and citriculturists. Thus, bargaining over "new agreements" (those signed from 1995 on) heightened the market power as the basic variable of analysis.

It should be pointed out that, by emphasizing the market's power

in this study of the Brazilian citrus complex's evolution, other relevant structural elements related with economic and political influence might not be taken into account. In its broadest sense, the word power defines the capacity or the possibility of acting to produce the desired effect on individuals, groups, and/or organizations. The observations of Bobbio (1993) outline the idea of power in general, which should be recognized in its three broad dimensions: market power, economic power and political power.

In the case of citriculture, market power implies the ability to control commercial relations between citriculturists and the processing industry. Industry's greater availability of resources gives them strength and flexibility in negotiations. Thus, market power is defined by the structural characteristics of industry, imbuing the industrial companies with the ability to determine the behavior and performance of the market (Lanzilloti, 1960).

According to Kalatzis & Alves (1998), the complex's concentrated juice processing segment has important characteristics in the overall structure of the agroindustrial citrus complex: a) concentration within the sector, the five largest companies produce over 80% of the concentrated orange juice (Table 1); b) the ability to erect barriers against entry into the segment, having significant large-scale production, distribution, and transportation facilities; c) vertical integration through the cultivation of orchards owned by the large companies, which insures absolute cost advantages and obstructs competition; and d) the existence of planned excess capacity through the use of the same industrial unit to process other fruit juices during slack orange juice production periods.

Table 1 – Indicators of the concentration of orange juice companies in the state of São Paulo.

Indicators	1980	1985	1990	1995	1996	1997 ¹
Two largest companies %	59.96	63.17	61.53	50.52	48.56	46.25
Four largest companies %	89.64	90.21	86.75	79.46	76.37	73.41
Companies w/ 75% of production (n)	3	3	3	4	4	5
Herfindhal's index	0.2482	0.2539	0.2457	0.1706	0.1580	0.1434
Number of companies	11	12	12	12	13	12

Source: KALATZIS, 1998.

1. Data up to July.

The orange juice processing companies enjoy an advantageous position, not only in individual negotiations but also in their commercial relations through their associations, since market position gives them greater bargaining power to negotiate raw materials (oranges) prices. This negotiating strength comes from their ability to acquire large volumes in relation to the sellers' offer, to threaten the formation and possible cultivation of their own orchards (vertical integration), their use of a relatively undifferentiated raw material, and their capacity to obtain and use information regarding raw material prices, real market prices, and supplier costs.

However, it is important to note that Brazilian citriculturist and processor associations do not act in the purchase and sale of oranges. The associations participate in fruit price negotiations, and acquire and disseminate international market information that is used to guide their members in product negotiations (Maia, 1992).

Organization of the citrus complex's rural segment was made difficult by the existence of approximately twenty thousand mostly small and medium sized producers, which hindered a united effort to control prices. A number of factors other than lack of organization contribute to the citriculturists unfavorable negotiating situation: the companies are the major buyer for the citriculturists products; there is a limited possibility for product differentiation, the threat of citriculturists establishing their own fruit processing facilities is implausible, the processors can threaten to cultivate their own inputs, and there is a high evolution of offer in face of demand.

The best way for citriculturists to improve this situation is through the effective action of an association representing their interests. Orange growers should engage in pooled negotiations to ameliorate their short-term, cash-poor situation through increased bargaining power.

"Bargaining power is linked to the capacity of an individual or a group to strengthen its position in relation to those with whom he/it negotiates. The distribution of this power among those involved

conditions what will pertain to each party in the transaction. Individual producers, in some cases, successfully bargain for higher prices and more favorable conditions; however, effective bargaining power is usually associated to the action of an organized group. The possibility of joining producers that produce the same product depends on a series of factors that include the nature of the product, the objectives of the organization, and the existing alternatives” (Thame & Amaro, cited by Maia, 1992, p.85).

The organizational difficulty faced by citriculturists reduces the optimization of their demands. This difficulty is caused not only by their fragmented and heterogeneous structure – there are over 13 thousand orange growers — but also because there is no consensus regarding individual interests owing to the diversity of opinion between existing producers’.

According to the Institute of Agricultural Economy (IEA), in the mid-1980’s there were approximately 24 thousand rural properties devoted to orange production in the state of São Paulo and about 18 thousand orange growers. In the following decade, however, according to ABECITRUS (1997), the number of growers dropped to around 13 thousand, while the number of rural properties devoted to orange production increased to close to 27 thousand.

Table 2 – Size, number of orange producing properties, and share in the total number of orange producing properties in the state of São Paulo* - harvest of 84/85 and 94/95

Size	No. of	(%)	No. of	(%)
	Properties		Properties	
	85/86		94/95	
Small (up to 50)	18.215	74,96	17.869	66,65
Medium (50,1 to 300)	4.990	20,53	8.011	29,88
Large (300,1 to 1.000)	888	3,66	738	2,75
Very large (above 1.000)	207	0,85	194	0,72
Total	24.300	100,0	26.812	100,0

Source: IEA, 1996. (Brazilian Institute of Agricultural Economy)

Classification by property size adopted by the IEA.

It should be noted that Table 2 data show that small properties predominated, accounting for 74% of the orange properties, followed by medium sized properties, which represented around 20% of the total number of rural properties in 1985/96. However, in the mid-90s, although small still predominated, there was a significant increase in the number of middle sized rural properties.

Scholars in the area have made several suggestions to help citriculturists improve their commercial relations with juice producers:

- Horizontally integrate through associations or groups of interests to increase negotiating strength.
- Exert greater control over the evolution of the offer, which would allow for improved conditions in the negotiation with producers by avoiding the existence of uncontrolled excess volumes.
- Use new and existing technologies to improve quality and productivity, reduce orchard management costs through use computer technology.
- Increase property size because, according to MENEZES (1993), there is a positive correlation between property size, product's quality, and productive efficiency. Increased scale facilitates the approval of credit, lowers the harvesting costs (economics of scale), provides suitable conditions to implement modern planting and management techniques, and gives the grower increased capacity to manage its losses/⁵
- Stimulate discussion to increase awareness of the value of collective, rather than individual, action.

⁵ Although most of the literature considers the existence of a positive relation between property size, quality and productive efficiency, this does not mean that properties considered small cannot achieve the same efficiency and productivity as large orange plantations do. Interviews with orange producers and agronomists revealed that productivity does not depend on property size.

The suggestion to implement these measures indicates the need for strategic coordination of the production chain as a whole. Di Giorgi (1991) points that organizing “orange forum” is an essential factor for the survival of many producers, since it would provide basis for the structural coordination of the sector, as is the case in Florida. The growers must do something to secure their own welfare. There has been a simultaneous and almost total annihilation of rural employers and employees representation, while the representational strength of agroindustrial company interests has increased (Paulillo, 1996).

“The solution to this complex problem is not individual but collective. The producers’ and workers’ associations and organizations must seek and define a collective awareness. What could a trade union leader defending the rights of rural workers negotiate with the producers? Is there any common ground between the sectors of labor and rural production? Both sides should seek the points they have in common through a forum of negotiation, even if it is impossible to expunge their differences. An atmosphere of trust should be created so that a policy can be established for the two sides of the agricultural sector to face each other, particularly at this time, when agriculture can only be seen from a complex viewpoint intricately connected to the industrial and financial segments” (Paulillo, 1996, p. 51).

On the other hand, *“in the absence of a bargaining association, agricultural market sales are characterized by fragmented competition, with no barriers to the entry of new producers (or increased production of existing ones). When associations or bargaining groups are set up under a variety of legal forms, producers become horizontally integrated and there is a structural change that can lead to alterations in market behavior and performance (or efficiency)”* (Thame & Amaro, cited by Maia, 1992, p. 86).

With horizontal integration and the aggregation of association members’ individual resources, common interests can be articulated in a more organized fashion and the members’ individual quirks overcome,

thus creating favorable conditions for changes in structure and relations of power. Offe points out that *“only insofar as these associations of the relatively powerless are able to form a collective identity based on models that subjectively reduce organizational costs will they have any hope of changing the original relation of power. On the other hand, only the powerless have any reason for acting in non-individual terms, based on an idea of collective identity that is both generated and taken for granted by their associations”* (1984, p. 70).

The main difficulty facing the citriculturists' representative associations lies in their broad, fragmented and heterogeneous structure, which makes it very difficult to reach a consensus. As the size of an association increases, reaching a consensus on collective action also tends to become more complex and there is a greater possibility for the interests of its members to conflict. This factor weakens the association's capacity for leadership, making it more difficult to conciliate its members' partially conflicting interests.

6. Final considerations

The neocorporative approach allows for the identification of relevant factors in the Brazilian agroindustrial complex's consolidation process. From the economic standpoint, the increasing negotiating strength of the sector's processing companies has allowed them to maintain their income level. This has meant a considerable reduction in the grower's income, as any reduction in sector income was transferred to the agricultural segment. The processing companies supremacy over the citriculturists in market relations derives from the companies greater power, which comes from high concentration in the industrial segment, the existence of entry barriers, idle capacity (around 30%), vertical integration (cultivation of their own orchards), and diversified activities, i.e., sales of their production byproducts and transportation capabilities.

On the political side, the representation of industrial interests is

more effective than that of the rural producers. The rural producers' fragmented and heterogeneous structure impedes the representation of their interests. The current representative association of the citrus complex's industrial interests (ABECITRUS) is more effective because of this industry's oligopolistic structure and their association's superior articulation skills, bolstered as it was by the unification of three experienced associations (ABRASSUCOS, ANIC and ABECITRUS) into one (ABECITRUS) in 1994.

The rural producers' ineffective association is a reflection of weak corporatism in which, as Rodrigues states, at one time *"the State provided ample subsidies to agriculture and rural producers who then had practically no need to work in their organizations.... The rural Brazilian businessmen themselves recognize the limits of their action.... In the first place, they must establish an effective relationship between the 'apex' and the 'base', between representatives and represented.... In civil organizations, the discourse is sometimes too conciliatory, as in ASSOCITRUS, and at other times too aggressive, as in ACIESP, this coupled with financial difficulties, appears to be responsible for the chasm between representatives and represented.... Secondly, ...even a societal corporatism that is more open to all of a society's members has been jeopardized by new social movements"* (Rodrigues, 1995, p. 242).

In addition to social movements that can aggravate the corporative problem of agreement between the apex and the base, societal corporatism is also susceptible to any stronger market movement. The Brazilian agroindustrial citrus complex is currently experiencing such a movement. Growth in the domestic market and the appearance of new products adapted to the new habits and tastes of Brazilian consumers (elevated demand for pasteurized and reconstituted orange juice), has brought new agroindustrial companies into the national citrus context and led to significant changes in the interchange between representative entities.

The prospects for positive representation of the citriculturists'

interests will be realized only if the organizations which represent them rethink their previous strategies and formulate new tactics to improve the growers' position relative to industry. There are various measures that citriculturists' and their organizations can take to achieve this end: they should increase horizontal integration through associations or groups of interests; plan in a more considered fashion before submitting their offer; increase cohesion; form sectorial councils; take part in collective negotiations; hold grower forum; and sell their product through cooperatives.

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