

2. Polonoroeste: A new strategy of integrated rural development

The failure of agrarian colonisation in the 1970s along the Transamazônica³⁷ with its specific restrictions made Rondônia in southwestern Amazonia the new favourite area for migration from Southeast and South Brazil. While the agricultural measures of the Polamazônia programme had been concentrated on promoting the establishment of large farms, the Polonoroeste programme in Rondônia and in northwestern Mato Grosso in the early 1980's resurrected the idea of agrarian colonisation by small-scale farmers.

In Rondônia, the agrarian colonisation had led to a different approach in regional development planning. With the participation of the World Bank³⁸ since 1981 – the first activity of the World Bank in the Brazilian agrarian colonisation in Amazonia – an integrated rural development programme was carried out. The new concept for a poverty-oriented integrated development of rural areas based on three premises:

- The rural lower social classes as targets,
- development of strategies for satisfying basic needs,
- participation to be encouraged.

As the constant conflicts between environmental, economic, social, and political interests in the pioneer regions caused ever greater problems, the example of Rondônia was a test case for reconciling these conflicting interests, resulting in a new regional development programme (Théry 1981; Kohlhepp and Coy 1985). Besides economic and political motives (“national security”), socio-political considerations were well to the fore within this regional policy. “Amazonia as a safety valve” has been the slogan and the essential background for the national promotion of the development of the pioneer front in Amazonia at the time of the Military Government. The intention to develop and colonise Amazonia was to reduce the increasing potential for conflict in the Northeast of Brazil – problems of land access and basic drought problems – as well as in the Southeast and South due to transformation processes in the agricultural structure.

37 Cf. Kleinpenning, volume I of this publication; Kohlhepp (1976a; 1976b; 1978a).

38 The total budget of the Polonoroeste programme amounted to US\$ 1.5 billion, one third provided by the World Bank.

2.1. Increasing migration activities and agrarian colonisation in Rondônia³⁹

Rondônia's position was characterised by the considerable, spontaneous migration of the rural "surplus population," mostly from South and Southeast Brazil, constituting a regional population growth rate of 15.8 % per year during the 1970's, the highest in Brazil. Of special importance was the establishment of government-directed agrarian colonisation projects in small holdings, mainly in central Rondônia along the federal road between Cuiabá and Porto Velho (BR-364) as well as in the southwest and northwest of Rondônia. The programme was organised by the colonisation authority INCRA and based on the distribution of 100 ha lots. The settlers had to preserve 50 % of their land as forest.

The number of migrants arriving in the region in the 1970s was up to 255 000. Migration figures showed a distinct increase from 1981 to June 1985 with more than 438 000 people. Apart from traditional motives of migration and the deterioration of living conditions within the regions of origin because of failing access to land, land use changes combined with dismissal of farm workers and the general economic crisis, the completion of the BR-364 was a main reason for the increase, especially in 1984. This allowed steady access to the region throughout the year, something which had been impossible in previous years during five months in the rainy season. However, absorption and integration of new immigrants in Rondônia still constituted the most important task for regional development planning.

After the end of the coffee cycle, the mechanisation of agriculture and the conversion of crop land into pasture, a high percentage of migrants came from the regions of the older pioneer fronts, especially from the north and northwest of Paraná (Norte Novo, Norte Novíssimo) (Kohlhepp 1991b; 2014). Other states of origin were Mato Grosso do Sul, Mato Grosso, Minas Gerais and Espírito Santo with landless people from rural areas or young farmers without inheritance rights. The reasons for the increasing importance of rural migrants from São Paulo were agrarian transformation and urban groups with a rural past who were never integrated into an urban "society" and often became socially marginalised (see Table 6).

In connection with the increase in immigration in Rondônia, structural changes have been noted among migrant groups. A considerable increase could be stated in the urban origin of the last residence of migrants. At the end of the 1970s, about three quarters of the migrants came from rural and only one quarter from urban areas, whereas since 1981 this ratio has been almost reversed. It could be analysed that the continuous decrease in the number of migrants occupied in agriculture, from 58 % in 1979 to only 27 % in 1984, ran parallel with the trend pointed out above. Simultaneously, urban occupations such as trade or construction industry had an increase from 8 % in 1979 to 14 % in 1984.

39 This chapter is based on an evaluation of the Polonoroeste programme by order of the German GTZ (Kohlhepp and Coy 1985), publications of Kohlhepp and Coy (1986); Coy (1986); Kohlhepp (1987a) and especially Coy (1988).

Table 6: State of origin of migrants to Rondônia 1979–1984.

	1979	1980	1981	1982	1983	1984
Number of migrants	36 791	49 205	60 218	58 052	92 723	153 327
Variation in %		33.7	22.3	-3.6	59.7	65.4
State	1979	1980	1981	1982	1983	1984
	in %					
Paraná	37.4	38.9	22.9	23.0	29.3	26.7
Mato Grosso	23.3	17.5	14.6	15.0	11.5	13.0
Mato Grosso do Sul	9.0	9.8	7.6	7.2	8.0	6.6
Espírito Santo	5.5	5.6	5.6	8.2	8.5	6.4
Minas Gerais	4.1	5.5	4.5	10.6	9.2	9.9
São Paulo	6.3	6.7	9.9	9.3	9.4	12.4
Goiás	3.4	3.4	3.4	4.8	3.4	3.9
Ceará	1.6	1.0	1.6	1.5	1.9	1.8
Bahia	1.7	2.0	1.8	3.9	4.8	4.0
Rio de Janeiro	0.9	0.9	1.1	1.3	0.9	1.4
Rio Grande do Sul	0.8	1.1	0.7	0.6	0.7	0.9
Amazonas	-	-	12.8	4.9	2.3	3.3
Pará	-	-	3.6	1.9	1.9	1.4
Roraima (T)	-	-	1.2	0.7	0.4	0.2
Other states	4.6	6.1	7.5	6.2	7.0	7.9
Foreign Countries	1.3	1.4	1.2	0.9	0.8	0.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
T) Federal Territory in 1984						

Source: SEPLAN-RO/NURE (1984; 1985) and calculations by Kohlhepp and Coy (1985, Table 3).

Basic problems of existence or precarious living conditions in the towns of the South-east had an impact as a “push”-factor, especially for the lower social strata. The increasing economic and social differentiation of the pioneer front and the consolidation of the regional urban-rural structures played a role, since groups of migrants came di-

rectly into towns, trying to establish urban economic activities. Besides the mentioned “push”-factor, a number of “pull”-factors played an important role among migration motives. The most decisive of these “pull”-factors was the desire for land in Amazonia, a region with unlimited land capacity in the settlers’ imagination, arguing without any detailed knowledge of the real living conditions. Migration and receiving a plot of land for their own use was seen as social advancement, since the bulk of migrants had to be reckoned among the landless people (tenants, agricultural labourers etc.) and *minifundistas* in their region of origin.

The installation of small farmer settlement schemes by INCRA was very important. INCRA retailed lots of 100 ha in the beginning of the migration but changed to 50 ha lots because of the high demand for land. The land use system was expected to be a combination of annual crops, mainly to secure subsistence needs, and perennial crops (coffee, cocoa, rubber) for market production. Up to July 1985, about 44 000 families received land within the INCRA settlement schemes, pushing Rondônia ahead of all governmental colonisation areas in Amazônia Legal.

However, unfortunately only a portion of these migrants could be settled. The largely increasing migration on the one hand and the limited settlement capacity of the projects on the other, led to an ever-increasing disequilibrium between demand for and supply of land. More than 20 000 families registered and selected by INCRA had not received their lot. As a result, an increasing social stratification took place within the older colonisation projects. Many new arrivals derived their income as sharecroppers or so called *agregados* on the farms of other peasants, forming a new class of landless people. Difficulties in settling in Rondônia because of exhausted capacity for settlement in areas favourable to agriculture and low capacity of new projects had negative consequences. Thousands of families “waited” for their chance to get land and lived in bad hygienic conditions in thatched huts without financial means to bridge the uncertain time gap and always fearing problems of marginalisation.

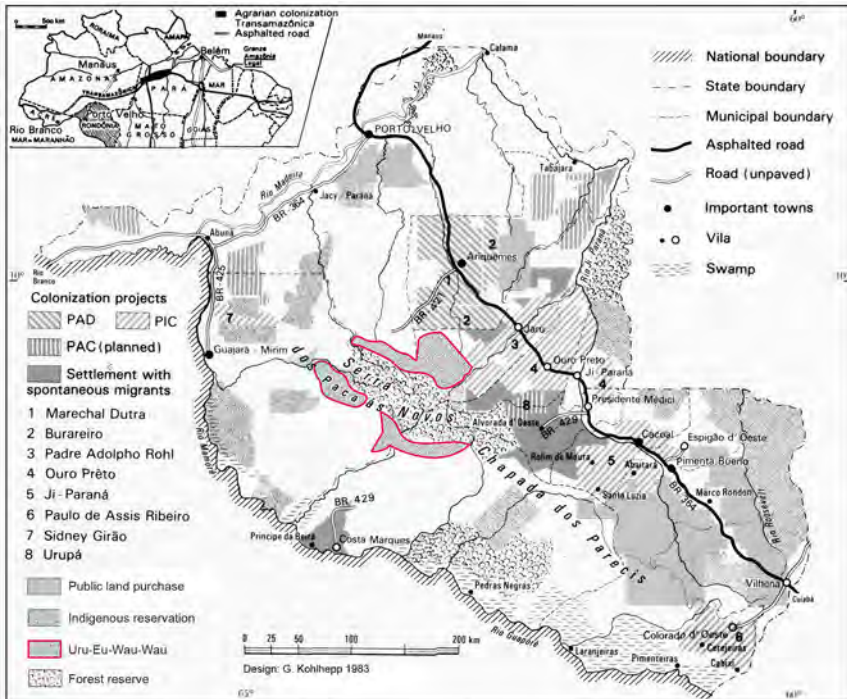
Related to the opening of colonisation areas was the emergence of several new central places. The most important of these settlements had been located along the BR-364 between Cuiabá and Porto Velho. In addition, however, new dynamic settlements have emerged that are far away from the central “development axis” (e. g., Rolim de Moura, Alvorada do Oeste) (see Fig. 5).

Since the beginning of the colonisation process, fundamental problems in rural areas had been caused by a considerable infrastructural deficit, concerning access road construction, agricultural commercialisation, public health, and education. Both, the federal colonisation authority INCRA and later the Rondônian institutions had not been able to keep pace with the rapidly developing rural areas. The permanent pressure upon land reserves in Rondônia was only met by dividing land into new lots and distributing them without establishing the necessary infrastructure. The retrenchment of national support could be seen in the change of settlement forms over the period of the 1970s from the so-called Integrated Colonisation Projects (PIC) to Guided Settlement Projects (PAD) and the Rapid Settlement Projects (PAR) (Fig. 5) (Kohlhepp 1984b, 138; Coy 1985; Kohlhepp and Coy 1986, 63).

The conflict between economic valorisation and colonisation on the one hand and the necessity for ecological conservation of the tropical rain forest on the other became one of the major problems. Conflicts of interest between smallholders and large

landowners, between settlers and the Indigenous population⁴⁰ and land speculation activities caused increasing problems. The number of families involved in these land conflicts, especially in the Amazonian *frontier* region led to social stratification processes, i. e., the reproduction of unequal social structures in colonisation areas.

Fig. 5: Spatial organisation of Rondônia. Colonisation areas, forest reserves and Indigenous territories



Source: Kohlhepp (1984b).

2.2. Evaluation of the Polonoroeste programme and its modifications

The various national efforts to keep spatial organisation in Rondônia under control and the increasing challenge of the rapid development of Rondônia and 14 municipalities of north-western Mato Grosso finally led to the Polonoroeste programme, announced in 1981. As result of a request of the Military Government, the World Bank financed the asphaltting of BR-364, which was completed in September 1984. This road was the backbone of the region and the main access to southwestern Amazonia. Measures to consolidate the existing colonisation areas by "Integrated Rural Development Projects" accompanied the programme. The influence of the World Bank as a financing agency had certainly played an important role in the application of the concept of "Integrat-

⁴⁰ Cf. chapter I, 3. The settlers' resentment and contesting of the large "reservations" for the Indigenous population became a serious problem.

ed Rural Development.” Polonoroeste was seen as a new and more adequate starting point for the Amazon region, needing to be handled with particular sensitivity.⁴¹

The following issues were of prior significance:

Phase I of Polonoroeste:

- Consolidation of the older settlement areas in Rondônia (Integrated Rural Development Project Rondônia: PDRI-RO),
- problems of public health, especially the defeat of malaria,
- protection of Indigenous groups and their settlements in the programme area,
- environmental conservation.

Phase II: Integrated Development Project in Mato Grosso (PDRI-MT).

Phase III: Determination of new settlement areas in Rondônia.

The consolidation measures of the Integrated Rural Development in the PDRI-Rondônia mainly intended improvement and consolidation of living conditions in rural areas of older settlements. Its focus has been the installation of “Urban nuclei of rural support”.⁴² The NUAR correspond to central places of the lowest “urban” categories in peripheral rural areas, providing basic infrastructure like schools, health centres, storage units, private trade, and handicraft for a defined *Hinterland* of up to 1000 families. *Colonos* from the *Hinterland* were urged to settle in the NUAR, maintaining their main residence on their rural holdings. Apart from fundamental doubts about the viability of the “urban” NUAR model,⁴³ several other factors were responsible for its modification: Administrative irregularities and functional weaknesses, infrastructural problems concerning water and electricity supply, and a lack of integration of institutions within the NUAR. Construction of rural access roads and the conservation of these unpaved roads under tropical weather conditions has been one of the main targets for the *Hinterland* of the NUAR.

The local population accused the contracted firms and government supervisors of having plans poorly conceived and badly executed. Contracted teachers worked for several months without being paid. Local officials felt totally isolated and were discriminated by the enormous gap between low-level programme execution and higher-level administration. According to the programme, the settlers are to be involved in local decision-making and in the implementation of projects. To this end, the establishment of “rural development commissions” in the communities, the election of local leaders and “administrators” in each NUAR from the group of settlers was a central task, as they shared the same social background. However, the reality of a dictatorial regime made active participation of those involved extremely difficult. When the new municipalities took over responsibility for the NUAR, the difficult financial and political situation of these municipalities became a problem in a consolidation process. This was the case in conflicts of interest between municipal and state level.

41 According to the opinion of representatives of the World Bank: Mahar (1982); Skillings (1985), Goodland (1985).

42 “Núcleos Urbanos de Apoio Rural” (NUAR).

43 This central place model reminded of the concept of *agrovilas* of the Transamazônica colonisation scheme, which failed because of the long distances to the home residence on the farm plots and the failing means of transport (cf. Kohlhepp 1976a; 1978c).

One of the basic problems was the health situation. Health posts in the NUAR were present, but the availability of medical supply was either lacking or totally inadequate. Medicines to combat the most important regional diseases such as the ubiquitous malaria,⁴⁴ infections, vitamin deficiency and children's diseases often had been unavailable. Regular visits of doctors did not take place in any of the NUAR. Public health care provision could be described as totally deficient despite of the personal commitment of some employees of the local medical service. The state of health of most of the population has been unsatisfactory.

Agricultural marketing conditions and the agricultural extension service (Emater) had enormous difficulties to be organised. A major problem was the different regional origin of Emater employees and the *colonos*. Due to their lack of detailed local knowledge, the technicians were rarely able to convey information adapted to the ecological conditions of agricultural production, such as regional perennial cultivation of *Guaraná* or agro-silvicultural techniques etc. Success and failure ultimately depended on the acceptance by smallholders. There was often an unbridgeable gap between the Emater technicians and the rural population. For political reasons, the technicians often refused to collaborate with the self-help organisations of rural producers. Agricultural credits, prices of agrarian products (rice and maize) and their marketing were partly hindered by national guidelines, especially in periods of economic crisis. The dependence on intermediaries, the danger of indebtedness, fixed prices etc. persisted as daily problems.

Living conditions of the rural population in the older colonisation areas of Rondônia had not been greatly affected by the introduction of the NUAR due to conceptual deficiencies in the NUAR-model. The originally planned number of 39 NUAR has been reduced to less than 10. Obviously, regional imbalances occurred. The focus on decentralised measures to meet local needs was necessary.

Unfortunately, the measures of PDRI-RO had no decisive influence on the main development trends in rural Rondônia. In the land use sector, a steep increase of pastures could be stated. Annual crops (for subsistence and market) and perennial crops (coffee, cocoa, rubber) remained insignificant. This development was due to plant diseases in perennial crops, strong price fluctuations for some cash crops, low prices for annual crops, especially rice, lack of credit for agricultural investments and excessive interest rates.

In a state-organised colonisation programme, a homogeneous structure of social and land rights aspects was usually created on the basis of an equal distribution of land. The heavy migration flow was responsible for an increasing social stratification of the rural population which was marked by a high rate of farm sales. In some areas, more than 50% of the farms had been sold at least once within 10 years. The rate of abandonment ranged from 10 to 25%. In the project Ouro Preto,⁴⁵ the oldest INCRA settlement scheme, only 38% of the families were landowners. Only a small number of lots were in the hands of the original INCRA settlers. The sale of whole or divided plots is a typical change in colonisation projects in Rondônia. The main reasons for selling

44 As a form of protest, people installed a banner in the streets of Ariquemes in Rondônia, calling the town "World capital of malaria" (Observation of the author during field research in 1977).

45 Field studies by Martin Coy in PIC Ouro Preto, Rondônia (Cf. Coy 1988; Kohlhepp and Coy 1985; 1986).

plots were problems of difficult climate adaptation, isolation, lack of infrastructure, yield losses, debts, lack of experience in farm management and diseases.

New migrants equipped with some capital arrived and started purchasing land. The tendency towards land concentration on the one hand and fragmentation of plots on the other, resulting in *minifundios* through the sale of parts of the original agricultural land, was prevalent. Purchasing of some plots occurred with absentee-ownership and the formation of *fazendas* for cattle raising. A new regional urban social class of advocates, businessmen, traders, shopkeepers, doctors, and civil servants turned out to become the winner of this development, increasing social disparities. This was one of the characteristics of “consolidated” frontier regions in Brazil.

The new settlement projects Urupá and Machadinho of Polonoroeste (Phase III) faced the problem that the members of many families selected in 1982, who were waiting for their plots to be allocated, had found other jobs, e. g., in the urban economy, and immediately sold their plots again. The realisation of the new projects with a limited capacity for absorption of settlers became time-consuming and cumbersome, despite of sophisticated planning techniques (aerial photography, soil tests, appropriate survey of the plots). This improvement caused relatively high costs of US\$ 7000 per family settled. The INCRA recommendation of cultivation of perennial crops (*Guaraná*, rubber, Brazil nut) could only partly be realised because of high initial costs and lack of credits. Under the prevailing conditions, with the designation of new colonisation areas increasing land conflicts, invasions of *fazendas*, of Indigenous territories and forest reserves were to be expected.

With the planned settlement of about 20 000 families – 15 000 in Rondônia – it became clear that this programme would also involve negative impacts, such as considerable migration flows and growth of population, increasing land conflicts, rise in land prices and intensification of land speculation. A controversial discussion on the national and international scale started after the mid-term evaluation of the programme due to existing problems with the protection of the Indigenous populations and environmental conservation aspects. Pressure of US, Brazilian and European ecological NGOs, scientists, and politicians⁴⁶ contributed to a temporary withholding of programme funds. The threat of discontinuation of the Polonoroeste programme in case certain conditions were not met and the redefinition of the programme's priorities led to a detailed work plan with the necessary measures to be implemented in the following years, together with follow-up programmes such as Planaflores.⁴⁷ The end of the Military Government in 1985 and a transition period of redemocratisation had played an important role in renewing colonisation strategies in Rondônia. The ostensible strategy for an agrarian reform, unsolid in all details, remained a “declaration of intention.”

The aggravation of the agrarian colonisation in Rondônia with the exhausted capacity of projects, continuous and increasing migration with numerous conflicts of

46 In the US House of Representatives, the Committee on Science and Technology (Subcommittee on Natural Resources, Agricultural Research and Environment) and in the German Parliament, among others, members of the “Green” party demanded more effective measures for the protection of the Indigenous areas and forest reserves in the programme region (Kohlhepp and Coy 1985).

47 Planaflores was a project of the Federal Government in partnership with the World Bank to implement an improved natural resources management in Rondônia in the 1990s.

interest raised the new problem of the consequences for neighbouring states and regions. With the financial support of the World Bank, existing colonisation projects had been consolidated, but the “development from below” concept could not be successfully realised. Among other improvements needed, providing smallholders with credits at favourable conditions, cooperative organisation, marketing facilities, agricultural extension service and training of technicians in agroforestry systems ought to be realised. Polonoroeste suffered from too optimistic timing of goals.

National agencies like INCRA, FUNAI or IBDF were neither administratively capable nor financially in a position to fulfil the basic requirements of their objectives. Institutional strengthening of the responsible authorities and planning agencies on federal or state level should be given priority by international financing. For the first time in South America, a rural development programme had been given a disbursement moratorium because environmental aspects were neglected. This emphasised a specific problem: If preconditions were created in the environmental sector and it turned out that the partner was not able to finance qualified personnel to protect Indigenous reservations, forest reserves, etc. from encroachment, this problem was to be solved through special loans.

Finally, spontaneous migration to Rondônia increased rapidly to more than 150 000 people per year, leading to a sharp increase in land seized and uncontrolled settlement in areas with limited agricultural carrying capacity. Consequently, large areas of forest were cleared, and even more forest was cut down as numerous small-scale settlers were displaced by land speculators and cattle farmers.

At the same time, a steadily growing stream of settlers poured into the rapidly developing private colonisation projects in northern Mato Grosso and to Acre. The spatial mobility of people remaining landless or trying to survive as *minifundistas* was high and emigration to new pioneer zones in Acre demonstrated that Rondônia had become part of the “moving frontiers,” typical for Brazil.

2.3. Impact of migration flows and colonisation activities in Rondônia on the State of Acre

Because of the loan proposal of the Inter-American Development Bank (IDB) for asphaltting of the Porto Velho-Rio Branco section of the BR-364, the state of Acre – isolated overland for five to six months every year – became the new focus of interest for migrants. Since Acre, a federal state since 1962, did not have any infrastructural and institutional prerequisites, a threatening migration rush to Acre would cause a chaotic situation and entail serious negative consequences. In 1985, the US representative in the IDB voted against the approval because of failing environmental studies ought to be incorporated into a revised project. An extension of the Polonoroeste programme to Acre was not intended neither by the international financing agencies nor by the Brazilian government (Kohlhepp and Coy 1985).

The historical geopolitical background of Acre's integration from Bolivian into Brazilian territory in 1903 by the Treaty of Petrópolis had caused a complicated situation of land titles in this region. The regional economy was based on immense resources of *Hevea brasiliensis*. Acre became the most important region for rubber production in Amazonia. Export companies financed the trading houses which financed the se-

ringalistas, the rural “entrepreneurs” and “owners” of large areas with *Hevea* (*seringais*). In the beginning of the 20th century, immigrants from the drought-struck Brazilian Northeast were contracted to extract *latex* and held in a slave-like dependence on the *seringalistas*. With the end of the rubber boom in 1912 and another short boom during World War II, many *Hevea* areas were abandoned by the former “owners” and the remaining rubber tappers (*seringueiros*) became de-facto-owners, handling the now unimportant *latex* extraction.

This caused an uncertain legal status of landownership in Acre. In the 1970s, three different types of land titles (Bolivian, Acrean, Brazilian) existed, which never had been legalised. Large estates with dubious size concentrated an enormous part of the state area. Incentives for investing capital in SUDAM-controlled projects in Amazônia Legal attracted investors from Southeast Brazil. Some tax-favoured cattle-ranchers basically had land speculation and tax reduction motives. Violent actions against *seringueiros* occurred and pressure on the local population was accompanied by bribery of local and state authorities. The incapacity of INCRA to oppose actions of politically influential groups impeded the installation of colonisation projects in a good location and with adequate infrastructural conditions.

While the population of Rondônia between 1970 and the mid-1980s increased ten-fold and exceeded one million in 1985, Acre with a very low immigration rate had an increase of only 65 % (Table 7). The municipality of the state capital Rio Branco concentrated about 40 % of Acre’s population.

Table 7: Population in Rondônia and Acre 1950–1985 (Index: 1950 = 100)

	Acre		Rondônia	
	Number	in %	Number	in %
1950	114 755	100.0	36 935	100.0
1960	158 184	137.8	69 792	189.0
1970	215 299	187.6	111 064	300.7
1980	301 605	262.8	491 069	1329.5
1985*	356 313	310.5	1 028 429	2784.4
*) Estimation				

Source: IBGE (1984), and author’s calculations in: Kohlhepp and Coy (1985).

In the 1970s some Probor programmes of Sudhevea⁴⁸ tried to recuperate native *seringais* in Acre, but the problem of the disease of *Microcyclus ulei* in *Hevea* areas retarded the growth of *Hevea* plants. Land speculation, deforestation, and cattle ranches had a fatal influence on most of the rural population and their traditional extractive economy. Sudhevea did not participate in the agricultural planning and in regional development projects.

48 In 1967, the Superintendency of Rubber (Sudhevea), submitted to the Ministry of Industry and Commerce, had been founded to execute the economic policy in favour of rubber in the national territory. Probor (Programme for Rubber Production) was the programme to realise this aim.

When the federal government and the Acre state administration became aware of the social problems caused by the expulsion of workers from the abandoned *seringais*, they tried to start some colonisation projects. Increasing social tensions made the governments think of expropriation because of social interest. An area of about 0,8 million ha was destined for directed colonisation. In 1980, the government decided to create an Integrated Rural Development Project (PDRI) with the central objectives of regulating the land title situation in rural areas and promoting small-scale agriculture for *ex-seringueiros* and small holders. The results did not meet the necessities of the regional population.

The integrated development programme Planacre tried a consolidation of previous plans. In order to improve the knowledge of natural resources and ecological conditions as well as the socio-economic structure and its regional differentiation, the Acre government identified four study projects: Indigenous population (demarcation of areas), defining areas of biological and forest preservation, agro-ecological zoning and control of diseases. The World Bank funded these specific projects, which was a first step for an integrated development plan. The decision to initiate special studies and research activities for the elaboration of Planacre – IDB financed studies on ecological and socio-economic conditions, complementary to the World Bank's financing of pre-studies – was the only possibility of a scientific information basis for all future planning in Acre. The results of these studies of course should have been available before the BR-364 road construction.

Planacre was not able to provide the necessary science-based results for decisions in the Acre regional policy at the time required. The loan proposal for the Porto Velho–Rio Branco road construction had been approved by IDB at a premature moment. The impact of the precipitate prolonging of BR-364 to Acre caused severe problems as had been proved unfortunately in other cases of uncoordinated access to new frontiers of colonisation. As neither the World Bank nor IDB were planning to finance development projects in Acre, the responsibility of a road paving project with well-known consequences of a chaotic future scenario stuck to the financing institution. Considering the beginning of asphaltting the BR-364 from Porto Velho to Rio Branco, it was really alarming that hardly anything had been done in regional planning to successfully handle the expected migration waves. Conflicts of interest between immigrants, local peasants, large landholders, cattle ranchers, timber companies, *garimpeiros*, and the Indigenous population as well as the lacking protection of forest reserves characterised the colonisation process in southwestern Amazonia.

