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## Growth does have limits, and scale is truly an issue

Transnational corporations are increasingly dominating all economic sectors where profits can be made. Most of them have incorporated social and environmental concerns to their discourse, though few of them actually comply with their own declarations in this respect. Regardless of their good intentions, the sheer scale of their operations make environmental sustainability practically impossible, while competition to dominate global markets has made social concerns almost antagonistic to profitability.

Examples of the above abound in all economic sectors, but the case of the Brazil-based Aracruz Celulose is paradigmatic, because it was one of the first transnational corporations to embrace the environmental issue prior to the Earth Summit in 1992. This company is the world's largest bleached eucalyptus pulp producer, with a production of 1,300,000 tonnes per year. Aracruz has been expanding its eucalyptus plantations and its industrial plant ever since its inception and there are apparently no limits to its expansion plans. It now aims at increasing its pulp production capacity to 2 million tonnes and this implies the occupation of thousands of more hectares of fertile lands with monoculture eucalyptus plantations.

Although local communities living in the area occupied by Aracruz --mainly indigenous and traditional AfroBrazilian communities-- were dispossessed from their lands, the company initially received some support from other sectors of society, who were promised development and jobs. However, the promised development never arrived, while employment has been steadily decreasing as a result of mechanization and outsourcing. According to Aracruz itself, the company has a labour force of "1,689 employees, including our international subsidiaries, Aracruz Produtos de Madeira and Portocel. In addition to our own workforce there are 2,954 permanent outsourced workers, resulting in a total of 4,643 direct jobs in regions where we operate." And these are the jobs created by a huge company, with a huge pulp mill and equally huge landholdings of some 220,000 hectares!

At the same time, existing rural employment has decreased as a result of land purchasing by Aracruz and its plantation to eucalyptus. Given that jobs per hectare in tree plantations are much less than jobs per hectare in agriculture, the resulting employment balance is negative in the rural areas. Additionally, environmental impacts of both plantations and pulp production have impacted further on local people as, for instance in the case of local fishing communities confronted by the depletion of fish due to Aracruz's activities.

The above and many other impacts have resulted in increased organized opposition which even led to a law recently passed by the state Parliament --and immediately vetoed by the Governor-- banning further pulpwood plantations until an agro-ecological mapping of the state establishes clear rules on where they can and cannot be planted. The ensuing debate is analysed in the article on Brazil below.

As stated above, the case of Aracruz is but one example of what is currently happening in many parts of the world --South and North. No matter how hard --when they actually do-- transnational corporations try to take into account environmental and social issues, the end result is environmental degradation and increased marginalization of people. And the issue is in fact quite simple: the larger

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the scale, the larger the impacts. Is it not time to begin to rediscuss the "small is beautiful" and the "limits to growth" concepts?