

The Green Gold of Mercosur - The Strength of Latin American Agribusiness Through the Social Solidarity Economy.

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Abstract

This article is bibliographical research on the performance of agricultural cooperatives belonging to the solidary social economy in Argentina, Brazil, Paraguay and Uruguay, members of the economic bloc of the Common Market of the South known internationally as Mercosur. The research has a historical introduction, and after this part, the current legal statute was analyzed for an empowerment of the enterprises in vogue since the formation of the economic bloc. In the second part, the macroeconomic and political environment of these four member countries was analyzed. Thus, describing the paradoxes present in these undertakings. In the last part, an analysis was carried out based on Michael Porter, where the lines of financing for cooperative agricultural enterprises of solidarity economy and agriculture currently available in the Mercosur environment are identified.

Index terms- Agribusiness, Cooperatives, Mercosur, Max Weber, Michael Porter, Public Policies, Solidary Social Economy.

Theme- SOLIDARITY SOCIAL

ECONOMY- Agro-industrial Cooperatives of the Mercosur Economic Bloc.

Problem- What are the obstacles to the development and internationalization of agricultural cooperatives in the effective member countries of the Common Market of the South?

Main goal

Identify the current public policies of Social Solidarity Economy adopted by the MERCOSUR member countries, analyzing the governmental dissimilarities in the Mercosur zone, the competitiveness, and the internationalization of these companies.

Hypotheses -

1. Internationalization difficulties are disproportionate among agricultural cooperatives in Mercosur due to the paradoxical economic and governmental scenario that Argentina, Brazil, Paraguay, and Uruguay have faced in the last 30 years.
2. The Social Solidarity Economy is an alternative for resolving global dilemmas such as job creation, food production and enrichment of countries.
3. There is a disparity in credit lines practiced in the zone for the development of agricultural cooperatives among the member states of the economic bloc.

I. The Historical Origin of the Social Solidarity Economy

Before the Industrial Revolution, which industries consolidated the capitalist economic model, which enabled a great technological advance, never seen before in human history. Along with this advance, great differences were also created in the labor market, the conditions of workers to carry out their activities, as well as the economic conditions were transformed in an abrupt and negative way. Social changes were so great that intellectual movements of social reformers began in England. And the conditions of the workers were so alarming that a statistical survey carried out by Erich Hosbawm in Greater Manchester Borough Bolton showed the collapse of workers' wages. The study revealed that in 1815 the worker's salary was only 42.4% of what he received in 1795, in 1834 for Hosbawm, the salary was only 18.1% of what it reached in 1795, thus, in an interval of less than 40 years, the worker lost 82% of his salary and thus lost quality of life and purchasing power

¹. Faced with this social scenario, some liberals until then convinced, such as the industrialist Robert Owen, among others, founded the first ideas of cooperativism in Europe.

The beginning took place in the same nation that theoretically elaborated and still implements the classic capitalist economic system - the United Kingdom. Also in Great Manchester, Lancashire, Rochdale between the months of 1843 and 1844, with a group of weavers, who were unemployed for a long time, pooled their modest savings and created a warehouse to work cooperatively.

Organizationally, they wrote a document with rules for managing that warehouse (The Rochdale Pioneers Rules, 1844), which in short were rules aimed at the permanent sustainability of a generation of income for the cooperative members through solidarity aimed at economic growth ². With that, everyone invested, everyone worked, everyone received the fruits of their work, just as everyone participated in the management of the warehouse, that is, a democratic management with the associates. The challenges faced by these innovative social entrepreneurs were undoubtedly many, and even so they achieved democratic management and hitherto unprecedented employability of the marginalized of that society.

It is clear the importance of cooperatives in the world both as a solution to increase employability since 280 million jobs are generated, covering about 4% of the world's population. There are 3 million cooperatives in the world and the number of cooperative members added up to 1 billion, which corresponds to 12% of humanity.

Considering the dimension of its financial importance, added to the 300 largest cooperatives, its revenue is equivalent to 2.18 billion dollars, which corresponds to the 8th largest economy according to data from 2019, according to data collected by the yearbook of the international association of cooperatives.

Setting the agribusiness sector, the agricultural agribusiness corresponds to about

¹HOSBAWM, Eric J. **The Age of Revolutions 1789- 1848**. Rio de Janeiro: Paz e Terra, 2014, p. 59.

²<https://www.ica.coop/en/rochdale-pioneers>

32% of the 300 largest cooperatives in the world. In Brazil, around 48% of the cooperatives' products were exported.

In Brazil, the agricultural branch added 1,170 cooperatives, with more than 1 million members, the sector generated 239 thousand direct jobs, bringing quality of life and development to all of Brazil. Of the total number of Brazilian cooperatives, 65% operate in the production of inputs and supply goods. Agricultural cooperativism in Brazil is countercyclical economic crisis brought by COVID-19 in 2021 had an increase of 28% in its production.

This fact illustrates the importance of cooperatives on the global stage, in the world and especially in Mercosur.

II. Southern Common Market

Originally founded just over thirty years ago on the basis of neoliberal policies to establish free trade in South America and strengthen its markets, the economic bloc Mercado Común del Sur (Mercado Comum do Sul) - MERCOSUR has four central pillars that were established in the first article of the Treaty of Asunción (1) Cooperation and legislative harmony with the objective of facilitating the integration between the members. (2) Guide macroeconomic and sectoral policies, such as foreign trade and agriculture. (3) Have free movement of goods, people and **services through the customs union** . (4) Intra-zone trade policy with Common External Tariff (TEC) for importing

³Mercosur Economic Bloc Official Website - <https://www.mercosur.int/pt-br/>

⁴Official website of the Mercosur Economic Bloc - <https://www.mercosur.int/pt-br/>

⁵AMUSQUIVAR, Erika Laurinda. Solidarity Economy in Mercosur - A review of cooperation and products and services from outside the bloc. Currently with four effective member countries: Argentina, Brazil, Paraguay, and Uruguay, in 2009 the Republic of Venezuela joined the economic bloc as an effective member and in 2017 was excluded from MERCOSUR for violating one of the fundamental principles of the Universal Declaration of Human Rights, which is the Democracy as a form of state government.

The estimated population is 295,007,000 inhabitants, the block assumes the 5th largest economy in the world, and has already financed US\$ 824 million in infrastructure, with more than 50 international cooperation projects carried out. Mercosur currently has other associated member states: Bolivia, Chile, Peru, Colombia, Ecuador, Guyana, and Suriname ³. In tax legislation, if companies prove the originality of products by at least 60%, there is total exemption among effective member countries ⁴.

For Érika Laurinda Amusquivar (2012) ⁵, the original objective of the bloc was simply regional and commercial integration, but from the 2000s onwards, with governmental changes and economic policies, most of the MERCOSUR countries' members had state representatives affiliated to social parties - democrats, It was during this period that the importance of

the Social Solidarity Economy came into vogue as a strategy to generate more monetary and fiscal conditions in the international financial system, generating development in South America. In- 8th ABCP MEETING, 1., 2012, Gramado. AT08-Politics and Economics. Facamp, 2012.v.1

income without welfare for the vulnerable and new development models for the region.

III. Concepts and Importance of Solidarity Social Economy

For Paul Singer, the concept of SSE is that capitalism, being paradoxical, is capable of producing social enterprises in response to the problems created by the system itself. In this mode of production, ownership is associated, or collective, and individual freedom is preserved. Aligned with Singer, Arruda argues that the SSE is an ideological proposal that opposes the capitalist economy. For Gaiger, SSE is just a means of generating income for people in socially vulnerable situations. The authors investigated here agree that they are characteristics of the Social and Solidarity Economy - it is important to support the democratic rule of law, democracy, equity, cooperation, social responsibility, human development. And they are undertakings that fit these characteristics

(1) Associations (2) Cooperatives (3) Food

Banks (4) Community Banks (5) Incubators and research groups. In agricultural cooperatives, the focus is on commercialization with sustainable production and consumption.

The first ESS ventures in the economic block studied here, in Brazil ECOPOPSOL- Popular Solidarity Economy, existed from 1998-2002 in the state of Rio Grande do Sul and the consolidation of ESS in 2003 with the creation of SENAES- National Secretariat for Solidarity Development Economic, linked to the Ministry of Labor and Employment, initially

⁶https://www.ipea.gov.br/portal/images/stories/PDFs/conjuntura/220714_cc56_nota5_ifr_jul22.pdf

⁷<https://agenciadenoticias.ibge.gov.br/agencia-noticias/2012-agencia-de-noticias/noticias/29181-> led by professor and economist Paul Israel Singer. This consolidates that the SSE is based on valuing and empowering work for the popular classes as well and aims to overcome the chronic logic of social inequality in Latin America.

In 2019, SENAES, through Provisional Measure 870\2019, and Law 13.844\2019, then President Bolsonaro extinguished the ministry of this secretariat, the then extinct ministry had existed in Brazil since 1930. The government in question understood that this type of initiative, was linked to social assistance, consequently in practice, even for not understanding the magnitude of the idea, the sector's investments were diverted from its main function, which is the prioritization of the human being. In addition to SENAES, CONSEA - National Council for Food and Nutritional Security was vetoed. However, the same law provided for the maintenance of the National Council of Social Assistance-CNAS as a collegiate body of the Ministry of Development and Social Assistance, Family and Fight against Hunger. The body's inefficiency was so alarming that hunger rates, increased cost of food and consequently the cost of living ⁶together with this increase in unemployment in the most vulnerable classes increased dramatically, in the second year of governance aligned with the pandemic of the coronavirus the country reached 14 million unemployed Brazilians ⁷.

There was a crucial error in classifying agribusiness cooperatives as welfarist.

Agribusiness cooperatives are capable of

desemprego-atinge-14-milhoes-de-pessoas-na-quarta- semana-de-setembro

producing large amounts of food, jobs, and income directly and indirectly for millions of people. Even with the disorientation of public policies practiced in Brazil in recent years, the food cooperatives that have resisted the setback of support, currently in Brazil, agribusiness cooperatives already represent 54% of agricultural production.⁸

IV. Megatrends and competitiveness in Mercosur

The world scenario exposes megatrends whether technological, demographic, or behavioral that have decisively influenced the life, economy, and production of countries.

According to UN projections, the global population is expected to grow by 2050 to about 9.7 billion inhabitants, about 26%. To supply the additional demand for raw

material, it is estimated that world production should grow around 70% considering the need for increased consumption of biodiesel. This scenario brings new development opportunities for agribusiness.

A) Policy

The functional paradox of the SSE in MERCOSUR is affected by the excessive transition of governments with different political ideals. In recent years, most of the founding countries of MERCOSUR have faced a fateful bipolarity of political interests for society in the region. meet you current presidents _ countries MERCOSUR members.

		Social	Liberal
Argentina	1	Nestor Kirchner (2003-2007)	Carlos Saul Menem (1989-1999)
	2	Cristina Fernández de Kirchner (2007-2015)	Fernando de la Rúa (1999-2001)
	3		Adolfo Rodríguez Saá (2001)
	4	Alberto Fernandez (2019-)	Eduardo Duhalde (2002-2003)
	5		Mauritius Macri (2015-2019)
Brazil	6	Fernando Henrique Cardoso (1995-2003)	Fernando Collor (1990-1992)
	7		Itamar Franco (1992-1995)
	8	Luiz Inácio Lula da Silva (2003-2011)	Michel Temer (2016-2019)
	9	Dilma Rousseff (2011-2016) Luiz Inácio Lula da Silva (2023-)	Jair Messias Bolsonaro (2019-2022)
Uruguay	10	Tabaré Vazquez (2004-2009)	Luis Alberto Lacalle (1989-1994)
	11	José Mujica (2009-2014)	Julio María Sanguinetti (1994-1999)
	12		Luis Alberto Lacalle Little (2019-)

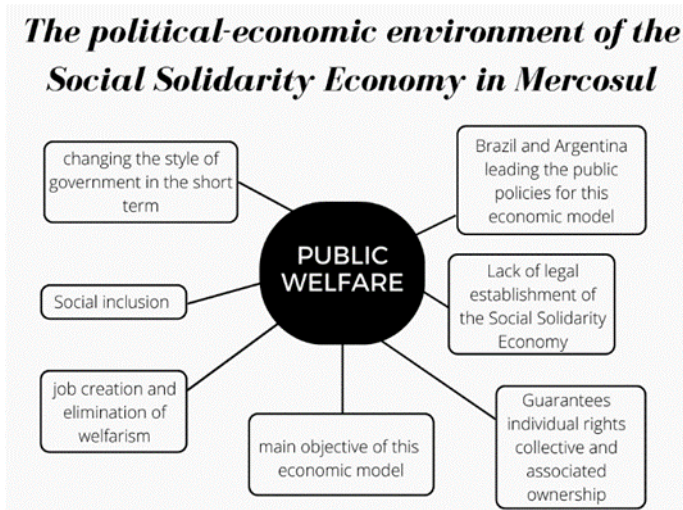
⁸National Society of Agriculture OCB (Organization of Brazilian Cooperatives) and Research carried out by FGV Agro.

Paraguay	13	Fernando Lugo (2008-2012)	André Rodríguez Pedotti (1989- 1993)
	14		Juan Carlos Wasmosy (1993-1998)
	15		Raúl Cubas Grau (1998-1999)
	16		Luís Ángel González Macchi (1999-2003)
	17		Nicanor Duarte Fruits (2003-2008)
	18		Frederick Franco (2012-2013)
	19		Horacio Cartes (2013-2018)
	20		Mario Abdo Benitez (2018-)

Prepared by the authors.

It is important to remember that the presidency of Mercosur has rotated every six months since its institutionalization and otated pro tempore among the member countries.

Prepared by the authors.



It is possible to identify that the SSE is capable of nurturing, enabling, and maintaining the current consumption system, and is even capable of increasing in the face of the increase in consumption of the hitherto vulnerable, which is the main driver of the ideal of the liberal system. The only important difference is the process by which this is achieved, which is through sustainability, through the objective, the common good, the primary interests that are the democratization of benefits and profitability, the distribution of wealth produced in an equitable manner and the inclusion Social. The strategy that reaffirms the beginnings of classical liberalism.

Within a Weberian analysis, the author argued in *Economy and Society* that rationalisation and bureaucratisation are self-regulating and historical processes in societies and can replace logical or traditional thinking to achieve economic efficiency. Compared to this, it is possible to add that the Mercosur agricultural cooperatives are exactly a response to the Weberian rationalisation process, since they are organisations coming from social power, which aim to maximise the resources invested and optimise labour relations, thus being an excellent alternative to capitalist logic, where the power of the motor capital of the company is not highly concentrated, thus protecting workers against economic fluctuations to which the financial markets of the Mercosur member states are predisposed.

B) Current scenario

The 2030 agenda was planned by the United Nations, and has several items for which it aims at the democratization of basic human rights around the world combined with economic progress. The objectives of the Sustainable Development Goals (SDGs) are the strategies for Sustainable Development to happen worldwide. The Social Solidarity Economy (SSE) is able to unite two of these objectives, the eighth which is decent work and economic growth, and the twelfth which is sustainable production and consumption. It is based on economic transformation through the cooperativeness of a community in an equitable and transparent way for its participants.

In the MERCOSUR member countries, agricultural cooperatives play a fundamental role in the economies of Argentina, Brazil, Paraguay, and Uruguay. These cooperatives are able to achieve the objectives of the 2030 Agenda, as they can generate direct and indirect jobs in rural communities, enabling family farming, that is, people who own small properties, produce, and financially support their families through these cooperatives, thus promoting regional development and avoid the mass rural exodus seen in recent years. The ESS must be developed in line with federal public policies, and this qualitative study will analyze the lines of credit that current governments currently practice in effective member countries of MERCOSUR, and how they react to competition between them belonging to this bloc.

Unfortunately, more than 30 years after the creation of the economic bloc, the same weaknesses persist, generating inertia in the SSE generation policy. The creation of a Center for the Promotion of the Solidarity Economy,⁹ with physical structure, permanent as an autarchy, and immune to changes in political postures that may face the economies of current or future governments of MERCOSUR member states. This center would establish the legal framework for the ESS, which is currently lacking for this economic bloc.

This legal framework would be funded by FOCES - Structural Convergence Fund for Mercosur. To this end, it would be managed by customs, universities and research centers, quality certifiers, development agencies, agricultural cooperatives,

non-profit entities, social
⁹FOCEM - <https://focem.mercosur.int/pt>
currencies, and social banks and closely linked to the Ministries of Social Development.

V. Analysis of current lines of credit for social and solidarity economy agricultural initiatives in Mercosur Effective Members

Below is an analysis of the lines of credit available to cooperatives and members or potential members of MERCOSUR.

A) Argentina Argentina is a country that economically faces a considerably chronic inflation.
According to INDEC (National Institute of Statistics and Censuses), since 1991 the country has not faced a 3-digit inflation, and in March the country reached 102.5% in the accumulated result in a year. As a result, the country faces a turbulent economic scenario. Even so, the last Argentine governments maintained a line of credit for members and cooperatives in the agribusiness sector, which accounts for 9.9% of the National Gross Domestic Product.¹⁰

	Objective of the cooperative project to obtain credit	interest rate	maximum value	payment deadline	How much of the project is financed
Credit MiPyMES - Foresto - Industriales	For micro and small companies that want to carry out sustainable reforestation, or for industries that want to meet the perspectives of the 2030 Agenda.	24% TNA (flat rate)	US\$ 150,000.00	4 years	80%
Credit for irrigation equipment for PyME	To adapt irrigation to the plantation in a sustainable way, the purchase of equipment for adaptation to sustainability is available.	17.75% NNA (flat rate)	The submitted project will be evaluated.	4 years	100%
Family Farming Credit	For small farmers in the Argentine countryside.	21% TNA (flat fee)	AR\$ 100,000.00 Equivalent to US\$ 458.62	3 years	100%
Credit for fresh food producers - Banco de la Nación Argentina (BNA)	For fruit and vegetable producers who want to invest in working capital.	21% NNA (flat rate)	AR\$ 882,000.00 Equivalent to US\$ 4,045.02	4 years	100%
Credit to MiPyMES	To encourage the commercialization	None information	AR\$ 30,000,000.00	5 years	100%
Credit for the purchase of domestic machinery	For the acquisition of new technologies in general for the	17% TNA (flat fee)	To be analyzed .	4 years	100%

¹⁰Argentine National Economic Census 2020-2021, published by INDEC- (National Institute of Statistics and Census), for the Ministry of Economy of the Argentine Republic.

- Banco de la Nación Argentina (BNA)	optimization of agricultural production.				
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Prepared by the authors. Source: Current Argentine government website. Currency Conversion from Argentine Peso to US Dollar on April 20, 2023 US\$ 1= AR\$ 218.05.

In addition to these lines of credit, the country has other cooperative and private financial institutions that offer financing to these entrepreneurs.

B) Brazil

This country has a strong line of credit made available by public and mixed banks, financial cooperatives, and private multinational banks for rural entrepreneurs. It was possible to identify the financing available to receive the projects of agro-entrepreneurs, which is undoubtedly one of the factors that have led to the prominence of Brazilian agribusiness with exports of primary goods in Latin America. In 2020 and 2021, the country reached historical records with a grain harvest that surpassed the production of the United States of America, which reached 300 million tons, and the Gross Agricultural Domestic Product reached the expressive figure of US\$ 500 billion, equivalent to the Argentine national GDP

¹¹. However, the results for the year 2022 were disappointing, with Russia's invasion of Ukraine, of which the country was a partner for the import of important inputs such as fertilizers, the values of fertilizers, pesticides, fuels and other inputs, resulted in a significant drop of -6.39%, while livestock remained positive and obtained an increase of 2.11%, putting the Agribusiness GDP down by 4.22%, even so the agribusiness sector maintained a share of 24, 8% in the Brazilian GDP in 2022 ¹².

For Araújo, JA et. Al, with data released by the MDIC- Ministry of Development, Industry and Foreign Trade, Brazil leads agribusiness in Latin America, and in recent years has significantly increased the volume of agricultural production, increasing by 42% the area of planting and production an increase of 228%. The authors also identified relevant data on Total Factor Productivity (TFP) in this study.

"In the last years of the sample, Brazil leads with a variation of 80.05% in agricultural TFP, followed by Mexico and Argentina. The variation in technical efficiency was decreasing for almost 50% of all countries in the period under

¹¹Data published in 2021 and 2022 by the Center for Advanced Studies in Applied Economics (Cepea), which belongs to ESALQ (USP), together with the Confederation of Agriculture and Livestock of Brazil (CNA).

¹²Data published in 2023 by the Center for Advanced Studies in Applied Economics (Cepea), which belongs to ESALQUSP, together with the Confederation of Agriculture and Livestock of Brazil (CNA).

An excellent example of public policy is the work of the National Bank for Economic and Social Development (BNDES), which has a series of lines of credit for agribusiness cooperatives, which can be reached by presenting a project on how the cooperative will carry out the analysis, that is, the contribution of technical efficiency to the TFP was negative for Bolivia, Chile, Costa Rica, Dominican Republic, El Salvador, Honduras, Jamaica, Nicaragua and Trinidad and Tobago . Argentina, Brazil and Uruguay managed to maintain gains of scale throughout the analyzed period, but the whole group of countries, on average, maintained a negative allocative efficiency". (p.456).

management of amounts received. Depending on the objectives, there are different programs to which the project should be directed when proposed. Note -

Objective of the cooperative project to obtain credit		interest rate	maximum value	payment	deadline	How much of the project is funded
Adaptation to Climate Change and Low Carbon Emissions (ABC+)	Transform agribusiness, reforestation and crop-livestock-forest integration.	sustainable 7% pa - 8.5% pa	BRL 150 million	12 years with 8 years grace period	with 100%	

Rural credit	Investment in machinery and equipment for agribusiness	0.95% pa - 4.4% pa	-	Up to 15 years with 100% 3 years grace period
Prorenova	Implement or renovate sugar-producing cooperatives.	1.45% pa	BRL 20 million	84 months, with an 18-month grace period 80% - 100%
innovate	High technology focused on increasing productivity	10.5% pa	BRL 3.9 million	10 years with 3 years grace period 100%
moderator	Carry out industrialization, sustainable production of agricultural products, including animal protection and soil recovery projects	10.5% pa	BRL 2.64 million	10 years with 3 years grace period 100%
Moderfleet	Acquisition of tractors, harvesters, planters, among other equipment for coffee processing	12.5% pa	-	4-7 years with 14 months max . 85 grace period
Procap-Agro	Working capital for food production cooperatives.	11.5% pa	BRL 65 million	2 years with 6 months grace period -
Prodecoop	Incentives for cooperatives to modernize and become more competitive in the international market.	11.5% pa	BRL 150 million	10 years with 3 years grace period 90%
Warehouse Construction and Expansion Program (PCA)	For the construction or renovation of warehouses	7% pa - 8.5% pa	BRL 50 million	12 years with 3 years grace period 100%
Proirriga	Developing collaborative irrigation for the environment.	10.5%	BRL 9.9 million	10 years with 3 years grace period 100%

Prepared by the authors. Source: National Development Bank.

In addition to these lines of credit, the country has other cooperative and private financial institutions that grant financing to these entrepreneurs. In this study, it is also possible to note the lowest annual interest rate for financing the entire economic bloc in question.

According to the yearbook of the International Association of Cooperatives, another characteristic of the cooperative sector in Brazil is inter-cooperation.

By inter-cooperation is defined the business carried out whether partnerships, negotiations by two or more cooperatives of the same branch or different branches. In 2021, 38% of agricultural cooperatives did business with credit unions, 11% purchased products from work cooperatives, 13% used transport cooperatives and 20% used health plans from health cooperatives.

In Brazil, it is worth highlighting the success of cooperatives, and of the 100 largest companies in Brazilian agribusiness in 2021, 27 are cooperatives together with the OCB system.

C) Paraguay

It was possible to identify lines of credit, direct to the member, but not to the Cooperatives. Members of these associations or cooperatives are entitled to a limited individual line of credit promoted by CAH-Crédito Agrícola de Habitación .

	Objective of the cooperative project to obtain credit	interest rate	maximum value	payment term _	How much of the project is financed
petrocah Cane Producers	Sugar cane producers.	25% pa	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	4 years	100%
Cah- Mercadeo	Investment in machinery and equipment for agribusiness focused on logistics	18% pa	gs 5,000,000 Equivalent to US\$ 701.28	up to 6 months	100%
credit for Document (CDD)	Intended for whom exports	15%	Under review .	180 days to 1 year .	100%
procassava	For cassava growers	15%	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	1 year-4 years	100%
ProAgro Banana	For banana growers	15%	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	1 year - 4 years	100%
yvy Ñamombarete Hagua	For peasant family farming to produce sustainably and for the recovery of soils damaged by previous agricultural activities.	10%	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	1 year-3 years	100%
Sheep	For sheep producers . _	10%	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	5 years	100%
School Students _ Agricultural	For projects developed by agricultural schools.	14%	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	1 year-5 years .	100%

PyMES - Small Industries	For artisans, or micro- industries such as apiaries or canning producers for example.	18%	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	1 year-2.5 years	100%
Mbaretera	College graduates project with rural development, agrarian, productive, economic and social diversity with a focus on environmental sustainability.	10%	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	1 year-10 years	100%
tents community	Community banks offering microcredit in rural Paraguay.	18%	Values no informed .	4 months - 1 year	100%
Productive Investment	For the producer to invest in seeds, fertilizers and labor.	12%	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	7 years	100%
ProAgro	short project _ term .	18%	BRL 50,000,000.00 Equivalent to US\$ 7,013.79	1 year-5 years	100%
Entrepreneurial Youth (Youth Entrepreneur)	Stimulate projects developed by young people so that they do not need to migrate to bigger cities and stimulate creativity for regional development resolutions of future generations.	15%	G\$ 10,000,000.00 equivalent to US\$ 1,402.66	2 years	100%
Nepyrura	Develop courses and training on new techniques and technologies for AGRO. Courses up to 100 hours	15%	G\$ 10,000,000.00 equivalent to US\$ 1,402.66	2 years	100%
woman Entrepreneur	Develop financial freedom for women entrepreneurs who own or manage small or medium-sized farms. This line of credit seeks gender equity in Paraguay's agribusiness sector.	14%	25 Paraguayan minimum wages equivalent to US\$ 8,028.50	5 years	100%

Prepared by the authors. Minimum wage conversion in Paraguay from Paraguayan Guarani to US Dollars on Apr 20, 2023 US\$ 1 = Gs 7,128.81. Data from CAH- Credito Agrícola de Habilitación .

credit from the current government that

In Paraguay, it is possible to identify a considerable increase in the interest rate for financing compared to the Brazilian public policy system and a more modest credit availability compared to its Mercosur partner, Brazil. Paraguayan agribusiness is responsible for 26.5% of the National Gross Domestic Product.¹³

D) Uruguay

During the development of this research, a public policy with lines of invests in this profile of entrepreneurs was not identified. However, according to Inacoop (Instituto Nacional del Cooperativismo-Uruguay), in 2023 the Uruguayan government will provide Uruguayan cooperatives with 15 million Uruguayan pesos, equivalent to US\$ 384,825.00 at the exchange rate on April 20, 2023. will be made available according to the profit that the cooperatives achieved in 2021, a year in which there were still several restrictions related to the

¹³Data published by the Food and Agriculture Organization of the United Nations - <https://www.fao.org/>
Pandemic, both nationally and internationally.

In addition, agricultural cooperatives have lines of credit from private multinational banks, which could provide financing for these entrepreneurs. An example is Banco República, which analyzes the profile and needs of the client, and Banco BBVA, in Uruguay ¹⁴, which offers financing to Uruguayan ranchers who wish to invest in livestock. The loan is offered with a maximum repayment period of two years and the interest is denominated in dollars, that is, without fixed interest. In addition, the Bank has a complete line of financing for agribusiness, with specific financing for the acquisition of new technologies, new equipment, for the purchase and leasing of fields and for the purchase of inputs necessary for production.

Banco da República is another bank that offers export financing, working capital investments and, depending on the projects presented, fixed rates for loans to Uruguayan agribusiness entrepreneurs.

Agriculture is one of the main economic routes, the agricultural GDP reaches 12% ¹⁵, including the country's industrial sector is focused on serving the production of Uruguayan agribusiness.

Unfortunately, the country's production does not reach the same level as any of the Brazilian states, the state of Rio Grande do Sul for example has the same geographical extension as Uruguay and produces about 7 times more in the agricultural sector than the country, the

¹⁴<https://www.bbva.com.uy/empresas/productos/financiacion/agro>
country also maintained a retreat in the livestock sector since 2018.¹⁶

VI. Conclusion

Agricultural cooperatives in MERCOSUR member countries are capable of generating jobs and income for the most vulnerable people, preventing them from having to ask the State for help in meeting their basic needs. Brazil is the State that has reached the highest economic levels in the sector, even though it has suffered a retraction in the development of public policies for SSE.

It still remains to legally institute the prioritization of intra-zone marketing of products from agricultural cooperatives, in order to remedy the increase in hunger that has grown in recent years in the region, whether inputs or any other type of merchandise for consumption. It is urgent to set up a tax legal framework for the marketing of products from social solidarity companies.

In the academic environment of the four countries surveyed here, it is possible to register the alarming lack of research related to agricultural cooperatives in Mercosur. The paradoxical issues analyzed in this research endorse the reasons why this phenomenon occurs.

The positive effects that investment in this type of enterprise can cause a positive revolution and real strengthening of the region's economy, in an inclusive and sustainable way.

It is imperative to emphasize that the greatest obstacles are the political

¹⁵Moder Intelligence

¹⁶Food and Agriculture Organization of the United Nations.

dualism that is disturbing the region, but it is legitimate, as it comes from democratic governance. As it was possible to show in a period of thirty years the 4 countries insist on changing public policies in general and this ends up producing an oscillation in the economy, and in the expansion and consolidation of these cooperatives of this economic bloc, this in turn should be protected by a specific legal framework.

Another point is the high turnover of the presidency of the economic bloc, which is a period of six months and is at the mercy of the political bias of each president in office, thus forming, during all these years, some chronic deficiencies in the efficiency of the development of the social solidarity economy, which despite the setbacks is able to overcome and self-regulate the economic maladjustments of the region.

On the other hand, the research identified that countries such as Argentina and Brazil, which have a financial system with a greater variety of credit lines for cooperatives and cooperative members, have better results and positive returns in the economy.

State support for agricultural cooperatives, due to their great contribution and social and economic importance, must be legally institutionalized, and not treated as government policy, so that these economic initiatives are protected by the force of law, and are not made vulnerable at every turn. change of government mandate in Mercosur member countries, as well as in the months in which they preside over this economic bloc.

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