# The Marxist

Volume XXII, No. 2-3 April-September 2006

# LAND REFORM IN VENEZUELA

A war has been declared in the Venezuelan countryside, a war against the latifundia.

Venezuela is the only country in Latin America in which an agrarian reform process supported by the national government is currently under way. The movement to abolish huge unproductive private estates is one part of this reform; agrarian reform policy also includes the objectives of changing systems of land and water use in order to achieve all-round food self-sufficiency and the promotion of "sustainable agriculture as the strategic basis of overall rural development." New institutions have been created nationally to administer agrarian transition, to transfer technology, provide technical education and vocational training, and to build physical and social infrastructure. A foundational feature of current policy is the creation of new forms – "associative forms," mainly cooperative organisations – of land ownership and tenure.

Venezuela is a country of extraordinary agro-ecological diversity, one whose landscape is perhaps the most varied in Latin America. It is endowed with rainforest, grasslands, Andean highlands, river valleys and a glistening Caribbean coast. There are vast tracts suitable for the cultivation of rice, maize, other cereals, and a diversity of tropical crops.

At the same time, if there is a theme to the economic history of the Venezuelan countryside prior to the land reform, it is one of unachieved potential. Venezuela is the only country in Latin America that is a net importer of agricultural products, and the share of agriculture in GDP, 6 per cent, is the lowest in Latin America.<sup>2</sup>

### AGRARIAN RELATIONS: THE BACKGROUND

The exploitation of petroleum began in the early part of the 20th century, and as Venezuela became, by the 1930s, the world's largest exporter of petroleum, the part played by agriculture and land in the economy declined steeply.<sup>3</sup> In 1935, 60 per cent of the work force was in agriculture, and the share of agriculture in GDP was 20 per cent. By 1960, only 35 per cent of the population was rural, a share that fell to 12 per cent by 2000.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> Constitution of the Bolivarian Republic of Venezuela, Article 305.

<sup>&</sup>lt;sup>2</sup> Wilpert (2005); see also Martin (2005).

<sup>&</sup>lt;sup>3</sup> Wilpert (2005), GE (n.d.).

<sup>&</sup>lt;sup>4</sup> Wilpert (2005); see also GE (n.d.), and DeLong (2005).

The rise to predominance of petroleum in the economy devalued agriculture; it was also a period of increasing concentration of the ownership of land. In 1937, of all land owners, 4.8 per cent owned haciendas of 1000 acres or more; these covered 88.8 per cent of all agricultural land. Farmers with 10 hectares or less of farmland constituted 57.7 per cent of all landowners and their holdings constituted only 0.7 per cent of the total extent of farm land. By 1998, while the place of agriculture in the economy declined, the concentration of ownership in the hands of a few remained the basic feature of the distribution of land ownership in Venezuela. At an agricultural census in 1998, it was found that 60 per cent of farm land was owned by less than one per cent of the population.<sup>6</sup> The five per cent of landowners who controlled the largest land holdings controlled more than 75 per cent of all landholdings in the countryside while the 75 per cent of land owners who controlled the smallest land holdings covered about 5 per cent of all farm land.

In many cases, land was acquired by seizure or illegal appropriation. The journalist and writer on Venezuelan affairs Gregory Wilpert writes that "one of the most notorious dictators in this regard was Juan Vicente Gomez (1908-1935) who simply appropriated tremendous amounts of land as his personal property." Persons close to state power and the very rich appropriated the land, one example being "former Venezuelan President Carlos Andres Perez, driven from office for corruption, who is....said to own over 60,000 hectares through third parties throughout the country, the vast majority of it idle."

Such owners appropriated land not to ensure agricultural wealth or enhance production, but to gain social power, prestige and status.<sup>9</sup>

There are also big landowners who are not Venezuelan. The most well-known case is the ranch known as El Charcote in Cojedes State, run by Agroflora, which in turn is owned by the Vestey Group of the United Kingdom. Lord Vestey's company, which has agriculture and livestock interests in Brazil and Argentina as well, owns over 10 ranches in Venezuela, including the San Pablo Paeno ranch, which extends over 18,803 hectares. Danish expatriates claimed ownership over 1,154 hectares in Yaracuy State, over land that was originally community property of local Afro-American groups. Another example is that of the batistianos, rich people from Cuba who fled the island when the Revolution overthrew the dictatorship of Fulgencio Batista in 1959.

<sup>&</sup>lt;sup>5</sup> Data cited in Wilpert (2005).

<sup>&</sup>lt;sup>6</sup> See Martin (2005), Fuentes (2005), DeLong (2005), and Wilpert (2005).

<sup>&</sup>lt;sup>7</sup> Wilpert (2005).

<sup>&</sup>lt;sup>8</sup> Wilpert (2003, 2005).

<sup>&</sup>lt;sup>9</sup> Wilpert, pers. comm.

<sup>&</sup>lt;sup>10</sup> See, for instance, Lemoine (2003), Martin (2005), Woods (2005), and Hill (2005).

<sup>&</sup>lt;sup>11</sup> Fox (2006). These have been focal points of land reform activism; see below.

<sup>&</sup>lt;sup>12</sup> Interviews in Yaracuy; see also Malapanis (2004).

Maurice Lemoine, a writer in *Le Monde Diplomatique*, wrote vividly in 2003 of the countryside that is "ten minutes drive from San Carlos," the capital of Cojedes State. He wrote both of the vastness of the latifundia and of the underutilisation of the land.

Behind countless lines of barbed wire lie the 20,000 hectares of *hatos* (cattle-farms) belonging to the Boulton family, one of the richest in the country. Then come the 14,000 hectares of Hato El Charcote, property of Flora Compania Anonima. A few dozen young bulls graze this land, lost in its immensity. Beyond that the Branger family's estate covers a massive 120,000 hectares of El Pao municipality. And beyond that other *terratenientes* (landowners) estates, domains of 80,000 hectares here, 30,000 hectares there, often with as few as three or four hectares actually being used. <sup>13</sup>

The fact that much land was appropriated through direct seizure and with no further sanction than the power of the expropriator poses immense problems for the land reform authority today. Claims by big landowners are not supported by formal documents conferring legal ownership. Latifundia are often the fruit of land-grab operations, not of the formal acquisition of legal title.<sup>14</sup>

Although land ownership remained concentrated in the hands of a few, agrarian relations did not remain static. Wilpert points to three features of the agrarian scene.<sup>15</sup> First, a market for land developed, particularly among large owners. Secondly, the decline in production was accompanied by evictions from the land of small tenants and the poor, adding to the general shift of the population towards urban areas. Thirdly, land ownership (and control) began to vest not only in individuals, but in companies as well.

In Venezuela, the government after 1999 describes the nation as a Bolivarian Republic, after the 19<sup>th</sup> century liberator and freedom fighter Simon Bolivar. Its supporters see the task of government and state as taking power from the *oligarchy* or ruling class alliance of big capitalists (including the local allies and collaborators of international capital), bank owners and big landowners.

Big landowners are an integral part of the oligarchy in Venezuela. Although some sections of landowners do produce for the market, it is clear that, in general, the class of big landowners represents the most parasitical aspects of the oligarchy. Big landlords successfully resisted the first attempt – or gesture – at land reform of the 1960s. By 1998, in fact, 90 per cent of the farm land given to the poor as part of the land reform had gone back to big landholders. Big landlordism has been the prime obstacle to the growth of productive forces in the countryside and to the application of science and technology for the

<sup>&</sup>lt;sup>13</sup> Lemoine (2003).

<sup>&</sup>lt;sup>14</sup> See, in this context, Martin (2005), and Wilpert (2005).

<sup>&</sup>lt;sup>15</sup> Wilpert (2005)

<sup>&</sup>lt;sup>16</sup> Braulio Alvarez, interview; see also Martin (2005), and Woods (2005).

<sup>&</sup>lt;sup>17</sup> Martin (2005) and Wilpert (2005).

development of agriculture and allied activities. Big landlordism has kept the food and agriculture economy dependent on imports. The position of this class in state structure, however, is such that its reaction to land reform and the threat of dispossession has been, as we shall see, ferocious.

# LEGISLATION AND POLICY

After 1998, the Venezuelan government has worked to establish a statutory and institutional framework for the implementation of land reform and a new agrarian system.

The first major effort at declaring a new policy with respect to agrarian relations and problems of the countryside in the socio-economic system was in the Constitution. 18 The 1999 Constitution of the Bolivarian Republic of Venezuela, to give it its full name, is a document that combines articles that are directly justiciable with policy guidelines (or directive principles) and a statement of a vision for the future of Venezuelan society.

Title VI of the Constitution deals with the socio-economic system; Chapter 1 within that deals with the "Socio-Economic Order and the Function of the State in the Economy." As the title suggests, this chapter lays down a framework for the socioeconomic system. The Constitution envisages the establishment, through different forms of public action and "private initiative," an economic system that promotes income growth, the living standards of the people, a participatory planning process and national sovereignty:

The State, jointly with private initiative, shall promote the harmonious development of the national economy, to the end of generating sources of employment, a high rate of domestic added value, raising the standard of living of the population and strengthen the economical sovereignty of the country, guaranteeing the reliability of the law; the solid, dynamic, sustainable, continuing and equitable growth of the economy to ensure a just distribution of wealth through participatory democratic strategic planning with open consultation.

With respect to the land, the Constitution puts forward a series of policy principles in Articles 304 to 307. First, the state is to promote sustainable agriculture as "the strategic basis of overall rural development." Secondly, the state is to guarantee food security, defined in terms of supply and actual access to food, based on national self-sufficiency in crop production and animal resources (including fisheries and aquaculture). Thirdly, in order to achieve the objective of a sustainable self-sufficient agriculture, the Constitution says that the state shall promote "financial and commercial" measures and interventions with respect to technology transfer, land tenure, infrastructure and training. Fourthly, the state is to promote conditions for employment generation and the well-being of the people. Fifthly, in consideration of the special problems of incomes and costs in agriculture in the contemporary period, the state is to "compensate for

<sup>&</sup>lt;sup>18</sup> Wilpert (2005).

the disadvantages inherent in agricultural activity." The Constitution specific state protection of communities of industrialised fisherfolk. Sixthly, the Constitution deals institutional change in the countryside. It declares that the "predominance of large estates is contrary to the interests of society," and that attempts will be made to convert them to "productive" economic units." While farmers and others are allowed to own land, the state will encourage "associative forms" of property along with private forms. Seventhly, a very important feature of the Constitution is that it effectively declares the water resources of Venezuela to be nationalised: "All waters are property in the nation's public domain, essential to life and development" (Article 304). Lastly, the state is to promote rational land use.

The basic legislation on agrarian reform, the Law on Land and Agrarian Development, was passed by decree in November 2001, and came fully into force in December 2002. 19 The main features of the Act were that it provided for a land ceiling, for a tax on land not in current use, and for the distribution of land to the poor.<sup>20</sup> Even before the Law had passed fully into effect, the Supreme Court, which had a reactionary majority, struck down two articles of the law. Articles 89 and 90 provided, respectively, for the pre-emptive occupation of latifundia by the peasants, and for the right of government not to compensate landholders and latifundists for investments made by them on land that they had grabbed illegally.<sup>21</sup> In 2005, the government amended the law to overcome the annulments of the Supreme Court. The method was to legalise pre-emptive occupation by issuing the peasant occupiers with cartas agrarias, certificates that do not grant ownership, but rights of usufruct - that is, to use the land and gain income from it - until such time as the legal disputes over ownership are settled.<sup>22</sup>

There have also been changes to the land ceiling. From an initial ceiling of 5,000 hectares for low quality land and 100 hectares for high quality land, the state has created a more graded system based on the quality of land, with the ceiling on high quality land being 50 hectares.<sup>23</sup>

#### **NEW INSTITUTIONS**

The new process of agrarian change has demanded the creation of a new administrative structure, one in which new institutions have been

<sup>&</sup>lt;sup>19</sup> Wilpert (2005), GE (n.d.), Fuentes (2005), and Woods (2005).

<sup>&</sup>lt;sup>20</sup> GE (n.d.); see also Wilpert (2005) and DeLong (2005).

<sup>&</sup>lt;sup>21</sup> Lemoine (2005) and Wilpert (2005). In this context, Wilpert notes: "As a point of comparison, it worth noting that *ocupación previa* is the principle tactic used by the Landless Workers' Movement (MST) in their relatively successful "land reform from below" in Brazil. To prohibit *ocupación previa*, then, is to seriously weaken the peasant movement on land reform issues."

<sup>&</sup>lt;sup>22</sup> Interviews with INTI officials; see also Wilpert (2005), GE (n.d.), Fuentes (2005), and Woods (2005).

<sup>&</sup>lt;sup>23</sup> Interviews with INTI officials; see also Wilpert (2005), GE (n.d.), and Raby (2004).

created and existing institutions reoriented to new tasks of land reform.

Three organisations under the Ministry of Agriculture and the Land (the Spanish acronym is MAT) are at the core of the actual process of land reform and agricultural transformation.<sup>24</sup> The National Land Institute (INTI) is the key institution in respect of the implementation of land reform. Its task is to identify, administer and regulate landed property and to distribute land. INTI has a legal institute within it. The National Institute of Rural Development (INDER) is in charge of the structure and pattern of agricultural production. The Venezuelan Agrarian Corporation in charge of agriculture exchange, sales and marketing; it is responsible for the "whole chain from field to market."

In addition to the Ministry of Agriculture and the Land, the Ministry of the People's Economy (MINEP), the Ministry for Food, and the Ministry for Science and Technology (MCyT) are involved in different ways in the overall process of agrarian reform and rural development (see diagram).<sup>25</sup>

<sup>&</sup>lt;sup>24</sup> Richard Vivas, interview.

<sup>&</sup>lt;sup>25</sup> I am grateful to Cristina Stredel for the draft diagram.

# VENEZUELA: INSTITUTIONS ASSOCIATED WITH THE LAND REFORM PROCESS

MINISTRY OF AGRICULTURE AND LAND

National Land Institute (INTI)

Institute for Rural Development (INDER)

Venezuelan Agrarian Corporation (CVA)

Fund for Development, Agriculture, Fisheries, Forestry, and Related Purposes (FONDAFA) MINISTRY OF THE PEOPLE'S ECONOMY

National Institute for Educational Cooperation (INCE)

Foundation for Training and Applied Research in Agrarian Reform

The Bank for Women

The People's Bank

MINISTRY OF FOOD

MERCAL fair-price stores

MINISTRY FOR SCIENCE AND TECHNOLOGY

National Institute for Agricultural Investigation (INIA)

### THE PROGRESS OF IMPLEMENTATION

After the Land Law was passed, the initial progress of land reform was slow because the process required a new infrastructure, as Gregory Wilpert notes.<sup>26</sup> The pace of land reform picked up in 2003 and 2004. From its beginning through 2004, however, the reform involved the distribution only of state-owned land; it was not until 2005 that the land reform turned to private land.<sup>27</sup>

The most authoritative statement of the progress of land reform in terms of land distributed and the number of beneficiary households that I have is from an interview on March 31, 2006, directly with Richard Vivas, then President of the National Land Institute. He estimated the total extent of arable land in Venezuela at 30 million hectares, of which 19 million were under the control of INTI or owned by the state. Private land holdings, including latifundia, covered 11 million hectares. Vivas estimated that about 10 million hectares of the total were under dispute. Carta agrarias or rights of ownership had been conferred with respect to about 4 million hectares, and the number of families that were beneficiaries of the land reform was estimated at 126,000.

Large transfers have taken place this year. A recent news item (dated August 16, 2006) reports that INTI's new President, Juan Carlos Loyo, said that, in 2006, INTI had "rescued 62 estates for a total of 534,000 hectares."28 Two high-profile transfers this year were of estates controlled by the British company Agroflora, owned by the Vestey group, and estates belonging to Spanish owners. By an agreement of March 2006, the Venezuelan government will pay Vestey US\$ 4.2 million for El Charcote, a 13,000 hectare farm, and will take over the San Pablo Paeno farm (18,803 hectares) in Apure state without payment.<sup>29</sup> The government agreed to pay another US\$ 2.5 million for cattle in San Pablo Paeno, where according to a report, "officials want to start an agricultural training school."30 Agroflora, Vestey's meatproducing subsidiary, claims that the farms were valued at US\$11.6 million.<sup>31</sup> Richard Vivas of the National Land Institute said at the time that the government would continue to examine Vestey's property and its claims to other estates in Venezuela.<sup>32</sup> In his weekly television show "Alo Presidente," President Chavez said of the transfer: "we are recuperating land for Venezuelans, who have started to be owners of their land and are recovering their dignity."33

<sup>&</sup>lt;sup>26</sup> Wilpert (2005).

<sup>&</sup>lt;sup>27</sup> Wilpert (2005), GE (n.d.), Fuentes (2005), and DeLong (2005).

<sup>&</sup>lt;sup>28</sup> El Universal (2006a)

<sup>&</sup>lt;sup>29</sup> Markey (2006), and venezuelanalysis.com (2006a)

<sup>&</sup>lt;sup>30</sup> Markey (2006)

<sup>&</sup>lt;sup>31</sup> Markey (2006)and Reuters, cited in venezuelanalysis.com (2006a)

<sup>&</sup>lt;sup>32</sup> Markey (2006)

<sup>33</sup> venezuelanalysis.com (2006a)

In May 2006, Venezuela agreed to pay US\$3.16 million to 12 Spanish landholders for 1,154 hectares of land in fertile Yaracuy.<sup>34</sup>

It was of symbolic significance that in August 2006, President Chavez resumed his radio and television show after a gap of 2 months at La Vergarena estate in Bolivar state. He called La Vergarena "the largest estate in Venezuela (187,000 hectares), which has now become a socialist development and production core." <sup>35</sup>

# THE IMPLEMENTATION OF LAND REFORM: IMPRESSIONS FROM YARACUY

Yaracuy is a state that saw what were among the strongest struggles for land in Venezuela.<sup>36</sup> The agrarian movement here, I was told, has historical resonances; there has been active struggle for more than 40 years. I met the Mayor of Veroes, Santos Aguilar, and his team of land reform administrators and activists.<sup>37</sup> "Los Canizos was where the struggle exploded," the activists said, "but struggles took place all over the State." The earlier movements for land reform "were drowned, because although we took the land, we had no support in the form of credit or investment funds."

The representatives of INTI took me to a farm that had been grabbed by latifundists in the 1940s. The farm has now been taken over by a group of 13 cooperatives, members of one of which, the Bella Vista cooperative, I met on the farm. The farm itself extends over 1,086 hectares, of which some 116 hectares are flat land, now cultivated.

Victor Ortiz, a member of the Bella Vista cooperative and his colleagues described their experiences.

We came on July 5, 2005, armed with decree No. 090 of the local government. For many years we and our parents have belonged to a Committee to take control over the land, armed with the knowledge that this was not private land. The government of the time, however, did not help us resume the land.

The land was controlled by the Asceta family, *batistianos* who later sold the land to Alfonso Pucci. They cut timber from the heights, they stole the wood.

Hugo Chavez was here in 1998. "Help me become President," he said, "and I'll help you get the land back."  $\,$ 

The annulment of Articles 89 and 90 of the Land Law set the movement back. "The Supreme Court tried to subvert the law," a young man named Xavier said, echoing the statement of the head of INTI, Richard Vivas, who said, "capitalists can still buy justice."

In practice, the National Land Institute implements the Land Law in different stages.<sup>38</sup> First, it examines large farms to evaluate the status

<sup>35</sup> El Universal (2006b)

<sup>&</sup>lt;sup>34</sup> Fox (2006)

<sup>&</sup>lt;sup>36</sup> See Lemoine (2003), and Malapanis (2004).

<sup>&</sup>lt;sup>37</sup> I was briefed by the Mayor, Laura Laurenzo, Walterio Lanz, Ricardo Miranda and Juan Maya.

This account was given to me by the Director of International Relations at the Ministry of Agriculture and Land.

of property rights, tenure and productivity. Then it checks the physical infrastructure: roads, electricity and energy, irrigation works, and so on. Thirdly, it conducts programmes of "socio-economic and technical capacity-building" among campesinos who are cooperatives. Training schools, at which participants are paid scholarships of the equivalent of USD 150 a month, are held by the Ministry of Agriculture and Land, INTI and the Ministry of Popular Economy. The Mission Zamora motivates campesinos to form cooperatives. When a cooperative is formed, sometimes its members will know which land will be assigned to them, sometimes they will not. Back in Yaracuy, the movement picked up yet again, and in 2004, some 275 persons who later formed the 13 cooperatives that took over the farm received training. Milagro Cortez, an instructor at the training school, has a first degree from an agricultural college. She describes the school as one that trains people to form cooperatives and return to the land to cultivate it. The participants in the course each received a scholarship of 186,000 bolivares a month during the course.

The activists continue their description of the occupation:

We finished the training course on March 30, 2005, and were looking for a method of occupying the land. July 5 is Independence Day. We gathered in the Plaza dedicated to Simon Bolivar in the town square of Urachiche from 8 a.m. to 10 a.m., and then we marched to the farm, pushed in the gate and came in.

We are speaking in a 20'x30' palm leaf and wood *pandal* near the cultivated part of the farm. This is an area of much scenic beauty: we have the fields beside us and, further beyond, rolling plains, green hills, waterways and green pasture.

The police were already here, and so were the National Guard. One commander held a hunting gun (*pajiza*). When he cocked his gun, the people approached with machetes.

How is it that there were police and the National Guard when it is our government, you ask? Well, we are still asking that question ourselves. We arrived at the farm at 11 a.m. We were 154 persons and had organised ourselves into three brigades. One group was to check the farm building to look for arms, one to watch and restrain the owner's employees, one to keep watch outside.

From 11 a.m. to 8 p.m. it was a back-and-forth confrontation, extremely tense. The tensest moment came when Commander O cocked his *pajiza*. At that time JA, who is in our group, took his machete and told the Commander, "If you shoot him, I'll take your head off."

The confrontation came to an end at about 8 p.m.

At about 7 p.m. at night, the farm employees left. At 8 p.m. the land-robber felt alone. He said to the people, "Tell the government to get the papers to the land," and then he left.

The very next morning we began to organise the farm. There was no cooking yet, but the Municipal authorities brought us cooked food to eat.

What was it like that day of the occupation, I ask Nico Mendes, a woman worker of the cooperative. "Perhaps I felt a little scared when it

began," Nico said after some thought. "But when the time came, I behaved like a warrior." What was it like that day of the occupation, I ask Nevda, another woman worker.

I was here all day long. I was with my 35-year old daughter (I am 48). When the order was given to go inside, I did – I jumped over the fence. And from then on I never took a single step backwards.

The workers, who lived mainly in *barrios* nearby, established a transition camp on the land. They now live in huts, and plan to build permanent homes, so that all can stay on the farm. The cooperatives do not own the farm. Cartas agrarias have been issued to the cooperatives, thus giving them rights of occupancy and use.

In order to buttress his false claim, the landlord had planted sugarcane years before, leaving the plants untended and uncut. A damaged tractor lay on the farm. The *lanceros* (workers of the cooperatives) collected money, repaired the tractor and ploughed the land.

By September 2005, 60 hectares of the 116 hectares of flat land had been planted. "What did you grow on those 60 hectares," I ask, and the question provokes a fierce debate over what the cropping pattern was in that heady September of 2005. When the dust settles down, the consensus that emerges is as follows:

Black beans 7 hectares White maize 10 hectares Pigeonpea 5 hectares

Tomato 4 hectares
Green bellpepper 3 hectares
Yellow bellpepper 9 hectares

Cucumber5 hectaresOnion1 hectareWatermelon3 hectaresYam3 hectaresYucca1 hectare

Plus cilantro, ravano, gourds and plantain along the field boundary.

Between September 2005 and March 29 (the day on which I visited the farm), 95 per cent of the 116 hectares had been used at least once and 60 hectares had been planted twice.

Once a carta agraria is granted to a cooperative, said Pablo Mendoza, Director of INTI's legal division, production decisions cease to be taken individually.<sup>39</sup> At the farm I visited in Yaracuy, where cooperative-based production is in its first year, decisions on cropping pattern are taken by a meeting of representatives of the cooperatives, one attended by technicians as well. Decisions about the farm as a whole are taken at a meeting of 266 *lanceros* (the quorum is 134). Workers are paid on the basis of labour points.

Cooperatives have a ceiling on the number of members, the size of the cooperative being determined by the kind of project undertaken.<sup>40</sup> A

<sup>&</sup>lt;sup>39</sup> Interview with Pablo Mendoza, head of INTI's legal division.

<sup>&</sup>lt;sup>40</sup> Interview with Pablo Mendoza, head of INTI's legal division.

new cooperative cannot be formed within the same carta agraria. Fresh membership has to be approved by members of the cooperative (membership is not heritable). When I asked if, when a farm gained higher incomes, it could expand to take in more members or cooperatives, Pablo Mendoza and his assistant smiled, and Mendoza said: "The law permits it, but it is unlikely that the members will want to expand the number of cooperatives on a farm when farm income expands."

In designing a legal framework and rules for cooperatives, the authorities in Venezuela are studying the example of Spanish cooperatives, particularly vineyard cooperatives, closely.<sup>41</sup>

The central organisers and leaders of the agrarian movement who I met stressed the role of the cooperative in the new system, and both the need to inculcate the cooperative spirit and the need for technical expertise – the need to be Red and expert, to use the language of the Chinese experience. Richard Vivas, then Director of INTI, spoke of the movement to "socialise the land" in Venezuela. He referred also to the Mexican experience with the *ejido*: "It was a good thing when created, but people lost the original spirit." The movement for collective production has to go deep, he said, for "we have to make the revolution in the land." The Director of INTI's legal cell said that "the cooperative has to understand technical management, or else there will be a catastrophe." Technical knowledge of crop culture is still low among cooperative members, he said, a gap that must be made good by state-sponsored education and training.

# THE CLASS ENEMY IN THE COUNTRYSIDE

Land reform is a weapon aimed at the heart of the oligarchy, and from the inception of the new land programme, land owners, capitalists and their supporters in the national and international media have organised against the threat of agrarian change.<sup>42</sup> Equally, Venezuela's land reform efforts have received solidarity from organisations of rural working people, especially in Latin America.<sup>43</sup>

From its inception, the land reform law was attacked by landowners' and cattleowners' organisations, by the corrupt right-wing trade union federation and by Fedecameras, the organisation of employers, as unconstitutional and violative of the "fundamental right to property." Robbers of the land themselves, they have had no qualms about describing the distribution of land and its conversion to productive use as illegal.

As soon as the legislation was passed, the head of the employers' federation tore up a copy of it in public. The act was telecast on all

<sup>&</sup>lt;sup>41</sup> Interview with Pablo Mendoza, head of INTI's legal division.

<sup>&</sup>lt;sup>42</sup> See, for example, Lemoine (2003), and Martin (2005).

<sup>&</sup>lt;sup>43</sup> See, for example, Deronne (2003).

<sup>&</sup>lt;sup>44</sup> See, for example, Woods (2005), Fuentes (2005), Lindsay (2003), and Lemoine (2003)

private television stations, an indication of how seriously the ruling class took land reform as a threat to its position. During the short-lived coup of 2003, the Land Law was one of the first pieces of legislation that the illegal government claimed to annul.<sup>45</sup>

The major private newspapers and television stations have been, unsurprisingly, bitter opponents of programmes whose objectives are social progress and the advancement of the people's sovereignty. Their campaign against agrarian change has been joined by the international media, including the *New York Times, Christian Science Monitor, The Economist, Financial Times* and *Reuters.* <sup>46</sup> The judiciary, as we have seen, attempted to subvert the land reform by declaring key articles of legislation illegal. And despite the establishment of land reform as state policy, mercenary elements in the administration, police and National Guard have continued to defend not the revolution, but the counter-revolution. <sup>47</sup>

The fiercest aspect of landlord reaction is direct and murderous physical attack. Hired assassins, called *sicarios*, have attacked leaders and cadres, attacking individual victims as well as groups of campesinos with their families. Gregory Wilpert describes an example:

In August 2002, in a small town in northern Venezuela, a man wearing a ski mask drove up to Pedro Doria, a respected surgeon and leader of the local land committee, called his name and, as Doria turned, shot him five times. The committee Doria led was in the process of claiming title to idle lands south of Lake Maracaibo which, according to government records, belonged to the state and could thus be legally transferred to the fifty peasant families that had applied for ownership. However, a local *latifundista* also claimed title to the property, and on several occasions had refused to let Doria and government representatives inspect it. It is common knowledge in the region that this landowner is a close friend of former Venezuelan president Carlos Andrés Pérez...

Doria was not the first peasant leader to be targeted by professional killers or paramilitaries.<sup>48</sup>

The example can be multiplied many times.

"This is the culmination of a long history of peasant struggle, beginning with native American resistance to the atrocities of the Spanish colonial power," Braulio Alvarez, a Deputy in the National Assembly and Vice President of the Permanent Commission on Economic Development, said in a conversation on March 31, 2006.<sup>49</sup> Alvarez himself is the leader of the peasant movement in Yaracuy, and when I met him, had been a victim of attacks and an assassination attempt by landlords' henchmen and hired killers. Alvarez is also a member of a

<sup>&</sup>lt;sup>45</sup> Fuentes (2005) and Lemoine (2005).

<sup>&</sup>lt;sup>46</sup> For examples, see Lemoine (2003), Martin (2005), DeLong (2005), Woods (2005), and Fuentes (2005).

<sup>&</sup>lt;sup>47</sup> See, for example, Wilpert (2003, 2005), Woods (2005), GE (n.d.), Raby (2004), and Martin (2005).

<sup>&</sup>lt;sup>48</sup> Wilpert (2003).

<sup>&</sup>lt;sup>49</sup> See also Fuentes (2005), Wilpert (2005), and GE (n.d.)

special committee of the National Assembly to investigate atrocities by the security forces in Venezuela in the 1960s and 1970s.<sup>50</sup>

Land reform is a process of giving sovereignty back to the people, Alvarez said, and Venezuela has been able in three years to complete the tasks of 50 years. Progress has been difficult, and the attacks have been ferocious: "We believe that in this phase of land reform (that is, since 1999), there have been killings of about 300 campesinos, of which more that 150 killings have been confirmed." 51

Less than four months after that conversation, Braulio Alvarez "came under a hail of bullets" while driving his car in his native Yaracuy.<sup>52</sup> He escaped alive. The Ezequiel Zamora National Peasant Front (FNCEZ) also released news of the killing, two days before the attempt on Alvarez, of six members of a family in Apure, allegedly by a soldier, "who not only riddled them with bullets but also set fire to the bodies."<sup>53</sup>

This second attempt in two years to kill Alvarez was recognised widely as part of the oligarchy's counter-attack. Venezuela's Minister for Information and Communication condemned the attack on Alvarez as "part of the strategies of internal elements that use hired killers to eliminate social leaders especially agrarian leaders." <sup>54</sup>

The official answer to the assassination attempt was more land reform. The Minister for Agriculture and Land ordered that land recovery be speeded up in response to the murder attempt: "Each act of terrorism will be met with more revolution." <sup>55</sup>

In his radio and television programme, President Chavez himself hit out against the hired killers and their collaborators. He attacked the failure of the state to protect "peasant leaders trying to eradicate large estates who have been the targets of hired assassins," and gave harsh notice to corrupt elements in the police and to people in the administration in collusion with large landowners.<sup>56</sup>

The Venezuelan Government has now decided to establish a US\$10 million compensation fund for the families of campesinos who have been murdered in the course of class struggle in the countryside.<sup>57</sup>

## MAIN PRINCIPLES OF AGRARIAN REFORM

We can now summarise the main principles of agrarian reform in contemporary Venezuela.

• The destruction of latifundia. An agrarian system based on huge unproductive tracts has been an important component part of

<sup>50</sup> O'Donoghue (2006f)

<sup>&</sup>lt;sup>51</sup> Interview with Braulio Alvarez. On this subject, see also Wilpert (2005), Fuentes (2005), Lindsay (2003), Lemoine (2003), and Gindin (2005).

<sup>&</sup>lt;sup>52</sup> O'Donoghue (2006f)

<sup>&</sup>lt;sup>53</sup> O'Donoghue (2006f)

<sup>&</sup>lt;sup>54</sup> O'Donoghue (2006f)

<sup>&</sup>lt;sup>55</sup> O'Donoghue (2006f)

<sup>&</sup>lt;sup>56</sup> El Universal (2006b)

<sup>&</sup>lt;sup>57</sup> venezuelanalysis.com (2006b).

the class rule of the oligarchy, and neither a new agricultural system nor a new state structure can be built without an end to the system of huge unproductive estates.<sup>58</sup> The termed used quite unequivocally in Venezuela is "the war on latifundia." Fundamental to the Venezuelan land reform, at the same time, is the principle of *compensation to landowners* for the land that the government acquires.

- Redistribution of land and the establishment of cooperative organisations. The new system of land is to be based on private and associative forms of ownership. In practice, the state seeks to distribute the land under its control to cooperatives that have been formed through state-sponsored Missions. "Our vision is the destruction of the latifundia and to maximise collective production," Richard Vivas, then head of Venezuela's National Land Institute, told me. "When we recover land, we give it to the cooperatives." In a conversation on March 27, Braulio Alvarez said, "There were 850 cooperatives in Venezuela in 1999, and there are 56,000 registered cooperatives at present. Of them, 35 to 40 per cent are related to agriculture, that is, to agricultural production."
- Production is the prime criterion for establishing ownership.
   Where land has, historically, been occupied and acquired illegally

   by means, in fact of robbery neither title nor possession constitutes valid confirmation of an ownership right. Production, rather than possession or title, is now required to establish ownership. "What is ownership was a matter of legal dispute," Vivas said. "Some people believed that if you construct a fence, you own the land within it." He continued: "Only those who work the land can own it; the earlier disputes, by contrast, were over the fence around the land."
- The primary objective of agricultural policy is national food self-sufficiency. The gap between Venezuela's agricultural potential and present reality is nowhere illustrated as starkly as in its utter dependence on imports to feed its population. An important objective of agrarian policy is the establishment of food self-sufficiency, which refers here not merely to the adequate domestic production of cereals, but includes the output of agriculture, livestock, and fisheries.<sup>60</sup> This objective of food self-sufficiency is related to the achievement of the objective of national sovereignty.<sup>61</sup>

<sup>&</sup>lt;sup>58</sup> See Wilpert (2005), and Fuentes (2005) on President Chavez's comments on resuming latifundia.

<sup>&</sup>lt;sup>59</sup> See also Fuentes (2005).

<sup>&</sup>lt;sup>60</sup> See, in this context, Lindsay (2003), DeLong (2005), and Wilpert (2005).

<sup>&</sup>lt;sup>61</sup> See also Malapanis (2004) on the demand for a domestic food-processing industry, and Raby (2004) on the potential for the production of sugar.

- Environmental sustainability. If asked to summarise agrarian
  policy in terms of three main objectives, leaders and activists of
  the agrarian movement will say: "The destruction of latifundia,
  self-sufficiency and the protection of the environment." It will be
  interesting to see how this objective is achieved in practice.
- Return to the countryside. The Venezuelan government sees land reform not only as a means to slow down rural-urban migration, but also actually to reverse it. In March 2003, President Chavez inaugurated a programme called Vuelta al Campo ("Back to the Countryside") whose goal "is to facilitate a return to the countryside where with access to land and credit people can begin to grow food." It is an interesting phenomenon that the members of cooperative who receive land are often not peasants at all, but are people who have returned to the countryside from small towns and larger urban locations.
- Like China, Venezuela takes land use policy seriously. The new agrarian law classifies land by broad use categories and grades within these categories. Broad guidelines on land use are laid down, and penalties are to be imposed on land that is, for instance, classified as crop land but used for pasture. Land is still being classified. Pablo Mendoza, the head of the legal division of the National Land Institute, told me that land evaluation studies had gone on for three years, and were likely to go on for three years more before the whole country is covered.
- Indigenous peoples' rights. This is a special aspect of agrarian reform, and the Director of the legal consultancy section of the National Land Institute said that "measures must always be taken to protect the rights of the indigenous people, including when their land falls within a newly-created farm." 63
- Agrarian reform can only be sustained by state-supported services and investment. The Venezuelan agrarian reform envisages the creation of a rich, sustainable and self-sufficient agricultural system. Such change is not possible if the working people are given land and land alone; as the record of the previous land reform shows, land distribution without the provision of other assets ends with land going back to big landlords and the rich. The state in Venezuela is committed now to provide producers and cooperatives with credit, technical training, machinery, housing, and other infrastructural facilities, including roads and farm buildings.<sup>64</sup> Such provisioning of land and land-related services is made through a network of new institutions and Missions. Missions have also been created to

<sup>62</sup> GE (n.d.)

<sup>&</sup>lt;sup>63</sup> See Malapanis (2004) on the struggles of the Yauca people.

<sup>&</sup>lt;sup>64</sup> See, in this context, Lindsay (2003), and Malapanis (2004).

serve public health (Cuban doctors play a key role in health services) and education.

The totality of public expenditure covers substantial investment in a very wide range of activities. These include the costs of activity related to tenurial reform, relatively high rates of compensation for land acquisition, the costs of training (including wages for trainees), of extension, research, agricultural implements and machinery, roads and other rural civil construction projects, subsidised credit schemes, the public distribution system and agricultural trade and marketing systems. I do not have data on actual expenditure on land reform and land-related activity; it is clear, however, that the government has committed very large funds to these purposes, and on an absolute scale that is, perhaps, unique.

• Household incomes, rural and urban, are to be supported by state-sponsored fair price shops. The government has set up a network of fair-price "Mercal" shops in the countryside. 65 These have been built on a public distribution network that was meant to ensure supplies of essential commodities to the people during the right-wing disruptions of 2002-03.66 Some 43 per cent of consumers shop in Mercal outlets, 67 and prices of basic commodities (which are subject to quantity rationing) are 20 to 50 per cent lower than in the open market. 68 The stores are still dependent on imports for their supplies, but are seen as a future means of marketing domestic farm produce. 69

To labour the point somewhat, the present programme of land reform envisages that land be handed over directly to cooperatives. Although land has been (and in certain cases, particularly among indigenous people, will continue to be) handed over to small producers, the objective of the state is clearly to create collective or associative forms of ownership, with cooperatives as the main instrument of the new system.

Other land reform programmes have begun with a transitional peasant stage, a stage that precedes, in theory and practice, a stage of collective production. In contemporary Venezuela, however, not only is a peasant-based agrarian economy sought to be bypassed, but officials and activists – and President Chavez himself -- have spoken of a direct transition to collective agricultural or socialist forms. Such associative forms are to characterise not only *ownership*, but also land use, the administration of farms, and, most significantly, the incentive structure, in particular, all remuneration and income from the farm.

<sup>&</sup>lt;sup>65</sup> Wilpert (2005) and Malapanis (2004).

<sup>&</sup>lt;sup>66</sup> Wilpert (2005).

<sup>&</sup>lt;sup>67</sup> Wilpert (2005).

<sup>68</sup> Malapanis (2004).

<sup>&</sup>lt;sup>69</sup> Wilpert (2005).

That this is being attempted with a newly-settled population, that is, a population that has not lived its entire life on the land, but has largely been resettled in the countryside is a further distinctive feature – and challenge -- of the Venezuelan agrarian transition.

Venezuela is a society in transition, with opposing forces locked in the battle for state power. While it is clear that the social and political power of the old ruling classes, that is, of the oligarchy, has not been defeated (and much less destroyed), at the same time it is also clear that the oligarchy no longer has its old control of state and government power.

Agrarian policy in Venezuela since 1999 is a classic study in public action, bringing together action "from above" – including state-supported legislation and administrative action and investment – and action "from below" – including mass movements that involve direct class struggle as well as acts of socio-economic cooperation. In an era in which imperialism and the ruling classes of the capitalist world seek to subvert and destroy a revolutionary resolution of the agrarian question, the historic significance of the Venezuelan experience, of Venezuela's distinct and difficult path, cannot be underestimated. "We are learning every day," a campesino and cooperative worker in Yaracuy said to me, "but we are trying to create an experience for the whole world."

V. K. Ramachandran Kolkata, September 20, 2006

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### **INTERVIEWS**

Braulio Alvarez, Deputy, National Assembly, and Vice President of the Permanent Commission on Economic Development

Santos Aguilar, Walterio Lanz, Laura Lorenzo, Juan Maya, Ricardo Miranda in Yaracuy

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Members of the Bella Vista cooperative

### **ACKNOWLEDGEMENTS**

For help with my brief trip to Venezuela, and for advice, information, interviews, time, translation and wisdom, I am grateful to Braulio Alvarez, Cesar Alvarez, Santos Aguilar, Roraima Estaba, Zael Fernandez, Prakash Karat, Walterio Lanz, Laura Lorenzo, Juan Maya, Pablo Mendoza, Ricardo Miranda, Sharmini Peries, Cristina Stredel, Madhura Swaminathan, Carlos Tascon, Richard Vivas, Gregory Wilpert, and my friends at the Bella Vista cooperative and the community television station in Yaracuy.