

JoAnn Kirsch, Student Participant
Bishop Garrigan High School
Algona, IA

Land Reform in Venezuela

Hugo Chavez is re-writing the history of Venezuela. The outspoken president has notoriously put Venezuela on the world stage via his bold political moves and unorthodox actions. Despite criticisms from world powers, Chavez aims to strengthen the interior of Venezuela. The country has long suffered economically even though it has plentiful petroleum profits, and the nation's agricultural production is dismal. Despite the potential of Venezuelan soil and resources to produce, food and nutrition is dependent almost entirely on other nations. Existing farms lay fallow, latifundios (wealthy landowners) prevents progress, and the successful small farm is nearly nonexistent. Chavez has begun what he claims is a revolutionary land reform process, but its success remains to be seen. As support and cooperation of his own population wavers, other nations are growing wary of his tactics, and that poses serious questions concerning Venezuela's economic future.

Introduction

In the northern part of South America, Venezuela has been facing many difficulties leading all the way back to 1492, when Spanish explorers arrived on Venezuelan shores. The Spanish felt that there was no mineral wealth in the land, which led to Venezuela becoming an agricultural economy. Cocoa, coffee, sugar, cotton, and tobacco became the country's main products—not exactly major food crops.

At that time, the population was based in the countryside, and agriculture was the country's driving economical force. However, problems soon appeared that became permanent crises regarding land distribution. The majority of Venezuelan land was distributed among a handful of men that had fought in Venezuela's war of independence from 1821-1839. After this awarding of prized land, those outside this privileged circle of new landowners were left with inferior, often eroded hillsides and flood plains to grow their products. The agricultural system had begun its downturn.

Furthermore, the economy shifted dramatically when oil was discovered on Venezuelan soil in the early 20th century. The country's economy and income became solely dependent on oil exploitation. The majority of the nation's population moved from rural to urban. Initially, this change appeared to be the solution for any and all of the country's problems. It gave people hope that Venezuela would move forward with other developed countries instead of always lagging behind.

On the contrary, this shift has had devastating consequences on the agriculture that sustained the country in previous years. Influx of oil profits decreased the price competitiveness of Venezuelan exports. In turn, this caused the country to become dependent on importing agricultural goods. As more time passes, the agricultural system continues to deteriorate. With the emphasis shifting from agricultural production to oil production, the population gradually forfeited the ability to produce adequate food for its population. Presently, 92% of that population lives in urban areas, leaving 8% of the country's people to live in rural, potentially productive landscapes, where they fail to produce enough food for the whole country. Currently, 80% of the food consumed is imported. This is not sustainable in the changing Venezuelan economy.

Arable land is plentiful, but most of it lays fallow in latifundios, large estates typically owned absentee or by wealthy inhabitants who prefer to leave the land in speculation. Conflicts over land ownership have raged, but without conclusion. Latifundios boundaries move and ownership changes without adequate records or legality. Many land reform projects have been activated only to leave the country in disappointment. The rising costs of importing food and a lack of internal food production has created an insecure food future for Venezuela.

Venezuelan Land Reform

The latest movement to improve Venezuela's agricultural production has been led by the government, or more specifically, President Hugo Chavez. In 1998, Chavez broke the stronghold of the discredited party system with his election as president. As soon as he was in office, he declared a "Bolivarian Revolution," which attempted to reverse the damage created by the mismanagement of Venezuela's oil wealth. His campaign was to help the poor and he continues to stay committed to this mission. Besides health care and subsidized food for lower incomes, his agricultural proposal of land reform garnered major attention.

In 1999, Chavez celebrated his first accomplishment. Through constitutional amendments, Venezuela became the first nation in Latin America to guarantee all citizens the fundamental right to basic health care. Today there are thousands of community health clinics throughout the country, and needy citizens are receiving prescription drugs for the very first time in history. Chavez says that Venezuela's oil wealth, which traditionally benefited only a few, is now working on behalf of millions of the country's citizens.

If the land reform is successful, food security will follow in its footsteps. The land reform is one of the most progressive aspects to the "Bolivarian Revolution". This movement is seeking to reduce Venezuela's dependence on foodstuff imports and to redress the country's disastrous experience with "Dutch Disease," (a slump in the economy as a result of a rapid spike in one of its sectors, while the others remain constant).

The Dutch Disease has plagued Venezuela since the 1970s, as a result of the major oil boom. Once the country became flushed with petrodollars, a batch of smaller governments began to neglect the countryside. The country's resources were funneled into the urban areas while rural areas were ignored. This led to a population surge from rural to urban areas as the rural residents left their traditional lifestyles for jobs in the cities. This mismanagement of resources has created a national division between the citizens who benefited from the oil revenues against those who significantly suffered from them.

By creating this land reform program Chavez hopes to begin strengthening the sectors of the economy and culture that suffered the most from the oil boom. This daunting task includes a twofold plan. First, he must overcome problems that doomed the past attempts at land reform throughout the region by other reformist governments. Secondly, he must come to grips with the middle class' opposition to the agrarian reform plan. The latter is likely to be the greater challenge.

The land reform plan, called "Vuelta al Campo" (Return to the Countryside) was put under the Law on Land and Agriculture Development in November 2001. The legislation's goals were as follows: to set limits on the size of landholdings, tax unused property as an incentive to spur agricultural growth, redistribute unused land (primarily government-owned land to peasant families and cooperatives,) and expropriate uncultivated and bare land from large, private estates for the purpose of redistribution. For the last goal, the landowners would be compensated for their land at market value. A National Land Institute (INTI) has been set up to address these goals by establishing criteria to determine what land should be redistributed and the eligibility of who should be applying for new land deeds.

INTI created criteria for citizens applying for a new parcel of land. Any Venezuelan who is either the head of a family household or is single between the ages of 18 and 25 is eligible to apply. Once the land has been successfully cultivated for three years, the applicant can acquire full ownership of it. However, even the full title of ownership does not mean that the owner can sell the land. Land can only be passed on to his or her descendants, a measure taken to prohibit the selling of titles on the black market.

The land re-distribution of the “Vuelta al Campo” is the most controversial idea of all. Not only does it have Venezuelans in a stir, it has caught many other countries’ interest, including the United States. In the past few years, Chavez has become a security threat to the U.S. He has been accused of trying to emulate Cuba’s communist system and of increasing state intervention in business. The United States fears that he is leading the country to a Cuban style authoritarian government. Also, Chavez has sought to strengthen Venezuela’s regional influence through diplomatic and economic extensions to other South America and Caribbean nations. This has been viewed as an effort to counter the United States’ influence in the region.

An example of Venezuela’s attempts to block out the United States can be seen with the Mercosur Agreement. A relatively recent trade agreement, Mercosur attempts to create fluid and free trade among South American nations, such as Brazil, Argentina, Uruguay, Paraguay, and Venezuela. Critics claim Venezuela has also worked actively against the Free Trade Area of the Americas (FTAA). Venezuela felt that this agreement took in account the inequalities between the countries of South America and the Caribbean, where as the FTAA did not. The FTAA is a proposal for hemispheric integration where weaker countries would be obligated to compete in equal conditions with the most powerful economic force in the world, i.e. the U.S.

The main results of the rapid increase in urbanization are the decline in agriculture, enormous barrios, and new classes of extremely poor citizens. These barrios or slums on the outside of major cities were created when areas could not accommodate the overflow of people coming in to the city. Many of the inhabitants have built their own homes on occupied land. These poor working class citizens are the beneficiaries of land reform.

The poor in the rural areas are facing a series of challenges. Their income from agriculture is not sufficient for basic needs, and many of the farming households must find off-the-farm labor to provide for their families. The poverty of the rural areas is linked to a lack of access to resources. “Vuelto al Campo” has been generated in hopes of improving the quality of life for rural communities by increasing people’s access to basic services, markets, technical financial services promoting the needs of the rural poor, and job training for formal employment.

At first, the land reform program had a slow start, mainly due to lack of the necessary infrastructure. When Chavez noticed the slow progress in 2003, he put his brother in charge. Adan Chavez instituted the “Plan Ezequiel Zamora”. This new plan and the stronger leader put the ball in motion; he distributed over 1.5 million hectares to about 130,000 families in a 12-month period. This leaves each family with about the average of about 11.5 hectares. At the end of 2004, a total of 2 million hectares of state-owned land had been distributed.

This progress was controversial, however, and many Venezuelan organizations objected. They felt that they already owned the land distributed informally. From their perspective, the government was neglecting to redistribute the landless, idle, or the true latifundio hectares. In response to these accusations, the land reform program was once again altered in 2005.

The land reform law was changed to confine the size of idle land that landowners may own. These changes made the permissible sizes of idle agriculture land more flexible, leaving the extent up to the INTI. Now the government's attention was drawn to the growth of privately owned land. Out of the 2 million hectares that were up for redistribution, 1.5 million were meant to come from private estates.

In March of 2005, the first five estates to be recovered were announced. The government referred to the process as "recovering" to imply that all or part of these lands actually belonged to the government, as the current occupants could not properly prove their ownership of it. This is done rather than declaring the land a latifundio and expropriating it on the basis that too much of it is idle. Just as everyone feared, the land recovery has generated much controversy. Some of the owners have claimed they are able to prove their ownership with documents dating back to the 19th century. The government has deemed some of these documents to be false.

Land ownership is a murky affair for any Latin American country. Historically, large landowners often expanded their territory far beyond its original boundaries. The land that was taken either belonged to the state or to absentee landlords. One thing that worked in their favor is the vagueness in the old land titles regarding distinguishing territory. There are also cases where the landlord has legitimately bought land, but the person selling it did not have a legitimate title. Chavez's government took on the task of sorting all of this out, which is an extremely difficult, time consuming, and conflicting process. To simplify situations the government might start to declare any land holding over a certain size to be illegal without considering land title documentation.

The fear that this approach may become a reality has put many people on edge--especially foreign investors. Chavez states that this plan is historically parallel to President Lincoln's Homestead Act and people who view him as "another Castro" and see his actions a total assault on private property have misunderstood the agrarian reform program. Many, especially those who could potentially have their land taken away, are finding it difficult to find truth in those words. The El Charcote illustrates the controversial issue involved with this process. A large group of peasants decided to claim the El Charcote estate, which belongs to the British cattle ranching company of Lord Vestey. The cattle ranch owners claim that the occupation has cost them losses of beef production equal to one third of their pre-occupation output. They state they have ownership documentation dating back to 1850.

INTI responded by saying that the decline in production is simply because more beef is being imported and former workers of the ranch have begun to cultivate idle sections of the land. It also argues that the owners do not have the proper title to land, but since two thirds of the land is being used the landlords are allowed to keep it, whereas the rest is being turned over to the peasants.

Conflicts like this are common. Latifundios are afraid of losing investors and have refused to allow things to go smoothly. In the past four years, over 130 peasants were killed over land disputes. Many believe assassins hired by the landowners killed these peasants. PROVEA, Venezuela's most important human rights group, confirms that professional assassins did the killings. This is also said to be a change from before Chavez, where it was noted that most killings were done by the government's security forces.

Conclusion

In theory, the land reform efforts of Hugo Chavez sound logical and well intended: fix the current agricultural system to create a sustainable food economy for Venezuela. While his programs are off the ground, they are going to require more support in order to succeed.

By re-distributing land, he is putting many newly created farms in a position to fail. The new landowners may have access to viable cropland, but are without any proper tools or training to create a successful farm. If Venezuela is attempting to re-create its countryside, educated and well-equipped workers are necessary if the country truly intends to produce food on a competitive scale with other, more advanced agriculture economies. The comparison to Lincoln's Homestead Act in the United States over a century ago is inaccurate. Unlike the historical U.S., Venezuela has a modern economy and an oil market that competes in the global economy. Hoping that an upstart agricultural revolution lead by unsupported peasants will lead to food security is foolhardy.

Major support from the Venezuelan government is necessary. First of all, financial support in the form of grants and loans to purchase proper equipment is needed if peasant farmers are expected to turn fallow land into healthy production in just three years (to retain ownership). Programs and financial support for these peasant farmers to obtain training and education in modern agricultural methods is another important step to prevent farm failure.

Even once peasants acquire land, training, and technology, they still face a huge problem: marketing their agriculture products. The government has set up crop purchasing programs, but there is no guarantee that the government will continue to buy or sell Venezuelan products. Meanwhile, the government is still left to deal with the Dutch Disease Phenomenon. As long as oil creates an inflow of foreign currency, importing remains inexpensive, and the Venezuelan produced crops will not be market competitive with the same products produced overseas and imported. If Chavez wants to create food security, he is still going to have to make bold economic changes. One possibility could be to bring focus on consuming domestically produced food whenever it is available. He could do this by imposing import tariffs on competing imported goods. Of course, this will draw the ire of outlying countries, but Chavez seems willing to ostracize other nations.

In addition to re-structuring the financial markets to make his newly created farmers more competitive, Chavez needs to look further into the political future. The leader is willing to criticize the United States and draw lines in the sand with other countries as well, yet he willingly make alliances with neighbors when he chooses. The Venezuelan president needs to choose carefully, as any political maneuvers that end in poor trade relationships or even embargos will greatly affect the future food security of Venezuela.

Bibliography

Wilpert, Gregory. "Venezuela's Quiet Housing Revolution: Urban Land Reform." Venezuelan Views, News and Analysis. 12 September 2005. 6 September 2006.

www.venezuelanalysis.com/articles.php?arho=1551

"Venezuela Brings Health Care to the Communities." Department of Justice. 6 September 2006.

www.rethinkvenezuela.com/downloads/healthcare.htm

"Country Profile: Venezuela." BBC News. 14 August 2006.

www.newsvote.bbc.co.uk/mpaps/pagetools/print/news.bbc.co.uk/z/hi/america/country

"Rural Poverty in the Bolivarian Republic of Venezuela." Rural Poverty Portal. 14 August 2006.

www.ruralpovertyportal.org/engsih/regions/americas/ven/index.htm

Attuve, Cesar Contreras. "CAN- Mercosur Agreement Revitalizes the Integration of Latin America." Venezuelan Views, News and Analysis. 18 December 2003. 12 August 2006.

www.venezuelanalysis.com/articles.php?arho-1079

“Feature: FOA in Venezuela.” FAO News Room. 14 August 2006.
www.fao.org/english/newsroom/news/2002/9788-en.html

“Venezuela Introduction.” Geographia. 6 September 2006.
www.geographia.com/venezuela/

DeLong, Seth. “Venezuela’s Agrarian Land Reform: More like Lincoln than Lenin.” Venezuelan Views, News and Analysis. 25 February 2005. 6 September 2006.
www.venezuelanalysis.com/articles.php?arho=1384

Wilpert, Gregory. “Venezuela’s Land Reform: Land for People nor for Profit in Venezuela.” Land Research Action Network. 20 September 2005. 6 September 2006.
www.landaction.org/display.php?article=334