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AGRARIAN REFORM LEGISLATION: VENEZUELA

Background on Agrarian Reform in Venezuela

Venezuela entered the twentieth century with the heritage of a class and land tenure structure which was semi-feudal in nature. Most of the arable land was held by a few powerful families, while the rural masses eked out an existence through some sort of sharecropping arrangement or a subsistence agriculture often of the slash and burn variety.

This predominance by large landowners carried on into the twentieth century. During the dictatorship of General Juan Vicente Gómez, which lasted from 1908 to 1935, Gómez himself became the landowner in Venezuela.¹

The concentration of landownership in a rural elite is clearly shown by statistics taken from the 1937 Agricultural Census: 4.4% of rural property owners controlled 78% of the agricultural area; 95.6% of rural property owners controlled 22% of the area; only 10.6% of rural dwellers classified as campesinos owned land.²

The initial attempts at dealing with the problem of agrarian reform came soon after the death of General Gómez. The 1936 Constitution obligated the Government to "abet the preservation and diffusion of medium and small rural holding," and the Government was empowered to expropriate "unexploited lands under private ownership." However, the Constitutional provision required that the expropriation of such idle land be subject to the payment of prior compensation.³

The provisions of the 1936 Constitution went into effect on July 20 of that year. Two days later the Law of Immigration and Colonization was promulgated, to be followed by the establishment of the Technical Institute of Immigration and Colonization in 1938. However, these measures were largely limited to persuading foreigners and criollos (native Venezuelans) to settle in colonies in the underpopulated interior lands.⁴

One provision of the 1936 Immigration and Colonization statute permitted the Government to expropriate privately held lands left uncultivated "which it may find necessary for the better and more rapid implementation of colonization." As a result of this provision, some of the land confiscated from former officials of the Gómez regime was distributed. However, "the effects were short lived."⁵

The year 1936 is significant not only because of the legal and constitutional developments mentioned above, but even more so because it marked the beginning of large-scale political participation by peasant organizations. These peasant organizations or sindicatos agrícolas constituted a kind of peasant union which was organized by a specific political party, Acción Democrática (AD), and which consequently responded by providing Acción Democrática with political support in election contests.

The sindicatos sought to organize virtually the entire spectrum of rural agricultural laborers--wage laborers, tenants,

sharecroppers, minifundistas and squatters. By 1945 it is estimated that there were "approximately 500 of these groups in the process of formation, and from 100,000 to 200,000 peasants being drawn into their orbit."⁶

The late 1940's saw a succession of abortive attempts at agrarian reform of one kind or another. The first was the Agrarian Law of September 13, 1945. Promulgated by President Medina Angarita, this law, which affirmed the right of landless peasants to receive land, was left unenforced by the junta which ousted Medina Angarita in the coup d'etat of October, 1945.

The coup of October, 1945 brought Romulo Betancourt to power as President of a civilian-military Junta Revolucionaria. Betancourt had been one of the Acción Democrática leaders who initiated the movement to organize peasant sindicatos in 1936. Under Betancourt, the new regime issued a decree suspending the right of arbitrary eviction by landlords, and State officials were empowered "to sit as parties in the establishment and enforcement of rental agreements and tenant contracts between peasants and landowners, and to mediate 'immediate and equitable re-adjustments' in existing relationships."⁷

More important, the Betancourt-led Junta established a Land Commission to administer the leasing of government lands to peasants. In May, 1946, a Credit Department was also established within the Technical Institute for Immigration and Colonization (ITIC) and funded with 10,000,000 Bolívares with which to assist

the beneficiaries of the Land Commission's leases. Thus, when Acción Democrática was thrown out of power in November, 1948, it is estimated that "approximately 80,000 peasants had been placed on some 400,000 acres of arable land, and provided with credits for its exploitation."⁸

Before the Betancourt Junta was overthrown, the Constituent Assembly passed, in March, 1947, another significant measure, the Decree of Rural Property Rentals. This Decree required the leasing of unused arable lands, whether private or public, to peasants, and at rates established as reasonable by the system of Land Commissions which the law created. In addition, the Land Commissions were empowered to fine uncooperative landowners.⁹

The administrative apparatus of agrarian reform under the Betancourt regime was bound together by the political relationship between Acción Democrática on the one hand, and the agrarian sindicatos on the other. Land grants made by the Land Commission were given in response to petitions received from the local sindicatos, who then distributed them among the membership. Likewise, under the credit program a leader of a local sindicato sat on the three-man administrative boards which distributed credit.¹⁰

Much the same arrangement prevailed when a landlord wished to appeal the decision of a Land Commission. John Duncan Powell has described the array which face the landlord: "If the landlord

wished to appeal . . . , he could only appeal to a three man Board--on which sat the agrarian syndicate representative (allied with AD), a representative of the state (AD) authorities, and a representative of the Ministry of Agriculture of the (AD) national government."¹¹

The second land reform law, the Agrarian Reform Law of October 18, 1948, "explicitly sought to ratify the de facto role of the local agrarian syndicate leader in the land-grant process.¹² However, the military coup which came in November of 1948 halted the Land Commission's land grant program and its companion credit program, not to mention the other agrarian reform legislation of the Junta Revolucionaria. Indeed, the new Junta Militar which assumed power dissolved the Venezuelan Confederation of Labor (CTV) and the network of sindicatos agrícolas.¹³

On June 28, 1949 the governing Junta Militar promulgated an Agrarian Statute which proposed to "transform the agrarian structure of the nation through the adequate incorporation of the peasant into the process of national production."¹⁴ However, the Statute itself "has been characterized as nothing more than a law of colonization."¹⁵

During the decade which followed the 1949 coup, Pérez Jiménez became military dictator of Venezuela. His regime carried out a campaign of suppression against labor leaders, particularly those affiliated with Acción Democrática. Moreover, "some land and some of the old powers of landowning were

recaptured by private owners, and most of the 80,000 peasants which had been granted access to land under the 1945-1948 revolution were evicted from their newly-won gains."¹⁶

As far as the peasant movement was concerned though, the suppression waged by the regime of Pérez Jiménez was not total. "Agrarian syndicate leaders and members were removed from influence, farmlands, and power, but not eliminated physically. They worked in the clandestine resistance movement for the day when they were once again to be granted access to all of these things."¹⁷

The overthrow of Pérez Jiménez in January, 1958 renewed the agitation for agrarian reform. Land invasions, organized by the remnant peasant unions, were the immediate consequence. Powell has estimated that as many as 500 individual properties were seized by peasants.¹⁸ Many of the lands seized had been given to peasants during the Acción Democrática regime during the 1945-1948 period, only to be taken from them by the Pérez Jiménez government which followed.

The election of Rómulo Betancourt to the Presidency in 1958 set the stage for a new agrarian reform law. This law, the Agrarian Reform Law of March 5, 1960, was the result of a multi-partisan endeavor which included all major political parties, as well as economic interest groups which would be affected by the agrarian reform.

As under the earlier Betancourt government from 1945-1948, both the Agrarian Reform Law and its administration reflect the basic

political alliance between the system of peasant sindicatos (organized now as the Federación Campesina de Venezuela or FCV) and the two major political parties, Acción Democrática and COPEI. Under this arrangement, local peasant leaders sit on all important administrative boards which carry out the agrarian reform, while at the same time they participate in the affairs of one of the power-holding political parties. Because more than 90% of the agrarian reform settlements are established as the result of petitions from local sindicatos,¹⁹ the syndicate leaders are able to deliver peasant votes at election time for the appropriate political party, which in turn gives them leverage with that political party and enables them to push effectively for peasant demands.

It is this political alliance arrangement described above which has been the bulwark of the Betancourt government and the force behind the Agrarian Reform Law of 1960. It is that law which is the focus of the present study, and which will be described in further detail below.

NOTES

1. John D. Powell, "Agrarian Reform or Agrarian Revolution in Venezuela?" in Reform and Revolution: Readings in Latin American Politics (Boston: Allyn and Bacon, Inc.), p. 275.
2. Ibid., p. 276.
3. Walter John Bayer II, "Expropriation and the Venezuelan Law of Agrarian Reform," The Columbia Journal of Transnational Law 6 (Fall 1967): p. 276.
4. La Reforma Agraria en Venezuela (Instituto Agrario Nacional, 1967), p.3.
5. Bayer, p. 276 at fn. 23.
6. Powell, "Agrarian Reform or Agrarian Revolution in Venezuela?," p. 278.
7. Ibid., p. 280.
8. Ibid., p. 281.
9. Ibid.
10. Ibid.
11. Ibid.
12. Ibid., p. 282.
13. Ibid.
14. La Reforma Agraria en Venezuela, p. 3.
15. Bayer, p. 277.
16. Powell, "Agrarian Reform or Agrarian Revolution in Venezuela?," p. 283.
17. Ibid.
18. Ibid.
19. Ibid., p. 285.

THE AGRARIAN REFORM PROBLEM

The introduction to this article sketched some of the social and political history of the agrarian reform movement in Venezuela. The following section will attempt to describe the nature of the problem which the Agrarian Reform Law of 1960 sought to solve.

The term "agrarian problem" is a convenient phrase--one which in reality covers a multitude of problems. The litany of woes is familiar, for it is common to an "underdeveloped" or exploited country in the world today. Each of the problems afflicting the rural masses--illiteracy, ill health, un- and underemployment, the lack of technical skills, credit, and land--is interrelated with the others, and each reacts upon and exacerbates the rest.

The magnitude and severity of these problems has varied throughout history. But at its root the problem has always remained the same: dire poverty and a very unequal distribution of wealth characterize the condition of the agrarian population.

To understand why this is so, it is first necessary to examine the most important aspect of the agrarian problem--the system of land tenure.

A. Land Tenure. Latifundia and Minifundia.

Most of the people who farm the land of Venezuela are not owners of the land they work. The chart below, taken from the

1937 Agricultural Census, gives some indication of the problem.¹

Type of Tenancy	Number	Percentage
Owners	68,077	31.1%
Renters	48,654	22.2
Sharecroppers	7,014	3.2
Squatters	94,751	43.5
Totals	218,496	100.0

This chart indicates that nearly 70% of the land surveyed in this census was held under some form of land tenure other than ownership. The significance of this lies in the fact that the other forms of land tenure listed on the chart are forms of exploitation which virtually guarantee that the conditions of poverty, unequal wealth distribution, and inferior social status will be perpetuated without end.

Moreover, the chart itself can be rather misleading, for there are many subsistence farmers who are technically owners of a plot of land and therefore subject to inclusion within the 31% figure. However, their plots are so small that any hope that they will rise out of their poverty and gain a new social status is also futile.

A more recent chart, taken from the 1961 Census, gives a better picture of the concentration of landownership.²

Size of Exploitation (in hectares)	Number (of exploitations)	Percentage
Less than 1 hectare	17,300	5.5%
1-5	137,900	43.8
5-10	57,800	18.5
10-20	41,400	13.1
20-50	28,600	9.1
50-100	11,300	3.7
100-200	7,300	2.3
200-500	6,200	1.9
500-1,000	2,800	.9
2,500 and more	1,900	.6

The figures in this chart indicate that nearly half (49.3%) of all farmers in Venezuela hold plots of less than 5 hectares (12.35 acres). If all the units in the two smallest land-size categories were assumed to have the maximum value in their respective categories (1 or 5 hectares), this would mean that approximately 50% of the agrarian units occupied only 700,000 hectares of land. But assuming that the units in the largest land-size category only had an average value equal to the minimum of that category (2,500 hectares), this would still mean that .6% of the farm units in Venezuela controlled 4,750,000 hectares, or more than 7 times the amount exploited by 50% of the units.

In describing the land distribution situation prior to the enactment of the Agrarian Reform Law of 1960, the National Agrarian Institute has given figures which differ slightly from those in the above chart, but which are more accurate and revealing: "While 53.7% of the agricultural exploitations

were less than 5 hectares--the average was little more than 2--and occupied only 1.3% of the available land surface, 2.3% of the exploitations with an average of 3,500 hectares occupied more than 84% of the total area."³

These figures amply demonstrate the enormous cleavage between the socially powerful latifundistas who own gigantic tracts of land on the one hand, and the minifundistas, who possess virtually nothing, on the other. By themselves such statistics carry implications, but they do not convey a picture of what the Venezuelan peasant farmer is like, and it is the campesino who is supposedly the cynosure of the Agrarian Reform Law.

B. The Campesino.

Before describing the campesino, it is well to point out that there exists yet another dichotomy in Venezuelan agriculture. On the one hand there is the empresario or commercial farmer who sells his products in the marketplace. His counterpart is the conuquero a subsistence farmer who frequently practices a shifting cultivation of the slash and burn variety. For the most part the empresario concentrates on raising the major Venezuelan export crops: cattle, sugar, coffee, and cocoa. Thus, the empresario owns a ranch or plantation, and to run it he exploits the labor of a variety of farm workers, primarily jornaleros or salaried day laborers, and medianeros or sharecroppers who are given land to farm for subsistence, in return for which they give the landlord one-half of the cash crop which they also plant.

The conuqueros subsist on tiny plots of land "seldom less than three hectares in area"⁴ by planting such staples as corn, plantains, bananas, legumes, manioc, and yams. Most specifically, the term applies to those minifundistas who clear a forest area, plant subsistence crops until they exhaust the soil, then move on to clear another area.

While there are several different types of non-ownership forms of tenancy--renters, sharecroppers, squatters--which make up the bulk of the peasant population, there are also fairly uniform conditions which they share as campesinos, not the least of which is poverty.

Some idea of how widespread the poverty is among Venezuela's rural masses may be gleaned from figures compiled in the 1961 Census. That census estimated that some 2,818,711 persons were living in ranchos, a type of dwelling with a thatched roof.⁵ Appalling as that condition might seem, it pales beside the World Bank's estimate that in the 1950's "the annual per capita income of an estimated 750,000 campesinos was below \$150."⁶

Of course, such statistics are but cold ciphers conveying none of the daily agony lived by the persons they represent. A man who lives in a thatched hut is a disease-ridden man. The reason is simple. In low lands the thatched roof is infested by the chipo, a bug which drops onto sleeping bodies below and infects them with the disease called chagas. Malaria, too, has presented a severe health problem in rural areas.

likewise, a man who lives on less than \$150 a year is a man without education. Indeed, he is almost certainly illiterate. Oten, in addition to being illiterate, he will have a vocabulary

of only a few hundred words. Thus illiteracy greatly increases the difficulty of transmitting agricultural skills and technical information to the peasantry.

C. The Agricultural Labor Problem.

In addition to problems such as health, housing, and education, a large percentage of the rural population also faces an employment problem. The Agricultural Census of 1937 classified more than 62% of the active agricultural work force as jornaleros, or day laborers.⁷ The jornaleros not only have little or no land status, but they are frequently also unemployed much of the year, since the jobs they perform generally last only for the duration of the harvesting season.

There are also other, disguised forms of employment which must be considered in discussing the rural labor situation. The head of a household engaged in subsistence farming relies on other members of his family to help cultivate the land.

Thus, Venezuela has a large, seasonally employed farm population. It is also an unproductive farm population: "Although yielding only 6.9 per cent of the gross internal product in 1960, the agricultural sector accounted for 38.6 per cent of the economically active population."⁸

The result of all this is that while this method of maintaining an agricultural labor force sufficient to harvest the plantation crops of the latifundista keeps the campesino occupied at eking out a living at the level of bare subsistence, it also provides the latifundista with a reserve labor force which,

because of its excess numbers, is subject to exploitation at its cheapest possible price.

That nearly 40% of the economically active population of Venezuela works in the agricultural sector should not be taken as an indication that agricultural cultivation is very extensive. Quite the reverse is true. Powell estimates that in 1937 " . . . the total area under cultivation probably represented less than 20% of the total land area in Venezuela."⁹ This proportion has apparently not changed very much in succeeding decades: "The World Bank estimated in 1961 that of the total land area, 3% was dedicated to cropping agriculture, 3% to artificial pasture, and another 17% to unimproved pasturage."¹⁰

In spite of the fact that the amount of her land which is put to productive agricultural use is quite small, Venezuela still faces a problem of population pressure on available land. In the past, and particularly in the years immediately preceding the enactment of the Agrarian Reform Law of 1960, this population pressure has frequently resulted in seizures of land by groups of campesinos.

The population pressure on land results chiefly from the unequal distribution of land. However, it is also in part due to the extreme concentration of population and agriculture in Venezuela. Sixty-five per cent of the population of Venezuela lives in the mountainous terrain along the northern rim of the country.¹¹ Another 12% lives in the Northwestern state of

Zulia and the Llanos of the Orinoco contain 18 percent more, with the result that " . . . a total of 94 per cent of Venezuela's population occupy only half of its land area."¹¹

Attempts have been made to open up the interior lands through colonization settlements, but such efforts have been unsuccessful. The interior lacks population, and concomittantly it lacks all the things needed to make a commercial farming venture successful--roads, schools, dams, and labor supply.

Moreover, the campesinos who dwell in the agriculturally active Northern states are more or less locked into their relationship with the latifundistas. As sharecroppers, for example, they receive credit from their overlords--not credit in the form of cash outlays, but credit in the form of seed, land and other essentials needed to subsist on until the day the harvest comes, at which time the peasant must repay the large debt for services which he owes the landlord. From this relationship there is generally only one escape, a flight into the city in the hopes of obtaining a job as an industrial worker.

To summarize, at the center of the "agrarian problem", is the land tenure system which permits one social class, the latifundistas, to hold enormous tracts of land and maintain social and political power by exploiting the peasant masses. It is to this aspect of the problem which the Agrarian Reform Law of 1960 directed its attention.

NOTES

1. John Duncan Powell, The Politics of Agrarian Reform in Venezuela: History, System, and Process (Ph.D. Diss., University of Wisconsin, 1966), p. 9.
2. José Ma. Franco García, Recursos Humanos y Desarrollo Agrícola, p. 29.
3. La Reforma Agraria en Venezuela, p. 2.
4. CIDA, "Inventory of Information Basic to the Planning of Agricultural Development in Latin America," p. 2.
5. Powell, The Politics of Agrarian Reform, p. 8.
6. Ibid.
7. Ibid., p. 13.
8. CIDA, p. 2.
9. Powell, The Politics of Agrarian Reform, p. 11.
10. Ibid.
11. CIDA, p. 2.

THE AGRARIAN REFORM LAW OF 1960--OBJECTIVES AND CONCEPTS.

The major objectives of the Agrarian Reform Law of 1960 are stated in the Introductory Title of that law under the heading of "Principles of the Agrarian Reform". They are contained in the text of article 1, which is quoted below:

"1. The purpose of this Act is to transform the agrarian structure of the country and to incorporate its rural population into the economic, social, and political development of the Nation, by replacing the latifundia system with an equitable system of land ownership, tenure and operation based on the fair distribution of the land, satisfactory organization of credit, and full assistance to agricultural producers, in order that the land may constitute, for the man who works it, a basis for his economic stability, a foundation for his advancing social welfare and a guarantee of his freedom and dignity."1

From this passage it may be seen that the lawmakers had at least two major objectives which they hoped to accomplish:

First, an attempt would be made to "transform" the feudal agrarian structure in which a small minority of latifundistas dominated the economic, social, and political life of the country.

Second, the law aimed at creating a class of stable and efficient small and medium class farms which would be maintained through the provision of goods and services by the State. In order to accomplish this end, the legal base for the creation of such a class of farmers is laid out in section (b) of Article 2,

which declares that the Act "Guarantees the right of any individual or group, capable of farm work and lacking land or possessing insufficient land, to be provided with economically profitable land . . ."2

Still other objectives of the Act are mentioned in other provisions of the Introductory Title. Especially important is the repeated reference to the concept of "social function." Section (a) of article 2 guarantees (and "regulates") the right of private land ownership, but only "in accordance with the principle that such ownership should fulfill a social function . . ."3

The references to the concept of "social function" may be taken as evincing a third objective of the law; to make increased use of existing land resources and, consequently, to increase agricultural productivity. However, while manifesting this third objective, the concept of social function bears a direct relationship to the first two objectives of the law mentioned above; that is, the social function concept is visualized as the tool for divesting latifundistas of their unproductively used land, thus (at least hopefully) "transforming the agrarian structure"; likewise, social function is the means by which land will be placed into the hands of the new, productive, medium-size farm class which is to be created and maintained. Article 9 provides a concise example of how social function can be used to accomplish both of these ends:

"9. Persons entitled to request allocations of land may report the existence of lands which do not fulfill their social function."

If the report proves to be justified, the lands shall be subject to acquisition or expropriation, in accordance with the provisions of this Act."⁴

Because of its utility in achieving the objectives of agrarian reform, social function is the most conceptually clear of all the ideas expressed in the Act. It is elaborated upon at some length.

Article 19 sets forth five criteria by which it is to be judged whether private ownership of land is fulfilling its social function. These are:

1. "The efficient exploitation and profitable use of the land in such a manner as to bring usefully into play the productive factors thereof, according to the zone in which it is located and its special characteristics.
2. "Personal operation and management of, and financial responsibility for, the agricultural enterprise by the landowner, except in special cases of indirect exploitation for good reasons.
3. "Compliance with the provisions governing conservation of renewable natural resources.
4. "Respect of legal provisions governing paid labor, other labor relations questions, and other farm contracts, under the conditions laid down in this Act.
5. Registration of the rural property in the Office of the National Register of Land and Waters in accordance with appropriate legal provisions.⁵

The social function idea is, then, the fundamental legal theory upon which the Agrarian Reform Law of 1960 is based. Without it, there would be no agrarian reform law. Furthermore, it represents a considerable turnabout in Venezuelan legal theory,

for as Bayer has noted, the Corte Federal y de Casación applied the absolute rights theory of ownership to a case as late as the year 1941.⁶

One consequence of the enactment of the social function theory into law has been the creation of new legal mechanisms which seek to put the theory into practice. These new legal mechanisms--the laws which define the new obligations of ownership and the agencies which implement and administer the new standards--will be discussed in the section below.

NOTES

1. Kenneth L. Karst, Latin American Legal Institutions; Problems for Comparative Study, (Los Angeles, University of California, 1966), Trans. by Jane R. Trapnell, pp. 407-408.
2. Ibid., p. 408.
3. Ibid.
4. Ibid.
5. Ibid.
6. Bayer, p. 273.

LEGAL MECHANISMS

Law

The Agrarian Reform Law of 1960 is broader in scope than any of its predecessors, although it shares many features in common with them. The approach which this Law takes towards agrarian reform has been characterized as "integral". By this it is meant that there has been an effort made to coordinate and shape the activities of a great number of diverse fields, all of which relate to agriculture and the agrarian problem in one way or another.

Thus, the text of the Law contains slightly more than two hundred articles. Some of these provisions deal with rather basic technical problems, such as those which require land title registration and cadastral surveys. Other provisions are concerned with the conservation of renewable natural resources and the allocation of water resources. One title of the Law deals with the problem of farm credit, while a second addresses itself to the question of rural housing, and a third to tenancy contracts.

However, the main concern of the Agrarian Reform Law centers on land: how to obtain it, how much to pay for it, and how to redistribute it. Consequently, the heart of the Law lies in the provisions which outline the legal procedures for land acquisition, expropriation, and land allocation.

The framers of the 1960 Law clearly intended to transfer as much public land as possible to the National Agrarian Institute, the chief agency in charge of administering the reform, before resorting to expropriation of private property as a means of land acquisition. Thus, a number of different types of land were made subject to acquisition by the Institute. Among these are lands belonging to the National Government or its autonomous agencies (if located in rural areas), lands belonging to the State and Municipal Governments and the agencies thereof, and communal lands (ejidos) which are not intended for the common use of the inhabitants of towns or reserved for urban and industrial expansion. Also transferrable to the Institute are lands occupied for petroleum and mineral exploitation where the Institute considers that agricultural activities will not interfere with the petroleum or mineral exploitation.

Article 18 of the Law provided that properties belonging to or administered by the State and set aside in accordance with these provisions would be transferred to the National Agrarian Institute free of charge and without the necessity of obtaining authorization from Congress or any government agency. The same article also stipulated that the "economically exploitable rural properties of the other public bodies and establishments" would also be transferred to the Institute after arrangements for the transfer had been made between the Institute and the appropriate public body.

Should the land acquired by the Institute from the various levels of government and their agencies not be sufficient to meet the demand for land in a given area, then the 1960 Law provided that the Institute could resort to the expropriation of private property to meet its needs.

Actually, the Law did not envisage expropriation as the first step in the acquisition of private property. Article 35 provided that, "Prior to proceeding to the expropriation of a property the National Agrarian Institute shall directly propose an amicable arrangement with the owner." Then, if the parties do not reach agreement within 90 days, the Institute can request expropriation, at which time the dispute is brought before a local court for decision.

The legal provisions which determine what land is expropriable, in what amounts and what order of priority is somewhat complex. Basically, the order of priority is set forth in Article 27, which states that expropriation of private land is to be primarily applied "to such land as fails to fulfill its social function". By the criteria laid down in Article 27, this means that uncultivated properties are to be expropriated first (large tracts before smaller ones); then lands not under cultivation during the five years prior to the initiation of expropriation proceedings or exploited indirectly through tenants, sharecroppers, settlers, and occupiers;

next properties on which land fragmentation programs have not been brought to completion; and, finally, crop lands being used for range livestock grazing.

As far as the individual property owner is concerned, under most circumstances he may retain a minimum of 150 hectares which is immune from expropriation. (Article 29). In actual fact, the minimum seldom represents the size of the reserve which the landowner may retain. The 150 hectares figure^{applies} only to land classified in the first category (irrigated or humid agricultural land); owners whose land classification falls in lower categories may reserve much larger amounts of land. Thus, an owner whose land falls in the category of dry agricultural land is entitled to reserve a minimum of 300 hectares and a cattle rancher may retain 5,000 hectares of improved pasture or 21,000 hectares of natural pasturage as immune from expropriation.

At the same time the National Agrarian Institute submits its request for expropriation to the local court, it must also deliver a report on the general characteristics of the property and the classification in the Institute's land-type categories. The legal proceeding in an expropriation case is, at least on paper, very rapid. Only one appeal from the^{si} decision of the trial court is permitted, that being to the Federal Court.

If the parties are not able to reach an agreement on the expropriation price, before court proceedings are terminated, then the judge may appoint experts to make a valuation of the land.

The expropriation price of a tract of land is of as much interest to the peasant beneficiary as it is to the expropriated landowner himself, for the appraised value of the land is taken as the base for the sum which the recipient must pay back within thirty years time (plus a two year period of grace).

By granting immediate provisional title in the allocated plot of land to the peasant beneficiary, the Institute exerts control over the recipient. If the recipient follows regulations the first couple of years, he will then be given permanent title to the land.

Agencies

There are three agencies which play a major part in the agrarian reform program. These are: The Ministry of Agriculture and Livestock, the Agricultural and Livestock Bank, and the National Agrarian Institute.

The chief agency charged with carrying out the agrarian reform is the National Agrarian Institute (IAN). IAN is an autonomous agency connected with the Ministry of Agriculture and Livestock. It acquires land for redistribution, determines the compensation to be paid for expropriated land, the distribution of land tracts, and the size of land allocations. In addition, IAN organizes farm settlements (in coordination with the Federation of Venezuelan Peasants) and decides what technical and educational services they need; e.g., schools, roads, dams, farm machinery, seeds, and fertilizer.

The National Agrarian Institute is financed in several ways. Its basic source of income is the budget allocation given it by the Congress, and it also receives annual contributions from the National Executive. In addition, it also garners income from the sale of land it has acquired and the issuance of several kinds of Agrarian Debt bonds.

The second major institution involved in the agrarian reform is the Agricultural and Livestock Bank (BAP). Under the Agrarian Reform Law the BAP is instructed to extend credit to individual farmers, cooperatives, or farm credit unions (comprised of five or more small or medium farmers or stock-breeders). While the farm credit service created by the 1960 Law is restricted to small and medium farmers, such farmers need not have been beneficiaries under the Law in order to qualify for credit assistance. The credit obtained may be used "to cover living costs of the farm family, the acquisition of small livestock and barnyard fowl, seeds, fertilizer, insecticides, fungicides, land preparation, sowing, cultivation, harvesting, insurance and minor repairs." (Article 112) In addition, credit may be extended for the purchase of farm tools and machinery, and "supplementary credit" is available for "urgent and immediate costs of family life." Article 112 has a proviso that such credits "shall not bear interest of more than 3% per year, in the case of small producers".

The third agency linked directly to the agrarian reform program is the Ministry of Agriculture and Livestock (MAC). The MAC is given the responsibility for coordinating the activities of all the other agencies which are carrying out reform related projects (such as the Department of Health and Sanitation, the Ministry of Public Works, the Department of Education, etc.). In addition it performs a few specialized functions, such as granting temporary immunity from expropriation to certain cattle fattening centers previously approved by it, (art. 193) and inspecting, in co-operation with the National Comptroller, the operations and financial position of the National Agrarian Institute.

IMPLEMENTATION OF AGRARIAN REFORM LAW

The National Agrarian Institute has published various kinds of statistical information in order to show the success with which it has met in carrying out the agrarian reform program. The most widely circulated claim of the Institute is that by the end of 1966, seven years after the agrarian reform began, 131,250 peasant families had become beneficiaries of land grants made by the Institute. This figure is said to mean that by the end of 1966 slightly better than 85% of those who had applied for land had received it. This program of land re-distribution affected 3,407,550 hectares or approximately 8,420,000 acres.¹

These figures require further explanation. For example, only 60% of the peasant beneficiaries are settled on lands distributed by IAN; 40% are peasants located on lands which they invaded, but whose status has since been legitimized by IAN.²

Speaking of the 3,407,550 hectares affected by its programs, the Institute says that more than 1,500,000 hectares, "almost half of the total area affected by these programs is private property which the IAN had to acquire."³ However, while this may be an impressive figure, it represents only a small part of the private property under cultivation in Venezuela. Indeed, it has recently been stated that "Of the 23.3 million hectares presently under exploitation, 1.7 million hectares, or 7.3 per cent, have been redistributed."⁴

In addition, it would be in error to suppose that all of the land redistributed has been put to use. Indeed, IAN's figures state that of the 3,407,550 hectares "affected" by the Institute's programs only 411,388 hectares were "in full production" by the end of 1966, while 555,735 hectares were "unused lands".⁵

To accomplish its programs, IAN spent approximately Bs. 1,300,000,000 during the seven year period from 1960-1966. The largest sums were spent on acquisition of land--nearly Bs. 462,000,000--and consolidation (dams, drainage, aqueducts, sewers, electricity)--almost Bs. 363,000,000.⁶ Other items in the budgetary breakdown were listed as:

Acquisition of movable goods (machines).....	Bs. 101,010,000
Technical assistance, extension services.....	Bs. 126,000,000
Administration (of IAN) and other services...	Bs. 222,768,939
Service on the Agrarian Debt.....	Bs. 34,955,005

How well this budget and the actions carried out by the National Agrarian Institute fulfilled the goals set forth in the 1960 Agrarian Reform Law will be evaluated below.

NOTES

1. La Reforma Agraria en Venezuela, p. 9.
2. Harry E. Wing Jr., Land Reform in Venezuela, SR/LR/C-3
(Washington, D. C.: Agency for International Development,
1970), p. 34.
3. La Reforma Agraria en Venezuela, p. 9.
4. Wing, "Land Reform in Venezuela."
5. "Lo que se invierte en reforma agraria, lo gana Venezuela"
(Instituto Agrario Nacional, 1967), p. 5.
6. Ibid., p. 2.

SUMMARY AND EVALUATION

It is now more than a decade since the Agrarian Reform Law went into effect. The National Agrarian Institute has published some statistics which reflect the accomplishments of the agrarian reform program. Therefore, an evaluation of these achievements is in order. The attempt made here is to evaluate the accomplishments of the reform in terms of the goals set down in the 1960 Law.

The stated goals of the Agrarian Reform Law are clear. "The purpose of this Act is to transform the agrarian structure of the country and to incorporate its rural population into the economic, social and political development of the Nation, by replacing the latifundia system with an equitable system of land ownership, tenure and operation based on a fair distribution of land, satisfactory organization of credit, and full assistance to agricultural producers. . . ."1

An examination of the statistical information available on the accomplishments of the reform reveals that the program has fallen far short of the avowed goals of the Law. The crucial question is whether the latifundia system has been replaced, and there is persuasive evidence that it has not.

The first indication that the agrarian reform has failed to fundamentally alter the latifundia system is revealed by the statistics on the redistribution of land. The most recently cited figures show that there are some 23,300,000 hectares of agricultural land which are privately owned; of

these, some 1,700,000 hectares, or 7.3 per cent of the total, have been redistributed.² The National Agrarian Institute has stated that prior to the enactment of the 1960 Law, ". . . 2.3% of the exploitations with an average of 3,500 hectares occupied more than 84% of the total area."³ In light of that, it is clear that a redistribution affecting only 7.3 per cent of land in private holdings has not fundamentally altered the predominance of the latifundia.

Other statistics indicate that the problem of the minifundia remains acute. The 1961 Agricultural Census (see Chart No. 2, supra,) showed that at that date more than 65% of the farms in Venezuela were under 10 hectares in size.⁴ This figure was somewhat higher-- 71.6% in 1950, and then declined somewhat, to 67.7% in 1961.⁵ However, in spite of the fact that medium-size farms increased fastest percentage-wise between 1950 and 1961, the greatest surge in this period in terms of absolute numbers came in farms of under 10 hectares, which increased by some 45,000.⁶

Unfortunately, the problem of the minifundia does not seem to have ameliorated greatly, even if we confine our study to those plots which have been distributed by IAN since 1960. It is reported that 29.5% of all the plots distributed by IAN through 1966 were less than 5 hectares in size; nearly 51% were less than 10 hectares, and 75.6% were under 15 hectares. These percentages *are* even higher if only those plots which

were distributed from land originally privately owned . are . considered. Of these, 34.3% were less than five hectares in area, 57.8% were less than 10 hectares, and an overwhelming 80.4% were less than 15 hectares. A further breakdown reveals that the situation is even worse in the ^{more}populous mountain regions of the country. In the mountainous zones 46.5% or nearly half of all land allocations were less than 5 hectares, a staggering 72% were less than 10 hectares, and a total 89.5% fell below 15 hectares.⁷

These statistics carry two implications: on the one hand, they indicate that the 1960 Law has not attained its goal of transforming the agrarian structure and replacing the latifundia system. The latifundia remain, together with their concomitant minifundia. On the other hand, such statistics also indicate that the economic health of the mass of peasants is not greatly improved either. In connection with this latter point, it may be well to consider the statement by one authority that "At the 1961 level of agricultural technology in Venezuela, plots of less than 10 hectares were considered too small for economic production and inadequate to supply the farm family with a decent standard of living."⁸ As we have seen above, a majority of the beneficiaries of IAN land grants fit in that category.

In addition, there are other signs that the lands affected by the agrarian reform are not economically healthy. One survey found that 68.5% of the families studied reported that

their disposable family income was the same or worse after the agrarian reform than before it (as of 1966).⁹ Furthermore, in spite of large investments by IAN in capital expenditures and extension services, the productivity of the agrarian reform sector, as measured by the value of farm goods produced, was approximately 30% under that of the independent farms outside the reform program on a production per hectare basis.¹⁰

These criticisms are not meant to deny that peasant families have benefited from the reform program. Even though land plots are small, many are better off than before. Many who had no land before now have some, and many who had no title to the land they subsisted on have now had their status legitimized. Additionally, many peasants now have access to facilities and services they did not have before, as, for example, electricity and potable water, and while these things are important in assessing the situation of the peasant, they do not show up on tables of income or agricultural productivity.

Even so, the overall prospects for the success of the agrarian reform in Venezuela will remain cloudy as long as the latifundia-minifundia problem persists. Some attention ought therefore be given to the question of why the agrarian reform has been unable to cope with the problem of the agrarian social structure.

The answer to this question probably lies mainly in the realm of politics. Yet the 1960 Law, itself a manifestation of

the political process, also hinders the destruction of the latifundia system.

The chief legal obstacle to the termination of the latifundia system is expropriation. The 1960 Law authorizes the National Agrarian Institute to authorize three different classes of bonds, each bearing interest at a different rate and maturing at the end of 10, 15, or 20 years respectively. These bonds are to be used as compensation to expropriated owners for the loss of their property. The bonds enjoy a generally high regard. Moreover, Article 178, which sets forth the scale according to which properties are to be compensated so much in cash and so much in bonds, also provides that: "in all cases where the expropriated portions are valued in excess of 100,000 bolivars, the sum paid in cash shall not be less than this figure."

One result of the expropriation provisions is that "expropriated owners are so well compensated that more land is offered for expropriation than the government can afford to buy."¹¹ As another consequence, comparatively little privately owned land has been expropriated; hence, the latifundia remain as before.

In summary, the main goal of the agrarian reform, the replacement of the latifundia system, has not been accomplished. The goals outlined in the Agrarian Reform Law have not been given an adequate legal mechanism to insure their achievement. Indeed, the expropriation features of the 1960 Law

operate to hamper their fulfilment. Consequently, the agrarian reform program has allowed minifundia to proliferate while the latifundia remain dominant. Until the expropriation features of the law are changed, there is probably little hope of altering the situation.

NOTES

1. Kenneth L. Karst, Latin American Legal Institutions, pp. 407-408.
2. Luis Ratinoff and Pompeyo Rios, Venezuela, El Proceso de Adquisición de Tierras, Research Paper No. 8, (Washington, D. C., CENDES/CIDA, 1969), p. 38. Cited in Wing, Land Reform in Venezuela, p. 34.
3. Instituto Agrario Nacional, La Reforma Agrarian en Venezuela, Directorio, 1967, p.2.
4. José Ma. Franco García, Recursos Humanos y Dessarrollo Agrícola, p. 29.
5. 1950 and 1961 Census data in Consejo de Bienestar Rural, Present Status and Possibilities of Agricultural Development in Venezuela, 1967, cited in Draft Paper of April, 1970 by Harry E. Wing Jr. at p. 8.
6. Ibid.
7. Encuesta Nacional de la Reforma Agraria, CENDES/CIDA, 1967. Cited in Draft Paper by Harry E. Wing Jr. at p. 35.
8. Harry E. Wing Jr. in Land Reform in Venezuela: Country Report for AID Spring Review of Land Reform, Draft Paper of April, 1970 at p. 7.
9. Luis Ratinoff, Ricardo Alezones, and Julio Esteves, Venezuela, Evolución del Ingreso y del Nivel de Vida de los Beneficiarios, CENDES/CIDA, Trabajo No. 10, January, 1969, cited in Draft Paper by Harry E. Wing Jr. at p. 49.
10. From figures given by José Ma. Franco García, Recursos Humanos y Dessarrollo Agrícola, p. 30
11. Charles J. Erasmus, "Agrarian vs. Land Reform in Three Latin American Countries", in Bock, Peasants in the Modern World, University of New Mexico Press, Albuquerque, pp. 18-19.