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The Ambiguous Transition: Building State Capacity and Expanding Popular  
Participation in Venezuela's Agrarian Reform

By Tiffany Linton Page

A dissertation submitted in partial satisfaction of the  
requirements for the degree of  
Doctor of Philosophy  
in  
Sociology  
in the  
Graduate Division  
of the  
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Committee in charge:

Professor Laura J. Enríquez  
Professor Michael Burawoy  
Professor Richard B. Norgaard

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## Abstract

### The Ambiguous Transition: Building State Capacity and Expanding Popular Participation in Venezuela's Agrarian Reform

By Tiffany Linton Page

Doctor of Philosophy in Sociology

University of California, Berkeley

Professor Laura Enríquez, Chair

This dissertation focuses on how the interaction of political, economic and social factors shape the nature of the state and civil society, and, in turn, their implications for popular participation in development. I examine the 2001 agrarian reform in Venezuela, which was part of the country's larger national project of building what the government called twenty-first century socialism. The government took an active role, pursued a redistributive development path, and promoted popular participation in the process.

The literature on state-led development projects and petro-states presents a pessimistic view of the possibilities for social change. Many of the dynamics that this literature describes occurred in Venezuela. Its economic dependence on oil exports negatively affected the agricultural sector, and contributed to the highly centralized and incoherent state structure that impeded the implementation of the country's agrarian reform. Moreover, the political conditions present in transitions to socialism tend to reinforce the existing centralization of power in the state and work against efforts at building a cohesive state bureaucracy with the necessary expertise to implement the new model. Decades of oil dependence also shaped civil society in such a way that popular sectors were relatively unorganized, and accustomed to depending on the state. The centralized nature of the state inhibited efforts to expand popular participation in decision-making.

Drawing on interviews with government employees and small farmers, as well as participant observation on farms, at farmer meetings and in government offices, my research demonstrates that the picture is not as dismal as this view would suggest. I describe how local actors, when organized, were able to influence the implementation of the agrarian reform, and thereby improve its success. Degree of decision-making power on the local level varied in the two states where I did fieldwork. In Yaracuy, where local state employees and farmers organized and coordinated with each other, they were able to wield more influence in the determination of policies, and the way these policies were implemented. As a result, these farms were relatively more successful.

There are several factors that played a particularly important role in shaping the distinct outcome in the two states, including natural resource endowments, local history, and geographical factors. By identifying the conditions under which the obstacles presented by oil, the political conditions of socialist transitions, and state-led efforts at development can be overcome, my research contributes to the literatures on development, petro-states and transitions to socialism. Moreover, many of my findings are relevant for other states because there are striking similarities in the structure and nature of the economy, the state and civil society across the Global South as a result of the legacies of colonialism and the neoliberal era.

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## List of Acronyms

AD	Acción Democrática
ATC	Asociación de Trabajadores del Campo
CIARA	Capacitación e Innovación para Apoyar la Revolución Agraria
COPEI	Comité de Organización Política Electoral Independiente
CRAU	Comando Regional Agrícola Unificado
CTV	Confederación de Trabajadores de Venezuela
CVA	Corporación Venezolano Agraria
FONDAFA	Fondo de Desarrollo Agropecuario, Pesquero, Forestal y Afines
IMF	International Monetary Fund
INAPYMI	Instituto Nacional de Desarrollo de la Pequeña y Mediana Industria
INCE	Instituto Nacional de Capacitación y Educación Socialista
INDER	Instituto Nacional de Desarrollo Rural
INIA	Instituto Nacional de Investigaciones Agrícolas
INTI	Instituto Nacional de Tierras
LTDA	Ley de Tierras y Desarrollo Agrario
MAT	Ministerio de Agricultura y Tierra
MC	Movimiento Campesino
MCA	Misión Campo Adentro
MINEC	Ministerio de Economía Comunal
MVC	Misión Vuelvan Caras
MZ	Misión Zamora
NUDE	Núcleo de Desarrollo Endógeno
PDVSA	Petróleos de Venezuela SA
PSUV	Partido Socialista Unido de Venezuela
SASA	Servicio Autónomo de Sanidad Agropecuario
SUNACCOOP	Superintendencia Nacional de Cooperativas
UNAG	Unión Nacional de Agricultores y Ganaderos
VAC	Vuelta al Campo
WB	World Bank

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## Part I: The Petro-State Contradiction and the Challenges of the Transition to Socialism

### Chapter One Introduction

Following the neoliberal restructuring of Latin American economies that began in the mid-1970s and continued into the 1990s, poverty and inequality increased. The poor were the hardest hit by the neoliberal policies and they found that their political leaders ignored their opposition to them. The economic and political marginalization experienced by a large portion of the population became starkly apparent. The poor began to organize and demand radical change. Beginning with the election of Hugo Chávez in Venezuela in 1998, a number of left of center governments were elected in Latin America.<sup>1</sup> Within this group of left of center governments, there was significant diversity in terms of the policies pursued, and the degree to which these policies differed from the neoliberal policies that had been imposed by the International Monetary Fund in the 1980s and the 1990s. However, what these governments had in common was that they were elected by people who were fed up with the devastation they had experienced as a result of the implementation of neoliberal policies. The election of these leaders signaled a rejection of the neoliberal model of development and mode of integration into the global economy.

Of these newly elected governments, the Venezuelan government created the greatest stir on an international level, and arguably pursued the most radical political agenda. In 2005, Hugo Chávez, the President of Venezuela, announced that the country would build what he called twenty-first century socialism. He said that it would be distinct from previous socialist models, but rather than define *a priori* what it would look like, he said that it would take shape as Venezuelans collectively defined it. Regardless of what it would eventually look like, it was clear that twenty-first century socialism was a rejection of neoliberal economic ideology.

One of the fundamental assumptions of neoliberalism is that the state bureaucracy tends to be inefficient, and that private capitalists can more efficiently run industries and provide services. Consequently, the role of the state in the economy and in the provision of social services was reduced during the neoliberal era. In contrast, the socialist-inspired development path pursued by the Chávez government maintained a more active role for the state. The state expanded its role in production by nationalizing certain industries, subsidizing sectors of the economy it wanted to expand, and establishing a number of social programs to target the problems of unemployment, poverty and inequality.

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<sup>1</sup> In 2003, Luiz Inácio Lula da Silva and Nestor Kirchner were elected in Brazil and Argentina, respectively. In 2006, Evo Morales, Michelle Bachelet and Daniel Ortega were elected in Bolivia, Chile and Nicaragua, respectively. In 2007, Rafael Correa was elected in Ecuador. In 2009, Carlos Funes was elected in El Salvador.

Consequently, expanding state capacity was integral to the success of Venezuela's new development model.

The Venezuelan government not only envisioned a key role for the state in development, but also had the resources to support such an active role for the state because of its oil wealth. Soon after Chávez was elected, the price of oil increased significantly. The financial independence that resulted from state-control of oil provided the government with autonomy from international lending institutions, foreign governments and the domestic elite. This allowed it to pursue a development program that ran counter to the hegemonic neoliberal model of the time. In short, Venezuela did not need to rely on domestic and foreign capital because it had oil revenues sufficient to fund infrastructure projects and social programs. Its status as a petro-state uniquely endowed it with the freedom to pursue policies that were unpopular with powerful actors in the global economy. While Venezuela—being both a petro-state and a state in transition to socialism—may be relatively unique, other states that export natural resources may also have, during booms in the price of their main export, the relative financial autonomy necessary to fund alternative development paths.

This financial autonomy becomes even more important in a transition to socialism because of the politically polarized nature of such a project. Petro-states, particularly during oil booms, are likely to have sufficient revenue to expand the provision of social services, to engage in redistributive projects like land redistribution, and to invest in building infrastructure—all activities that a state would undertake as part of a project to develop the country and/or transition to socialism. Consequently, petro-states do not have to be as concerned about how domestic and foreign capital will react to their policies. For example, they do not need to worry much about the possibility that investors will withdraw investment, cause economic collapse, and leave the government without the financial means to implement its policies. This relative financial autonomy means that opponents to the process of building socialism do not pose the same kind of economic threat to petro-states as to other types of states in transition.

While petro-states in transition to socialism have this financial advantage, their dependence on oil has some serious disadvantages that undermine both the project of development and that of building socialism. The petro-states literature describes how economic dependence on oil production and export negatively impacts both the development of the economy and the development of state institutions. Oil exporting countries do not have diversified economies because of the way the oil sector crowds out other sectors of the economy. Moreover, oil also distorts the development of the state, which means that petro-states tend to have relatively low state capacity. This, in turn, means that the state's ability to intervene in the economy to transform it, or to engage in activities to promote social and economic development is limited. Herein lies the petro-state contradiction: the resource that provides the state with the financial autonomy and power to fund development projects and redistributive measures simultaneously undermines the ability of the state to successfully implement such policies. During oil booms, the state has the necessary income to self-fund development projects, giving it greater autonomy from domestic and international

capital, but it lacks the capacity to effectively implement these development projects, and the economic dynamics generated by high oil revenues undermine efforts to develop other sectors of the economy.

The case of Venezuela under the Chávez government is a prime opportunity to examine the possibilities and limitations of an active role for the state in national development in the twenty-first century; the possibilities of a socialist model and what it might look like in the twenty-first century; how a government can try to overcome weak state capacity; and the possibilities for expanding popular participation in development, as well as, the difficulties that might be encountered in the process of economic and political empowerment. In order to examine these issues, I focus on the 2001 agrarian reform in Venezuela, which was an integral part of the larger socialist project. The agricultural sector provides a window into the way oil dependence continued to negatively impact other sectors of the economy despite the political and financial commitment of the government to expand agriculture. Moreover, examination of the agrarian reform gives us insight into how the nature of the state and society, which has been shaped, in part, by their dependence on oil, impacted efforts to transition to a socialist model of production, and to empower popular sectors—defined here as the politically and economically marginalized—politically and economically.

While my focus is not on socialism per se, but rather the social program implemented in Venezuela, for the purposes of this dissertation, we can think of socialism as a political system in which an organized population collectively makes decisions. “An empowered civil society provides the basic direction for the allocation and use of human and material resources in society and significantly penetrates both state and economy” (Wright 2004:17). The transition to socialism requires increasing the autonomy of both civil society and the state vis-à-vis the economy, and increasing the power of civil society over both the state and the economy (Ibid:17).

In petro-states, there are some additional challenges that both the state and society face in the former’s efforts to increase its power over the economy, and the latter’s efforts to increase its power over both the state and the economy. The dynamics created by oil have produced a situation in which popular sectors tend to be poorly organized and dependent on the state (Wilpert 2007). Through organization, popular sectors are better able to participate in local decision-making (e.g., regarding issues that affect their day-to-day lives) and national political debates (e.g., defining the goals and vision for development, as well as for the new social, political and economic system being built). However, their dependence on the state makes it difficult for them to develop *autonomous* organizations, which are necessary if they are to increase their power over both the state and the economy. Therefore, in order to transition to socialism, popular sectors need to organize. Building state capacity is also crucial if the state is to increase its autonomy with respect to the economy. This is difficult in the politically polarized context of the transition. Those who controlled the state previously work to undermine the transition to socialism because they do not want to see the redistribution of political and economic power.

In order to concretely examine efforts in Venezuela to increase the

autonomy of civil society and the state with respect to the economy, as well as to increase the power of civil society, I focus on the agrarian reform. I demonstrate how the political dynamics of a transition to socialism worked to undermine these efforts, and specifically how this affected the agrarian reform. To understand Venezuela's twenty-first century, socialist agrarian reform—why it was designed the way it was, how it is distinct from capitalist agrarian reform, and farmer's previous experiences with agrarian reform—we need to put it in historical context.

### **Agrarian Reform in Historical Context**

Capitalist governments across Latin American in the 1960s feared that the Cuban Revolution might spark socialist revolutions in other countries. Many of these governments believed that land redistribution could dissipate some of the growing social unrest in rural areas. "The agrarian leagues had large memberships, and strong claims were made for access to land in reaction to extremely unequal patterns of landownership that were still dominated by semifeudal social relations and massive rural poverty" (DeJanvry 1981:199). It was in this political context that the land reforms of the 1960s were implemented.

These land reforms ultimately eliminated the feudalist structures that existed on the *latifundios*, and reorganized the agricultural sector along more capitalist lines (Ibid). While some small farmers received land through these agrarian reforms, they were not the principal beneficiaries of the programs. Rather, governments created policies that overwhelmingly benefited large, commercial agribusiness. The land reforms, along with the entry of multinational corporations into these countries, and the diffusion of Green Revolution technology accelerated the development of capitalist agriculture. Moreover, the mechanization of commercial agriculture limited employment opportunities. Consequently, "the peasantry was increasingly marginalized in subsistence agriculture and semiproletarianized" (DeJanvry 1981:200).

These land redistributions did not empower the landless and the land-poor by establishing them as economically independent small-scale producers as some had hoped. This did not occur for a couple of reasons. First, the land received through these land redistributions was often marginal land that the large landowners did not want (De Janvry 1981). Secondly, due to the fact that government support was targeted at large farmers, small farmers did not receive the support they needed to get established, such as credit or technical assistance (Griffin et al 2002). Consequently, many of the small farmer beneficiaries of these land reforms were only able to grow enough food for personal consumption, and had to work as agricultural laborers for income to meet their other needs. Because these laborers now had a source of food through access to land, the large landowners—who had the power to set wages—could pay less than what today is called a living wage. What the land reforms did, in effect, was subsidize the production costs of large landowners by allowing them to pay less for labor (De Janvry 1981).

Venezuela implemented a land reform in the 1960s that aimed to stop the recruitment of peasants into the rural guerilla movement that existed at the time.

Smith (1984) characterized Venezuela's land reform as "reformist" as opposed to "radical" because it was created with the purpose of protecting the interests of large landowners, rather than eliminating the land base of the powerful. The land reform law was written in such a way that land could only be expropriated if it was not being used, or if there were labor violations taking place on the land. The law did not limit how much land an individual could own. In cases when land was expropriated, the landowner could retain anywhere between 150 hectares and 26,000 hectares (DeJanvry 1981). Moreover, only 27% of the land that was redistributed had been privately owned. The rest had belonged either to the state or was located in previously untouched natural areas (Smith 1984). When land was expropriated, the state provided generous compensation. Consequently, some landowners sold the unprofitable parts of their land to the state, and then used the money they received to invest in more profitable areas of the economy (Ibid).

Following the land redistribution, the reform sector had only 16% of the land. The land that the reform sector received was mainly low quality with poor infrastructure and limited market access. Beneficiaries of the reform received little help from the government after they received their plot of land. Since they were not given full private property rights, they could not use their land as collateral to get loans from private institutions. In other words, they did not have access to credit from either the private or the public sector. As a result, people abandoned their land, and the land was eventually reconsolidated into large farms (DeJanvry 1981).

After the 1960 agrarian reform, 37% of agrarian reform beneficiaries had on average lower cash incomes, 28% the same level of income as previously, and 35% a higher income (DeJanvry 1981: 212-213). On average 19% of their income was what they produced for household consumption; 35% came from selling what they produced; and 46% came from outside employment. In other words, they relied on wage labor for nearly half of their income because they were not able to financially sustain themselves with the land they had received through the agrarian reform. The land reform basically created a pool of casual laborers who were on call when the large landowners needed laborers, but who were also able to supplement their limited income by growing food on their newly acquired plots. As occurred elsewhere in Latin America, the principal outcome of Venezuela's land reform was the transformation of precapitalist estates into large-scale capitalist enterprises that hired peasants as wage-laborers (De Janvry 1981). As the past century drew to a close, land in Venezuela, as in many other parts of Latin America, was concentrated in the hands of a few. The Gini index for land distribution in Venezuela was 0.88 in 1997, with zero reflecting perfect equality and one reflecting all assets concentrated in the hands of one person (World Bank 2008:324-325).<sup>2</sup>

At the same time that this earlier land reform in Venezuela was occurring, development of the oil sector was crowding out the agricultural sector, and

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<sup>2</sup> The Gini index for land distribution was 0.85 (2002) in Argentina, 0.77 (1996) in Brazil, and 0.66 (1993) in Honduras.

thereby undermining the power of the landed elite (Wilpert 2007). As agricultural production became less profitable, the wealthy sought economic opportunities elsewhere in the economy. Meanwhile, the rural poor migrated to urban areas in search of employment. Over the course of the twentieth century, Venezuela was transformed into a highly urbanized country, with an economically insignificant agricultural sector, and a high dependence on food imports.

Venezuela's agrarian reform of 2001 took place in a different political context from the earlier agrarian reform. Land and agriculture were no longer the basis for wealth, large landowners did not hold power in the central government, and the government in power was interested in a socialist-inspired, rather than capitalist, development model. The goal of the 2001 reform was not to demobilize the landless as in the earlier reform, but to politically and economically empower the landless. The government sought to increase agricultural production (in particular food production as opposed to export agriculture), redistribute land, promote the formation of agricultural cooperatives (at least at the outset), expand the agricultural sector by bringing the un- and under- employed from urban areas into rural areas to cultivate previously fallow land, and transition from a Green Revolution model to an agroecological model of agricultural production. In other words, the government aimed to shift from the neoliberal model of agriculture, which targeted resources at large farmers and promoted production for export, to a model of agriculture that targeted resources at the landless and small farmers, and focused on production for domestic consumption.

The Chávez government expanded the state bureaucracy to carry out the agrarian reform and to provide the multiple services needed for successful agrarian reform (e.g., credit, infrastructure, technical assistance). In addition, the government invested a significant amount of resources in the agricultural sector. So what was the outcome of this investment of resources in the agricultural sector?

### **Results of the Agrarian Reform 2001-2009**

Over a million Venezuelans benefited from the land reform (Wilpert 2011:2). As of January 2009, 2.7 million hectares of *latifundio* land, or one-third of existing *latifundio* land before the agrarian reform, had begun to be cultivated, benefitting 180,000 families (Schiavoni and Camacaro 2009:4-5). This redistribution was a significant step toward transforming the agricultural sector, because it dismantled *latifundios* and put the land in the hands of small farmers who wanted to bring it under cultivation. In 1998, when Chávez was elected, 1,639,000 hectares were under cultivation; by 2008 there had been a 45% increase in land under cultivation, reaching 2,375,000 hectares.<sup>3</sup> Access to agricultural credit also increased significantly under the Chávez government. In 1999, \$164 million of agricultural credit was given out. In 2008, that figure was \$7.6 billion (Schiavoni and Camacaro 2009:5). Moreover, more than 96,400 hectares now have irrigation.<sup>4</sup>

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<sup>3</sup> [http://www.inder.gob.ve/ejecucion\\_de\\_obras-logros-revolucion-bolivariana-2008.php](http://www.inder.gob.ve/ejecucion_de_obras-logros-revolucion-bolivariana-2008.php)

<sup>4</sup> [http://www.inder.gob.ve/ejecucion\\_de\\_obras-logros-revolucion-bolivariana-2008.php](http://www.inder.gob.ve/ejecucion_de_obras-logros-revolucion-bolivariana-2008.php)

While production did not always meet expectations (Venezuelaanalysis.com 2007), it did increase significantly. According to one source (Suggett 2009, 1), by 2009, agricultural production in Venezuela had risen by 24% since Chávez took office, with a 205% increase in corn production, a 94% increase in rice production, a 13% increase in sugar production, and a 11% increase in milk production. According to another source (Schiavoni and Camacaro 2009:6), by 2008, Venezuela had reached self-sufficiency in corn, rice and pork. In addition, the country produced 70% of the beef it consumed, 85% of the chicken it consumed, 80% of the eggs it consumed, and 55% of the milk it consumed. These figures represent a 132% increase in corn production under the Chávez government's agricultural policy, a 71% increase in rice production, a 77% increase in pork production, and a 900% increase in milk production. In addition, production of black beans increased by 143%, and root vegetables by 115%, both of which are staples of the Venezuelan diet. There seems to be some discrepancy in terms of how production increases were calculated by these two sources. Nonetheless, these figures illustrate a significant increase in food production since the restructuring of the agricultural sector began. The government continued to show its commitment to expanding food production when it announced in February 2011 the allocation of an additional \$1.3 billion for the agricultural sector (Venezuelan News Agency 2011). In addition, the government established a new government agency dedicated to expanding agricultural production called *Misión Agro Venezuela*. This social mission involved both private and public funding to continue the project of expanding food production (Ellis 2011).

The foregoing discussion provides us with an idea of the impact of the agrarian reform, and suggests that significant change did occur overall. However, as my discussion of the implementation of the agrarian reform in Yaracuy and Anzoátegui in subsequent chapters will show, there was significant variation across states. This raises the question: why was the agrarian reform relatively successful in some areas of the country in spite of the fact that the macro-economic impacts of oil on the economy, the state, and state-society relations should in theory be the same across the territory? This question will be addressed later in the dissertation. In order to answer it, however, we must first look at the differences between the two states where I did fieldwork.

### **Yaracuy and Anzoátegui: A Small Agricultural State and a Large Oil State**

I selected these two states because, while Yaracuy exhibited much greater success in implementing the agrarian reform than Anzoátegui, both states were subject to the macroeconomic dynamics of oil that led to weak state capacity and a poorly organized, dependent population. By comparing these two states, I was able to identify what can mitigate these very powerful macro-dynamics. See Appendices A and B for maps of Yaracuy and Anzoátegui, respectively.

Yaracuy is a significantly smaller state than Anzoátegui. Yaracuy comprises 7,100 square kilometers, or less than 1% of the national territory,<sup>5</sup>

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<sup>5</sup> [www.yaracuy.gob.ve](http://www.yaracuy.gob.ve)

while Anzoátegui is more than six times the size of Yaracuy and comprises almost 5% of Venezuelan territory.<sup>6</sup> Anzoátegui's population was also larger. Its larger population size, however, was not commensurate with its larger area. Rather, its population was just over twice as large. Moreover, the population in Yaracuy was more evenly distributed throughout the state than in Anzoátegui where the population was concentrated in urban areas, particularly in the two main cities along the coast. In 1950, 44% of the Anzoátegui's population lived in an urban area. By 1990, this number had increased to 86% (<http://www.gobierno.anzoategui.org/>). Half a million people lived in Yaracuy; and 1.2 million lived in Anzoátegui.

The most significant difference between Yaracuy and Anzoátegui was that the main economic activity in Yaracuy was agriculture, while in Anzoátegui the local economy was based on oil production. The interest in farming among the population in Anzoátegui was limited because working in the oil industry was more lucrative than working in agriculture. Moreover, in contrast to Yaracuy, the environmental conditions of Anzoátegui were not particularly conducive to agricultural production. Anzoátegui's soils were alluvial and according to the state government did not have "the capacity to support large-scale agricultural activity" (<http://www.gobierno.anzoategui.org/>). The government established a number of new farms that were part of the *Vuelta al Campo* (VAC), or Return to the Countryside program, in Anzoátegui precisely because there was little agricultural production underway in the state. The government wanted to expand agricultural production in parts of the country with little agriculture.

	<b>Yaracuy</b>	<b>Anzoátegui</b>
<b>Area (square km)</b>	7,100	43,300
<b>% of National Territory</b>	0.8%	4.7%
<b>Population</b>	500,000	1.2 million
<b>Main Economic Activity</b>	Agriculture	Oil
<b># of VAC Farms</b>	0	5

The idea of repopulating the countryside was also present in Yaracuy. Many of the people on the new farms in both states had not been farming prior to the agrarian reform. However, because of Yaracuy's size and relative population density, participants in the agrarian reform could continue to live in the towns near the new farms, or easily remain in contact with friends and family in towns. In contrast, most participants in the agrarian reform in Anzoátegui had to move out to rural areas and create temporary housing while they awaited the government projects to build permanent housing because the state was large, relatively sparsely populated, and because some participants were coming from urban areas in other parts of the country. I will explore the significance of these differences later in the dissertation.

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<sup>6</sup> <http://www.venezuelatuya.com/estados/anzoategui.htm>



## **Fieldwork in Venezuela**

In order to examine the questions of how the economic dynamics of oil and the political dynamics of a transition to socialism affected both the involvement of the state and popular sectors in the implementation of the agrarian reform, I carried out one year of fieldwork in Venezuela. The fieldwork for this study began with a two-month trip to Venezuela in the summer of 2006, during which I visited Caracas, the capital, as well as the states of Lara, Yaracuy, Miranda, Trujillo, Cogedes, Barinas, Portuguesa, Carabobo and Aragua. During this trip, I spoke with representatives from farmer organizations, government employees involved in the agrarian reform, as well as small farmers on farms I visited.

I returned to Venezuela in January 2007 and spent six months in Yaracuy, a state in which, as mentioned above, agriculture was the primary economic activity, and in which there was a local history of small-farmer political activity. I undertook participant observation on farms and in government offices there, as well as in-depth qualitative interviews (63 interviews) with small farmers and employees of the government. During this trip, I traveled with farmers and employees of the government from Yaracuy to two national farmer meetings—one in Apure and one in Anzoátegui. At these meetings, I met delegations of small farmers from other states. These meetings gave me a sense of the variation in the experience of the agrarian reform that was occurring across states, as had my first trip to Venezuela when I traveled throughout nine states. In addition, I witnessed the nascent efforts of pro-Chávez small farmers at building a unified national movement, and the role of the state in this process.

As a comparative case to Yaracuy, I selected Anzoátegui as the state in which to do the second phase of my fieldwork.<sup>7</sup> In contrast to Yaracuy, Anzoátegui was an oil state with limited agriculture, but in which the government wanted to expand agricultural production. From October 2007-January 2008, I engaged in participant observation and in-depth qualitative interviews (72 interviews) in Anzoátegui on farms and in government offices. At the beginning of January 2008, I briefly returned to Yaracuy and discovered the changes that had occurred on the farms in the six months since I had last been there. See Appendix D for a discussion of my methodology.

## **The Organization of the Dissertation**

In this dissertation, I examine how the political and economic context impacted the implementation of the agrarian reform, and local responses to the challenges that arose. In Chapter Two, I synthesize the literatures on petro-states, developmental states and transitions to socialism to demonstrate how oil dependence and the conditions of the transition to socialism shape the characteristics of the state (e.g., the degree of centralization, meritocracy, coherence, and embeddedness in society) and how that impacts efforts to successfully implement development projects and increase popular participation. Petro-states tend to lack the characteristics of developmental states, which by

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<sup>7</sup> See Appendix A for a map of Venezuela that locates these two states within the national territory.

definition are able to effectively intervene in the economy to transform it. Moreover, the added complication of the political context when a country is transitioning from a capitalist economic model to a socialist economic model makes it difficult for these states to build state capacity and expand popular participation. The politically polarized nature of the transition to socialism adds a further layer of difficulty as a powerful minority seeks to undermine the national social project.

In Part Two of the dissertation—Chapters Three through Seven—I examine the case of Venezuela, presenting and analyzing data I collected during fieldwork. In Chapter Three, I begin by reviewing Venezuelan history in regard to the formation of the state, the development of the economy, and the nature of the state-society relations that emerged. Then, I describe how these three areas changed under the Chávez administration. I end the chapter by focusing on the expansion of the state bureaucracy that was undertaken in order to implement the agrarian reform. In Chapter Four, I examine how the dynamics within the Venezuelan state—shaped by both the nature of its economy and the political context—play out in its efforts to expand and transform the agricultural sector. This chapter illustrates empirically what I describe in Chapter Two.

Chapter Five examines how the dynamics within the Venezuelan state described in Chapter Four negatively affected the success of the new farms created via the agrarian reform, as well as the relationship between participants and the government, which undermined the larger political project of building socialism. I describe some of the patterns that occurred across farms in two states—Yaracuy and Anzoátegui—but focus on Anzoátegui where these dynamics were more pronounced because there was no concerted effort to address the problems that arose. The lack of coherence of the government and the lack of coordination among the different institutions involved in the agrarian reform led to a disorganized implementation of the many projects planned for each farm. The highly centralized nature of the Venezuelan state harmed the relationship between the government and the intended beneficiaries of the projects because the latter were often excluded from decision-making regarding what the projects would be and how they would be implemented. In addition, lack of transparency as to what was happening within the government institutions led to growing frustration among participants as they anxiously awaited the arrival of resources that kept being delayed.

The similarities that existed between Yaracuy and Anzoátegui were striking despite the fundamentally distinct social, historical and economic contexts of the two states. This, I argue, was because of the powerful social, political and economic effects the oil sector had on the country, as well as the political choices made in the politically polarized context of the transition. Despite these similarities, the agrarian reform efforts were more successful in Yaracuy than in Anzoátegui. This, I argue, was due to the greater degree of organization in Yaracuy—of both people inside the government and of small farmers, as well as coordination between these two groups.

Chapter Six compares the cases of Yaracuy and Anzoátegui in terms of local responses. Although power was centralized in the capital, people on the

local level found ways to influence the implementation of policy. The degree of decision-making power on the local level varied somewhat in the two states where I did fieldwork due to the level of organization among both local state employees and farmers, and the coordination between these two groups. In this chapter, I focus more on the case of Yaracuy where both local employees of the state and farmers were organized, and consequently were able to influence the policies implemented and the way they were implemented. In addition, they were able to address on the local level some of the problems created by the weak state capacity of the central government. The farms in Yaracuy, though exhibiting many of the same problems as the farms in Anzoáteguí due to the dynamics described in Chapter Four, were relatively more successful as a result of these local efforts.

In Chapter Seven, I explore the question of why we see organization and collaboration in Yaracuy, but not in Anzoáteguí. What were the conditions that produced a more mobilized population in Yaracuy? There are several factors that explain their relative success at organizing in comparison to their counterparts in the state of Anzoáteguí. Yaracuy had a history of farmer organizing, as well as a strong small-farmer identity both because of this history and because agriculture remained the primary economic activity in the state. Moreover, the small size of the state and the fact that people continued to be closely tied to their hometowns facilitated the process of organizing. Anzoáteguí, on the other hand, was a large and primarily oil-producing state. Many of the people left their hometowns to be on the new farms, and consequently were socially and physically isolated. Moreover, oil production impacted the local economy in such a way that agriculture was not a particularly desirable part of the economy in which to work.

Up until this point in the dissertation, I focus on the implementation of the agrarian reform. In the final chapter, I evaluate the design of the agrarian reform, as well as identify the lessons we can learn from the Venezuelan case.

In this dissertation, I focus primarily on the farms that were created through the agrarian reform, which produce a small portion of total agricultural production in the country. I focus on these farms, however, because they are the models of the new socialist-inspired vision for the agricultural sector that are being constructed. In order to be able to assess the possibilities of this new model and its ability to achieve the myriad of objectives set out, it is the experiences on these farms upon which we need to focus. Moreover, these farms are the ones that are receiving the majority of the government's attention and resources. Consequently, we must evaluate whether the resources being devoted to the transformation of the agricultural sector are, in fact, meeting the government's objectives.

This dissertation shows that while there are many challenges to building socialism, as evidenced by the implementation of the agrarian reform in Venezuela, progress toward this goal can be made even with all the difficulties produced by the larger political and economic context. Moreover, what at first may seem antagonistic—the need to both expand state capacity and increase popular participation—prove to be compatible. The case of Yaracuy shows how both the expansion of state capacity and an increase in popular participation can

occur, and that these two factors, in fact, improved the success of the transition. In other words, there is not a zero-sum relationship between these two fundamental goals needed to carry out the socialist project, but rather a positive sum relationship. While my research cannot quantify how much higher production was as a result of the organization and collaboration on the local level in Yaracuy, it is clear the efforts of the agrarian reform beneficiaries and the government employees on the local level produced positive results in that project abandonment appeared much lower and the amount of production visible when I visited the farms appeared to be much higher than in Anzoátegui. Prospects for sustaining the project of transformation seemed much more promising in Yaracuy than in Anzoátegui. Moreover, increasing production was not the only goal of the agrarian reform. Building socialism in the countryside—which involved transforming people’s individualist orientation toward a more collective orientation, shifting to an agroecological method of production and away from a Green Revolution model, and empowering popular sectors by providing them with access to land—was also an important goal of the agrarian reform. In other words, we must not focus exclusively on the quantitative increases in agricultural output, but also consider the progress that was made in terms of qualitative changes in the countryside.

### **Moving Beyond Venezuela**

This dissertation focuses on a country that is relatively unique in that there are not many petro-states in transition to socialism in the world today. Moreover, the vast majority of states in the Global South today are pursuing a capitalist development model, and do not have either the benefits or the drawbacks of oil as a resource. There are, however, more parallels than one might expect between petro-states in transition to socialism and non-oil producing states pursuing a capitalist development model. In many ways, the petro-state case is an extreme version of what many other states dependent on a single commodity experience. As a result of the legacies of colonialism and the neoliberal era, there is surprising similarity across countries in the Global South in terms of the structure of the economy, the nature of the state, the degree of organization within society, and the relationship between the state and society. While there are key differences between petro-states and other types of states dependent on a single commodity, which I will discuss below, many of the conclusions I reach about petro-states are applicable to other types of states in the Global South.

Former colonies tend to be dependent on the export of commodities that are subject to large price fluctuations in the international market. For some countries, their primary export product is a natural resource, as in Venezuela, and for others it is an agricultural product, such as coffee. Export of primary products and dependence on one or a few export products makes countries vulnerable to fluctuations in the prices of the goods they export. In this sense, many countries in the Global South have the challenge of dealing with fluctuating levels of national income. When the price of their main export commodity is high in the international market, the state may have funds at its disposal for development. When the price plummets, not only does the state lose income

(whether it comes from direct control over the main export industry or taxation of the private companies that control this industry), but the social and economic problems that need to be addressed increase in number and intensity. These are the same issues that petro-states face.

There are, however, some differences between petro-states and other types of economies dependent on one, or a few, main export(s). The price of other natural resources and agricultural products do not reach the same high levels as oil. Oil is a unique natural resource because most societies around the world are extremely dependent on oil to fuel their economies and lifestyles. Moreover, most other industries do not have cartels like The Organization of the Petroleum Exporting Countries (OPEC) that control the price of their main export. Consequently, most other states in the Global South do not have the financial autonomy that petro-states (particularly during oil booms) have. Even when the price of their main export is high, these other states do not have the high level of income that petro-states can muster during oil booms.

The international oil market has historically been more stable than the market for other types of commodities that many countries in the Global South export (Ellner and Tinker Salas 2007:3). OPEC tries to create some degree of stability by maintaining an agreed price for oil. In many petro-states, governments have harnessed the vast resources that could be reaped by the export of oil, by nationalizing their oil industries. In 1968, OPEC nations set the goal of gaining national control over their oil industries by increasing state participation in the sector. The idea was to establish the state as the dominant actor in the industry and significantly reduce the role of foreign oil companies. "Once government-owned oil companies had developed their capacity to operate the industry, foreign companies would derive income only from payments for their limited services...By 1976, the oil industry in every oil-exporting nation had been nationalized" (Coronil 1997: 55). Therefore, oil is distinct from other commodities, and its unique characteristics enhances the financial autonomy of petro-states.

Other types of economies are much more subject to the pressures exerted by investors and the multilateral lending institutions (e.g., the International Monetary Fund and the World Bank) to implement neoliberal economic policies. They do not have the resources to fund development projects on the same scale as what we saw in Venezuela. Instead, they depend on foreign investment. The ample resources that Venezuela had as a petro-state provided it with greater freedom to learn from its mistakes, because there were always more resources that could be allocated when previous allocation of resources failed to achieve the intended goals. However, reliance on primary export products to gain a degree of policy autonomy and fund a development path that does not adhere to neoliberal policies also reinforces the structure of the economy inherited from colonial times.

While it is true that petro-states during oil booms have more financial autonomy than states dependent on the export of other commodities, there are a number of ways in which states in the Global South are reducing their dependence on the World Bank, the International Monetary Fund, and countries that insist that the borrowing country follows a neoliberal economic model. One

way some states in the Global South may be getting around the limitations posed by their dependence on these proponents of neoliberalism is to seek foreign investment elsewhere. For example, we see increasing investment from China, Iran, India and Russia in Latin America, in addition to the opening of these countries' markets to Latin American exports (The Economist 8/13/09). Another measure to increase policy autonomy is illustrated by the fact that a group of Latin American countries—including Argentina, Brazil, Paraguay, Uruguay, Ecuador, Bolivia and Venezuela—came together in 2009 to establish the Bank of the South to make loans to countries for infrastructure and social programs, allowing these countries to reduce their dependence on the condition-tied loans of the World Bank and the IMF (Ugarteche 10/12/09).

Yet, another measure to increase the autonomy of states to determine their own policies and development trajectories has been the establishment of alternative trade agreements like the Bolivarian Alternative for the Americas (ALBA). ALBA, which includes Bolivia, Cuba, Ecuador, Nicaragua, and Venezuela, as well as several small islands in the Caribbean, does not focus on the elimination of subsidies and tariffs as does the World Trade Organization, and other bilateral and regional trade agreements promoted by the U.S. government. Instead, ALBA focuses on exchanges between countries that will facilitate development. For example, Venezuela has exchanged oil, which Cuba needs and has had difficulty attaining because of its high market price, for Cuban doctors and agricultural advisors who have the expertise Venezuela needs.

Such relationships between countries in the Global South provide these states with greater autonomy to implement the type of policies they desire, and not be forced into implementing neoliberal policies in exchange for much needed foreign investment. This opens up the possibility that states dependent on the export of commodities other than oil can potentially pursue alternative development paths, as well.

As will be discussed further in this dissertation, the macroeconomic dynamics of oil did not just impact the economy, but also the structure of the state. Like petro-states, many states in the Global South lack the characteristics of developmental states, and this is, in part, a result of the legacy of colonialism. The postcolonial state carried over many of the features of the colonial government. Although the battle for independence was a rejection of external rule by the colonial powers, it also “was a ringing affirmation of the structural and ideological form foreign rule took. The goal was to capture the protostate, not to dismantle or fundamentally rearrange it” (Abernathy 2000:366). Abernathy (*ibid*) argues that this produced a significant amount of homogeneity in terms of political organization across former colonies. Moreover, colonial governments were authoritarian, not representative and democratic. The colonial bureaucracy implemented measures decreed by the colonial power, and were not accountable to the people living in the colony. This top-down approach to rule, as also tends to be the case in petro-states, was passed on to the states formed after independence (*ibid*).

Alavi (1972) argues that the post-colonial state is relatively autonomous in that it is not simply controlled by one class. Rather, the state mediates between

three powerful classes: the bourgeoisies from the former colonizing power, as well as the bourgeoisies and the large landowners from within the new state in the post-colonial society. “In the post-colonial situation their mutual relations are no longer antagonistic and contradictory; rather they are mutually competing but reconcilable” (Ibid 72). It is in the interest of all three of these classes to maintain the social order that was in place when independence occurred, and the state in the post-colonial society acts in such a way to ensure that it is maintained. Moreover, the state appropriates a significant portion of the economic surplus produced in the country and “deploys it in bureaucratically directed economic activity in the name of promoting economic development” (Ibid 62). Over time the bourgeoisies in the post-colonial society become increasingly dependent on and subordinate to the bourgeoisies in the former colonizing power, for reasons such as dependence on the importation of technologies.

This continuity in the governing structures and political culture post-independence undermined the legitimacy of the postcolonial state. “The colonial origin of public sector institutions often reduces their effectiveness and legitimacy...Where government has been shaped more by external forces than by its own society, rulers may not consider themselves accountable to those they rule, and citizens may regard government procedures and policies as illegitimate” (Abernathy 2000:366). Abernathy argues that some people perceive the state as a foreign product. As a result, people may not see the coffers of the state as belonging to the nation, but rather to foreign exploiters. This may, consequently, increase the chances people will steal from the state. This corruption, in turn, further undermines the legitimacy of and support for the government. Corruption is characteristic of what Evans (1995) calls predatory states, not developmental states.

The top-down approach to development and the prevalence of corruption in many former colonies suggests that many states in the Global South lack the characteristics of a developmental state. Consequently, states with the objectives of diversifying their economies, eliminating poverty, and reducing inequality face the additional challenge of needing to build state capacity in order to successfully carry out their development plans. The lessons learned from my study of Venezuela shed light on some ways in which state capacity can be constructed on the local level.

Not only did the legacy of the colonial period produce similar economic conditions, state structures and state-society relationships in the Global South, but the neoliberal period of the late twentieth century also helped produce a certain degree of similarity across countries. Due to mounting debts as a result of the costs of the import substitution industrialization model and spikes in the price of oil in the 1970s, a number of countries in the Global South turned to the International Monetary Fund and the World Bank for loans to maintain economic stability and to fund development. These loans had conditions that forced countries to implement a similar set of macroeconomic policy instruments: privatization of state-owned enterprises, liberalization of trade and financial markets, deregulation, and fiscal austerity.

Privatization of state-owned enterprises (SOEs), in many cases, resulted in the increase of prices for basic goods and services. Since the government had previously had monopoly control over these industries, the purchasers of the SOEs did not face competition, and, thus, could set prices. Trade liberalization—the removal of subsidies and tariffs—wiped out certain sectors of the economy, decreasing economic diversification even further and increasing reliance on limited numbers of export commodities. Proponents of neoliberalism argued that production was most efficient when every country only produced what it had a comparative advantage in. Because of the way economies of former colonies were structured, countries in the Global South tended to have a “comparative advantage” in the export of natural resources and agricultural goods that grew in more tropical climates. This ideology of comparative advantage undermined efforts to diversify economies in the Global South, reinforced the way the colonizers structured the economies of former colonies, and continued the exploitative and extractive relationship first established during colonialism. Financial liberalization opened the opportunity for international investors to earn enormous profits by speculating on how the value of a country’s currency would change. This currency speculation, at times, wreaked economic havoc, plunging countries into recession. Deregulation, in general, limited state control over the activities of economic actors whose primary goal was to maximize profits, not to ensure that basic needs were met, social stability maintained, and development pursued. And, finally, fiscal austerity meant a decrease in social expenditures, which led to a decline in access to education, health care, and affordable food for the majority of the population in many countries, and consequently an increase in inequality.

In addition, more and more countries have become subject to the trading rules established within the World Trade Organization (WTO), which has further homogenized the policies implemented in the Global South. WTO agreements have placed limitations on the policies that states can implement. For example, the WTO agreement on intellectual property rights made it more difficult for countries in the Global South to manufacture generic medicines to treat the health problems confronted by their populations, and has undermined the ability of farmers to save seeds and establish an ecologically sustainable system of agricultural production that does not rely on imported chemicals. In addition, non-discrimination clauses in WTO agreements have been used to undermine the environmental policies of individual nations.

Hence, neoliberalism produced greater convergence in terms of the types of policies implemented across the Global South. This, in turn, has reinforced the common nature and structure of these economies, which was first established during the colonial era. Similar to petro-states, many countries in the Global South lack diversified economies and rely on one or a few export products. This subjects them to the price fluctuations in international markets, which can have serious implications when the price they can get for their export(s) plummets. This is particularly the case when they depend on the importation of food to feed the population, as did Venezuela. Since the structural adjustment programs of the World Bank and IMF promoted the production of non-traditional agricultural



exports (NTAEs), farmers further shifted away from food production. Consequently, this is an issue many countries in the Global South face.

Neoliberal policies also impacted the structure, size, and jurisdiction of the state. It scaled back the role of the government in the economy and in the provision of social services across the Global South. Privatization of state-owned enterprises has eliminated one of the state's previous jurisdictional areas, by removing its role in production. Trade and financial liberalization, as well as deregulation, have also reduced the power of the state to control what comes in and out of its borders, to provide support to certain sectors of the economy it may want to diversify into, and ensure that the economy serves social, collective needs, not just the individual desires of powerful economic actors. Fiscal austerity further downsized the state and the ability of the state to meet the needs of its citizens. The period of neoliberalism has increased homogeneity across the Global South in terms of the size and reach of the state, as well as its ability to meet society's needs. This, in turn, has had implications for society and its relationship to the state.

The neoliberal policies also impacted the degree of organization within society and the relationship between society and the state. Privatization of state-owned enterprises, and the subsequent downsizing of the state, resulted in the elimination of thousands of unionized public sector jobs. The power of unions declined as membership fell. The cutting of state jobs led to a burgeoning of the informal sector of the economy. Trade liberalization also contributed to an increase in the size of the informal sector because some sectors of the economy were wiped out, further decreasing the number of formal sector jobs, and the potential pool of unionized jobs. The informal sector of the economy is very difficult to organize, as many people are self-employed and busy struggling to make ends meet. Similar to the situation in petro-states, popular sectors across the Global South tend to have low levels of organization, which can be traced, in part, to the impact neoliberalism had on society.

Financial liberalization, and the economic crises it caused, such as the Asian Financial Crisis, and the subsequent economic contagion as recession spread to other countries around the globe, have exacerbated the struggle to survive confronted by so many low-income people around the world. Moreover, the cuts to social spending that were part of the fiscal austerity measures imposed on the countries of the Global South by the multilateral lending institutions led to popular uprisings throughout the world as it became even more difficult for the poor to meet their basic needs. These uprisings have brought attention to the political marginalization of the poor in many of these states, as they saw that they were the ones disproportionately hurt by the neoliberal policies, and did not seem to have a voice in government. This occurred in Venezuela in 1989 with the uprising that came to be called the *Caracazo*, and contributed to the demands for a major shift in the political system and the country's leadership.

Political upheavals that remove those who previously controlled the state, and usher in the implementation of at least some degree of redistribution will be contested. Any government that seeks to change the status quo will have to deal

with the previously powerful. However, the political struggles that occur may not reach the same level of intensity as that which often occurs in a more radical transformation of society, such as a transition to socialism, and as occurred in Venezuela. Nonetheless, the political instability caused by neoliberal policies across the Global South, arguably, led to a wave of increased contestation in domestic politics. Consequently, some of the lessons learned by looking at the challenges to building state capacity that the political dynamics in Venezuela caused may be relevant to countries pursuing a capitalist development path as well.

The foregoing discussion is not meant to suggest that all the countries of the Global South are identical or confront the exact same challenges, but rather to highlight how earlier historical periods created some similarities—in terms of the nature of their economies, the structure of the state, the degree of popular organization, and the relationship between the society and the state—across countries despite the great variation that still exists today. I focus on the similarities in order to argue that at least some of the conclusions drawn from studying Venezuela, a petro-state in transition to socialism, are relevant to other states in the Global South that produce different products and have different models of development.

## **Chapter Two**

### **The Troubled Transition to Socialism: Building State Capacity and Expanding Popular Participation**

Scholars have analyzed the dynamics of developmental states, petro-states and states in transition to socialism. However, each of these areas of inquiry have been studied in isolation. Scholars have not brought these three literatures together to examine how the dynamics of each interrelate when an oil-producing state seeks to simultaneously engage in development and transition to a socialist economic and political system. The case of Venezuela today allows us to examine the extent to which the theoretical conclusions one can draw from bringing these three literatures together translates into practice. In this chapter, I will examine the theoretical implications of engaging the developmental state, petro-state and states in transitions to socialism literatures with each other. I have divided the chapter into two parts to examine in-depth two elements that are key for a socialist development path: a state with high capacity and the expansion of popular participation.

I elaborate my argument on the state by first examining what the existing literature says about the role the state can play to promote development—defined here as raising living standards for the poor and diversifying the economy—in today’s global economic context. This has been highly debated as many governments have claimed that their ability to act has been severely hampered by the power of institutions like the International Monetary Fund (IMF), the World Bank (WB) and the World Trade Organization (WTO), as well as by private investors. While most scholars agree that states do face new constraints, many also argue that there is an important role for the state to play in development, and effective state intervention is key to successful development. Scholars have also pointed out that not all states have the same capacity, or ability to act.

From the developmental states literature, we can glean what types of state characteristics tend to facilitate effective state intervention in society. We can then look at the petro-states literature to determine to what degree petro-states have the characteristics of developmental states. We can conclude that petro-states have weak state capacity, as they do not have many of the characteristics of developmental states. The latter of which has high state capacity, or the ability to successfully intervene in society and the economy to transform it to meet the country’s development goals. If we then bring in the literature on states in transitions to socialism, we can identify how the dynamics of such a political context impact the ability of a petro-state to acquire the characteristics of a developmental state. The theoretical implications of bringing the three literatures together is that petro-states engaged in development and in a transition to socialism face great difficulties in their efforts to build the state capacity that they need to transform their society and economy.

While the first part of this chapter focuses on state capacity and the dynamics that hinder a petro-state’s ability to build it, the second part of the chapter examines civil society—its role in development, how the political economy of oil affects who is organized and to what degree, as well as how the political

context of a transition to socialism shapes the nature of popular organizations that emerge, in particular their relationship with the government. State capacity is one factor that determines successful development and the ability of a society to transition to a truly participatory form of socialism; another important factor is the capacity of popular sectors to organize and participate in the process.

The development literature suggests that large-scale, centrally planned development projects tend to fail (Scott 1998, 4-6; Ferguson 1994, 254-276). Increasing the involvement of the intended beneficiaries in the design and implementation of development projects will avoid some of the problems that a top-down approach to development engenders. Moreover, increasing popular participation is an integral part of the socialist political project. Lowy (1986:264) argues, “It is the *very content* of socialism as a social formation in which workers and peasants, young people, women, that is, the people, effectively exercise power and democratically determine the purpose of production, the distribution of the means of production and the allocation of the product” (italics in the original). The state cannot successfully construct the new society alone and doing so would be counter to a fundamental idea of socialism—empowerment of popular sectors in both the political and economic realms. My analysis of the intersection of the social, political and economic dynamics that are present in petro-states, as well as in transitions to socialism, suggests that they can undermine efforts to increase popular participation, as well as the autonomy of the popular organizations that eventually do emerge.

### **State Capacity**

#### *The Role of the State in Development*

In the increasingly globalized economy in which we live, governments are constrained in terms of the policies they can implement. If a government pursues policies that private financial actors view as economically unsound, the latter can withdraw their investment from a country, or at least threaten to, if the government does not change its policies. Both the withdrawal of investment and the threat of withdrawal can cause the value of the country’s currency to fall and decrease the state’s access to capital. This, in turn, can result in rising unemployment and decreasing government revenues. States are financially dependent upon a healthy economy because, in many cases, the state gains revenue through taxation and borrowing. If the economy is in crisis, it will be difficult and expensive for states to borrow money because it will be a riskier investment for investors. Similarly, the government will not be able to earn much revenue from taxes if businesses and individuals are struggling economically. If the government has to turn to the International Monetary Fund (IMF) to borrow money because it cannot get it from private investors or through taxation, there will be conditions attached to the loan. These conditions will dictate the kinds of macroeconomic policies the government must implement. Moreover, when an economy is in crisis the government tends to lose the political support it had when the economy was healthy. In other words, governments are subject to pressure imposed by private investors and multinational institutions to implement certain types of policies.

For the last three decades, the economic ideology that has dominated in the area of development has been neoliberalism. While some of the policies promoted by institutions like the World Bank and the IMF may have changed somewhat in the last decade as a result of the poor economic track record of countries that have implemented neoliberal policies, the general ideological framework of neoliberalism remains hegemonic among multinational institutions and private investors. Proponents of neoliberalism suggest that the state should cut social expenditures, eliminate subsidies and tariffs, privatize state-owned enterprises and deregulate (Williamson 1990); in short, they see the state's role in development as a minimal one.

Although the state may be constrained in certain ways because of these international pressures, it still can play an important role in social and economic development (Castells 1996; Evans 1997; O'Riain 2000; Watts 1994; Weiss 1997). Not all avenues of state involvement in the economy are precluded by neoliberal policies. Weiss (1997) points out that neoliberal policies constrain states in terms of the macroeconomic policies they can set, but leave states freedom in other areas of policymaking. Castells (1996) argues that states remain important actors in the global economy because they defend the national interests that they represent. O'Riain (2000) posits that states are increasingly forced to integrate domestic and international policy, and negotiate the multiple ties between local society and transnational markets. The state retains the power to influence how local assets "are mobilized within the range of opportunities available in the global economy" (Ibid:203). States have the power to shape markets, as well as, promote economic competition and accumulation. Even private financial actors need states because they rely on them to provide a predictable environment and to act as regulators of global financial markets. Moreover, the profits of many private financial actors depend on the state defining an intellectual property regime and enforcing it (Evans 1997). States remain important actors in development. However, the role they play depends on the nature of the development path pursued.

O'Riain (2000) explains that paths of economic development are determined by the different ways in which the tensions between the spheres of state, society and the market are reconciled. State, market and society are embedded in each other and constructed by their interactions with one another. State building, market reconstruction and the constitution of society are interdependent social processes. The role of the state in constructing markets includes guaranteeing rules of operation, creating new market actors and shaping their strategies. The state must also manage the tensions between market and society; society supports state efforts to promote growth and living standards through the market, but it also turns to the state for protection from the market.

Evans (1995) identifies four types of relationships the state can have with economic actors in order to promote economic growth. The state can regulate producers, become a producer itself, assist new entrepreneurial groups in establishing businesses, and support and encourage emerging economic actors. Evans emphasizes that success depends on the combination of roles the state

plays. He believes that the most effective developmental states assist entrepreneurs in the development of their businesses, as well as, support and encourage economic actors. Weiss (1997) adds that states can also build partnerships with other states and/or businesses. These catalytic states, as she calls them, seek to achieve their goals less by relying on their own resources than by assuming a dominant role in coalitions of states, transnational institutions and private-sector groups.

What these scholars agree on is that effective state intervention is key in determining the degree of success at both social and economic development. Not all states, however, have the same capacity to act. They cannot all equally take advantage of opportunities that emerge in the global economy (Weiss 1997). Some states have the institutional capacity to take advantage of opportunities in the global economy, and intervene within their societies to maximize the benefit of engagement in the global economy, and minimize the social dislocation that can be caused by integration into the global economy. Developmental states have the necessary capacity to do this, but, as we will see, petro-states fall short in their ability to do this.

State capacity is shaped both by the internal structure of the state, and by the state's relationship to the class structure of society (Evans and Rueschemeyer 1985). In order for a state to effectively intervene in society, it must have a bureaucracy that is meritocratic (position and promotion determined by expertise, not political considerations), cohesive (such that the different parts of the state can act in a coordinated manner), as well as have a certain degree of decentralization (so that it can effectively implement policy), and have autonomy (such that the state can make independent decisions) (Ibid). The construction of a state bureaucracy with these characteristics is a long-term process.

In order to achieve both cohesiveness and create an autonomous state structure, the people within the state bureaucracy must develop a sense of identity and shared power. "An effective process of institution building must reshape the goals, priorities, and commitments of core participants and inculcate shared assumptions and expectations on which a common rationality can be based" (Evans and Rueschemeyer 1985:51). In a sense, the state needs to be an independent actor, separate from the various social groups within society.

The cohesiveness and autonomy of the state can be undermined by decentralization. Different social groups can capture different parts of the state, thereby undermining both the cohesiveness of the state, and its ability to act in a coordinated fashion (Ibid). This is more likely to occur in political contexts characterized by a high degree of social conflict and when the state is intervening to fundamentally transform existing structures, as is often the case in transitions to socialism. At the same time, a certain degree of decentralization is important for effective and efficient implementation of policy.

Evan's (1995) concept of "embedded autonomy" suggests that it is important for the state to have institutionalized links to private capitalists. The idea is that the state alone cannot be responsible for development, but that it must partner with actors in civil society. "Internal cohesiveness and dense external ties should be seen as complementary and mutually reinforcing" (Evans

1995: 72). Developmental states, he argues, encourage a long-term perspective among private entrepreneurs by providing incentives for and reducing the risks of transformative investments. While these ties to capital may encourage economic development, how can they be maintained such that the state can act autonomously from these groups? Hamilton (1982) suggests that the state can become more autonomous from dominant classes when dominant classes are weakened by internal or external crisis and/or when the state allies itself with subordinate groups.

To what extent do petro-states have the characteristics of developmental states—a cohesive and autonomous state structure that is meritocratic and that has some degree of decentralization, as well as has institutionalized relationships with private actors—and to what extent do they diverge?

### *Petro-States*

Oil production and export impacts not only the economy, but also the nature and structure of the state, as well as the state's relationship to society. As we will see in this section, petro-states tend to have weak state capacity. In other words, they do not have the ability developmental states have to effectively transform the society and economy to meet the country's development goals.

Oil-producing states suffer from what economists call Dutch Disease, named after the economic dynamics observed in the aftermath of the discovery of natural gas reserves in the Netherlands in the 1970s. Oil, like natural gas, generates relatively high returns compared to other commodities. This overvalues the exchange rate, thereby making it appear cheaper to import food and other goods than to produce these items domestically. This, in turn, hurts domestic producers of these other products, and in the long run wipes out these other sectors of the economy.

As a result, petro-states become economically dependent on a single resource. They do not have diversified economies, and this makes them subject to economic instability. When the price of oil is high, the economy is booming, but when the price of oil falls the economy plunges into crisis. This instability can negatively affect the growth rate, levels of investment, and the inflation rate. Moreover, such sharp fluctuations in the economy can both negatively impact society and political stability. While many countries in the Global South do not have diversified economies, and are negatively affected by fluctuations in the price of their main export commodity—often an agricultural product or a mineral resource—petro-states experience this instability in a more extreme way because of the enormously high rents, or return, oil can generate. These fluctuations in the price of oil may result in periods of economic boom, accompanied by the population's rising expectations of upward mobility, followed by large declines in income, and the inability of the state to continue providing social services, or subsidizing areas of the economy that the poor rely on (e.g., food and public transportation).

Another characteristic of the oil industry is that it is capital-intensive. "As an export activity, oil extraction contrasts with labor-intensive agricultural activities which involve large sectors of the population in seasonal cycles of

planting and harvest or livestock reproduction, as well as with most mining operations, which require massive labor inputs” (Coronil 1997:108). Consequently, the oil industry generates few, but relatively well paying jobs.

Another outcome of the capital-intensive nature of oil extraction is that petro-states often initially turned to foreign companies for the necessary capital and technology to build oil extraction infrastructure. Consequently, managerial and professional positions in the oil industry tended to be occupied by foreigners, while natives were hired for the unskilled jobs in the industry (Coronil 1997). Initially, when the oil industry was being established, there tended to be a high level of foreign control of the oil sector.

Over time, however, many states increased their control over the oil sector, with many going as far as nationalizing the industry. This shifted the terrain on which conflict over oil revenues played out. Venezuela, for example, nationalized its oil industry in 1976, after which “conflicts over distribution of resources and profits which had previously set the Venezuelan state and the foreign oil companies against each other were now played out within the Venezuelan state itself” (Coronil 1997:110). In other words, the nationalization of oil created intra-state conflict. Various groups in society vied for control of the state, or at least parts of it, in order to reap the benefits of the oil revenue. The developmental state ideal of a cohesive and autonomous state clearly falls short in petro-states, at the very least in cases in which oil has been nationalized.

The capital-intensive nature of the oil industry also results in the emergence of what Karl (1997) calls a labor aristocracy. As mentioned earlier, the oil industry generates few, high-paying jobs: “After its extraction phase, the jobs that oil extraction creates tend to decrease. Carried out in relatively isolated areas of the country, forming separate pockets of economic activity, it [oil production] never occupied a large percentage of the Venezuelan working population” (Ibid 108). Those few who work in the oil sector are highly paid. The rest of the population (the majority) tend to be unemployed or underemployed because oil has wiped out other sectors of the economy, and prevented new sectors from emerging. Many of the un- and under- employed work in the informal economy, engaging in activities like selling goods on the side of the street. In Venezuela, for example, 43% of the total labor force in 1998 worked in the informal sector; this statistic fell to 39% by 2007 with the expansion of the state and efforts to develop other parts of the economy thanks to the petrodollars flowing into the country during a boom in the price of oil (Weisbrot and Sandoval 2008:14). Nevertheless, the informal sector still remained quite large.

The economic dynamics of the oil sector do not only have implications for the economy, but also for state development and the nature of the political system that emerges. At the outset, the state came to control the oil industry because the exploitation of oil required significant capital investment and organizational capacity that private domestic actors could not muster. Over time the state, and the executive branch specifically, became more powerful. Karl (1997:59) explains, “As long as oil revenues continued to enter the national treasury and no conscious effort was made to reverse the process, intervention, centralization, and the concentration of power were virtually automatic.” The



state's control over the oil industry was strengthened in the 1970s in many countries with its nationalization. Consequently, states came to more directly control the revenue from oil extraction.

Since other sectors of the economy declined as a result of the Dutch Disease effects of oil, the way to prosper economically in petro-states was to gain political influence. Widespread political rent-seeking, or the earning of income through political maneuvering and connections rather than through economic activity, became commonplace. Corruption and "the exercise of influence outside established rules and procedures" became the norm in petro-states (Karl 1997:63). Again, this diverges significantly from the developmental state ideal of a state bureaucracy with its own identity, coherence and autonomy.

Coronil (1997) describes how the nationalization of oil transformed the state in Venezuela, expanding its role in the economy from collecting taxes to producing primary and industrial goods: "The new integration that resulted between the state's financial and productive roles took two directions: the state's financial apparatus was expanded and centralized and became interconnected with the state's producing corporations" (246). The jurisdiction of the state, or the areas over which it exercised authority, increased as it came to control and distribute oil revenue. At the same time, however, "administrative institutionalization fell far behind the expansion of jurisdiction" (Karl 1997:63). In other words, there was a lack of institutionalization of administrative procedures; the capacity of the state did not grow along with its jurisdictional expansion.

The institutional weakness of petro-states initially remained hidden because state actors could "solve" problems by spending the vast oil revenues it controlled. "But in the process the state's ability to penetrate society in order to change actors' behavior, to develop and implement comprehensive, autonomously determined policies, and to place issues of purpose above the tug and pull of political pressures was sacrificed" (Ibid 64). Although the state could maintain political stability through spending in times of high oil prices, it lacked the state capacity necessary to transform the economy in a long-term way.

The state had financial autonomy because it was not dependent on domestic or foreign capital for revenue, and, consequently, governments could implement policies that were potentially counter to the interests of the dominant class. In practice, however, the dominant class controlled the state, and used its control over the oil rents to promote the interests of themselves and their friends, as well as to maintain the political support necessary to maintain their power. Consequently, the state bureaucracy did not develop a sense of itself as an autonomous structure with policies and procedures it designed and followed. Rather, the state became a site in which private economic actors struggled for control of the oil wealth, while the majority of the population was economically and politically marginalized. Although these types of states may have democratic, representative structures in place, in practice the state does not broadly represent the population as the allocation of resources tends to be mired in corruption and cronyism.

Since oil is a nonrenewable resource that will eventually be depleted, there is a sense of urgency around national development. The logic is that the

country must develop rapidly while it still has the revenue from oil because once oil is gone, it will have nothing. Consequently, in boom times the state often “sows the oil” to subsidize the development of agriculture and industry.<sup>8</sup> With petrodollars flowing into the country, expectations rise. Society believes that rapid development is possible. Development, however, proves to be uneven because the Dutch Disease effects of oil become even more pronounced during oil booms. The influx of petrodollars makes it difficult for the government to diversify the economy. Moreover, the oil industry does not generate backward or forward linkages. In other words, industries that produce inputs used in the oil industry and sectors that use oil to produce other products do not develop domestically. “They [the influx of petrodollars] create new obstacles to investment in agriculture and industry, encourage highly inefficient import-substituting industrialization, discourage the development of nontraditional exports, and promote a bloated service sector” (Karl 1997: 65). The jurisdiction of the state is suddenly expanded and the power of the executive branch balloons. The government tends to dismantle existing state bureaucracies, and create new ones to carry out the expanded activities of the state. In short, there is a “general disarticulation of the administrative apparatus” during oil booms, further weakening state capacity (Ibid 65). In other words, when the state has the funds to engage in development, its ability to effectively do so decreases.

Moreover, leaders, concerned about political performance, tend to take a short-term perspective. They rapidly spend the petrodollars flowing into the country in order to buy political support. Coronil (1997) describes how under these conditions the state comes to be perceived as having magical powers that allow it to instantly modernize the nation and raise the standard of living of the population. The state, according to Coronil, “astonishes through the marvels of power rather than convinces through the power of reason... By manufacturing dazzling development projects that engender collective fantasies of progress, it casts its spell over audience and performers alike” (Coronil 1997:5). He likens a petro-state during an oil boom to a “magnanimous sorcerer.” While his language is dramatic, what he describes is the perception that emerges in petro-states during oil booms—that rapid, state-led modernization is imminent.

The political leaders running the state tend to dump money into “large-scale, capital-intensive, long-gestation projects” (Karl 1997: 65). Political leaders take this approach to development for several reasons. First, they recognize that the inflow of petro-dollars will eventually lead to soaring inflation that will cause economic problems. Second, they worry that the oil revenue will run out. And, third, in this single-industry, state-controlled economy, they view the state as the agent of development. The problem is that the funding for large-scale development projects is based on oil revenues. These projects are planned and initiated during oil booms. The price of oil, with its large fluctuations, inevitably drops from where it was at when these projects were initiated. When this occurs, the government then loses its source of funding for these projects. Consequently,

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<sup>8</sup> The saying “sow the oil,” first used in Venezuela in 1936 (Coronil 1997), is one that has been repeatedly used during oil booms there. Carlos Andrés Pérez, a former Venezuelan President, used this phrase in the 1970s, and more recently Hugo Chávez used this saying.

these projects sometimes never reach completion.

Moreover, the third factor—the fact that the state is viewed as the agent of development—creates an approach to development that excludes the population. Experience has shown that a top-down approach to development that excludes the intended beneficiaries tends to fail. Scott (1998) explains that such large-scale, state-led development planning is based on ‘high modernism,’ an ideology that optimistically believes a government can comprehensively plan settlement patterns and production. Scott (1998, 223-261) examines a number of high modernist schemes, including compulsory villagization of people living in rural areas in Tanzania in the late 1960s and into the 1970s, and finds that they tend to fail to achieve their objectives. In such schemes, the state tends to standardize citizens; in other words, view them in the abstract without any context. He suggests that this is not a mistake, but rather a necessary simplification in large-scale planning. He argues, ‘What is perhaps most striking about high-modernist schemes, despite their quite genuine egalitarian and often socialist impulses, is how little confidence they repose in the skills, intelligence, and experience of ordinary people’ (Scott 1998, 346). This is a top-down approach to development, in which the state fails to recognize the attributes and initiative of the intended beneficiaries of their projects. The tendency of petro-states to take this approach to development, that so often fails, further illustrates how far they are from the developmental state model.

From the literature on petro-states, we can conclude that states dependent on oil are characterized by concentration of power in the executive, limited capacity to intervene in society due to an institutionally weak administrative apparatus, inefficiency, corruption, as well as a lack of coherence, accountability and autonomy from dominant groups. In order to effectively intervene in society to transform it, petro-states need to acquire the characteristics of developmental states, namely a meritocratic, cohesive and coordinated state bureaucracy, a certain degree of decentralization and autonomy, and institutionalized links to private actors in civil society. Returning to Evans and Reuschmeyer’s (1985) argument, we know that state capacity depends not only on the internal structure of the state, which we have shown for petro-states to be distorted and weakened by oil, but also on the relationship of the state to the class structure of society. The latter is also shaped by the political context and can affect the ability of the state to develop the characteristics it needs to effectively intervene in society. In the section that follows, I examine how the political dynamics present in transitions to socialism affect the state’s ability to acquire the characteristics of a developmental state.

### *States in Transition to Socialism*

In transitions to socialism, the social and political environment tends to be extremely polarized. Frequently, prior to the new government taking power, a relatively small portion of the population controlled the political and economic institutions of the country. The leaders of the socialist project allied themselves with the poor majority to gain power; and a key part of the national project was to redistribute wealth and political power. The new opposition, composed primarily

of the country's elite, had a strong interest in halting the political project of building socialism since they had much political and economic power to lose. Consequently, the opposition may actively try to retain and/or gain footholds in the state bureaucracy in order to obstruct the government's efforts at transforming the society and economy.

A common problem governments, with socialist-inspired development models confronted when they gained power, was that they did not have complete control of the state. Fagen explains, "many second- and third-level positions in the state apparatus (and occasionally even some top positions of a more technocratic sort) are occupied by persons not closely identified with and not committed to a thoroughgoing transition" (Fagen 1986: 251). If the opposition does control parts of the state, it will impede the ability of the state to act in a coordinated, cohesive way. This, in turn, often leads to contradictory actions on the part of the state, which undermines the implementation of policy. Here we see that states in transition to socialism, like petro-states, tend to lack a key characteristic of developmental states—a cohesive and autonomous state structure.

The degree to which pockets of opposition control within the state is a problem may depend on whether the government attained power through an armed uprising or via an electoral path. If the government came to power via a democratic process, it will be subject to the rule of law and cannot fire people from the state bureaucracy who oppose the transition. In order to address the problem of opposition within the state, particularly when the government has come to power via the democratic process, the new government may create new bureaucracies to bypass the existing state bureaucracy, and staff these with supporters of the government. Even though these new institutions may be cohesive, the government's cohesiveness as a whole, and ability to act in a coordinated manner, is undermined to a certain extent by the proliferation of state bureaucracies. Similar to petro-states during oil booms, the negative impact on state capacity of the proliferation of state bureaucracies in states in transition to socialism undermines the state's ability to transform society and the economy, a goal not only of states seeking to develop, but also those seeking to build socialism.

That the staffing of the new government bureaucracies is based, first and foremost, on loyalty, and only secondarily on experience, limits the ability of the government to create a meritocratic and expert state bureaucracy, one of the crucial characteristics identified in the developmental states literature. Fagen points out, "Scarcity of qualified cadres and a need to keep lines of communication open to 'other sectors' dictate this mixed staffing of the state apparatus. In general, at least at the outset, the government is neither totally 'revolutionary' *nor* very 'expert'" (Ibid 251). Since the government's supporters come primarily from the lower classes, which tend to be composed of people with low levels of education and statecraft experience, there is a shortage of people who both support the government, and have the qualifications to take up positions in the state bureaucracy. The revolutionary government confronts the critical dilemma of whether to hire people on the basis of loyalty or expertise. If

they choose the latter, the new policies may not be implemented. If they choose the former, the state may implement the policies, but may not do so very effectively.

A second characteristic identified in the developmental states literature is decentralization. Some degree of decentralization improves the efficiency of the state's efforts to intervene in society. The state employees on the local level are the ones who are familiar with the problems on the ground. They are the best placed for responding to and resolving the problems that arise. Yet, if decision-making power is centralized, as it is in petro-states, the only way they can respond to problems is by sending a report to their superiors in the capital describing what is going on. This delays the government's response and increases the chances that the problem is never addressed. Moreover, decentralization would seem to facilitate efforts to increase popular participation—which is central to the socialist project—by devolving some power to the local level where the intended beneficiaries of development projects are located.

There are, however, political dynamics in transitions to socialism that work against efforts to decentralize. These include the hierarchical tendency, particularly among leaders with a military background. Fagen (1986) describes the approach to development often taken by such leaders: "Leaders, many schooled for years in military discipline, turn easily to command models to solve obdurate developmental problems – as if the citizens were troops, and developmental obstacles were forts to be stormed" (261). This type of thinking tends to preclude efforts to expand popular participation in the design and implementation of development projects.

Another factor that works against efforts to decentralize in transitions to socialism is the threat of the opposition to the process of social change. As discussed earlier, it is in the opposition's interest to gain control of parts of the state and prevent the implementation of the new policies. The greater the degree of decentralization, the more likely it is that the opposition can gain control of political structures on the local level, and block the implementation of policy. Consequently, the revolutionary government may be resistant to devolving authority to the local level. However, by not decentralizing, the government increases the likelihood that the state will not be able to respond quickly and capably to problems on the ground in the implementation of policy, and will hinder the institutionalization of popular participation in decision-making on the local level. These two outcomes will negatively affect the success of the development projects, as well as the success of the transition to socialism.

The developmental state literature also tells us that to effectively intervene in society the state needs to have a certain degree of autonomy from society. As mentioned earlier, when a revolutionary government takes power, it does not automatically gain full control over the state. Former elite retain control over parts of the state. Beyond this, the government may actually have to rely on the elite in the short term, which further limits the state's autonomy from the dominant class. This occurred in Nicaragua in the 1980s. The Sandinista government pursued a policy of "national unity" because it needed the dominant class, who controlled production, to continue producing. For example, the government maintained

policies friendly to large landowners, who produced crops for export, which were an important generator of foreign exchange. The policy of national unity was also part of an effort to minimize counter-revolutionary activity, which ultimately became a serious problem for the Sandinistas. The idea of having policies friendly to large landowners was also part of the strategy to fragment the capitalist class (Luciak 1995:80).

This limited autonomy from the dominant class, however, can impede efforts to transform the economy, political system and social structure, which are part of the socialist vision. According to Corragio (1986), "The political alliances entailed in a project of national unity may also condition economic policy, in that particular interests must be addressed that limit the transformations in favor of the popular sectors" (144). Marchetti (1986) concludes that in the Nicaraguan case, the impetus for "the decline in the power and participation of the popular organizations and the slowdown of mass mobilization in the civil and economic sphere has been the need to maintain the alliance with the private sector vis-à-vis foreign aggression" (323). Because the elite are generally the ones who had controlled so much of the country's economic activity, the new government may need to rely on them in the short term to avoid the potentially politically devastating impact of a major disruption in the country's economic activity. This, however, reduces the government's autonomy from dominant sectors, and hence its ability to radically transform existing social, economic and political structures, which is part of the project of building socialism.

The new socialist-inspired government must also immediately act on behalf of the poor to maintain its legitimacy since the government allied itself with this segment of the population to gain power. Hamilton (1982) argues that the government's alliance with subordinate classes increases the state's autonomy as long as the state dominates this alliance. However, if popular sectors do not feel that the government is living up to its promises, they will withdraw their support, thereby removing the alliance that had provided the state with a certain degree of autonomy from formerly dominant groups. The need to pacify formerly dominant groups complicates, in the short term, the degree of autonomy the government can exercise, and its ability to transition the society and economy to socialism, which can lead to a loss of political support from its base.

One of the challenges in synthesizing the academic literature on developmental states and states in transition to socialism is that they reflect two distinct visions of development. The developmental state literature describes a capitalist development path, while the states in transition to socialism literature describes a socialist path of development. Nonetheless, it is fruitful to bring these two literatures together to identify ways for effective state intervention in transitions to socialism. However, the nature of the state and its involvement in the society and economy as presented by the developmental states literature must be modified to some extent in order to take into account both the distinct development goals and political dynamics of the process.

As discussed earlier, the developmental states literature suggests that institutionalized links between the state and private economic actors are crucial for economic development. The state is viewed as a facilitator of development,

and that involves forming a certain type of alliance with private capitalists. This is incongruous with a socialist development path. In socialist projects, there is no long-term economic role for private capitalists. The state, rather, aims to build institutionalized links between itself and popular sectors. The elite will be able to see that there is no long-term role for them in the new society, which will make them reluctant to maintain ties with the government. Luciak's (1995) examination of the case of the Sandinistas illustrates this contradiction: "Relations with the FSLN [the Sandinista party] were bound to deteriorate because of fundamentally different conceptions of the future development of Nicaraguan society. Cordial relations ended when the bourgeoisie realized that implementation of the Sandinista design would threaten its privileged position" (36). As a consequence, the political environment in transitions tends to be extremely politically polarized. The domestic elite is unlikely to work with the revolutionary government, but rather is more likely to work to undermine it. Consequently, developing institutionalized links to private capitalists is neither a viable option in the long term in transitions to socialism, or part of the vision for a socialist society.

Although Evans (1995) focuses on the institutionalization of links between the state and private elites in his description of developmental states, he concludes his book by arguing that "expanding the scope of state-society links to include a broader range of groups and classes, however difficult that might be to accomplish, should result in a more politically robust and adaptive version of embedded autonomy" (228). He points to Kerala, India, as an example of a state with links to groups other than elites, such as institutionalized relationships between the state and peasants and workers. The Kerala case, he argues, illustrates both that "embeddedness is not necessarily restricted to connections with industrial capital" and that "being linked to a single group is problematic, whatever the group" (240).

Evans (Ibid) then turns to the case of Austria in the 1970s, in which the state had institutionalized links to both labor and capital, as well as maintained a strong state-owned sector of the economy. The corporate coherence of the state allowed it to construct a balance between competing social forces in civil society, and because of this balance of social forces, the state was able to maintain a certain degree of independence from any one social group. In this modification of his initial theoretical formulation, although capital is no longer the only social group with institutionalized links to the state, it still plays a key role in the development process. This remains problematic in the socialist context where there is generally no long-term role for private capital. However, Evans' (Ibid) theoretical framework seems to leave open the possibility that embedded autonomy is possible without private capital, so long as the state has institutionalized links to multiple social groups, and the state provides the investment needed to develop emerging industries. We can take away the idea that effective development depends, in part, on institutionalized links to society. This is also an integral part of socialism. In this case, however, the idea is to embed the state in the relevant parts of society for a socialist path of development (e.g., popular sectors).

The preceding sections have explored the characteristics needed by states to effectively intervene in society, as well as how the dynamics in petro-states and in transitions to socialism limit the ability of the state to develop these characteristics. The next section examines how oil dependence shapes civil society in petro-states and society's expectations vis-à-vis the state, as well as how the dynamics of a transition to socialism affect the nature of popular organizations that emerge, and their ability to gain access to decision-making within the state.

### **Increasing Popular Participation**

#### *The Role of Civil Society in Development*

In the field of development, there is an ongoing debate over the role the state and the role civil society should play in development. While the role of the state was much larger during the import-substitution industrialization era in the 1960s and 1970s, civil society has taken on a larger role with the rise of neoliberalism. Civil society was expected to take up some of the roles the state previously played. For example, the responsibility for the provision of social welfare increasingly fell on non-governmental organizations (NGOs) in the 1980s and 1990s. Over this period, the World Bank funneled its lending through governments to NGOs. The World Bank viewed NGOs as increasingly important actors in development, promoted the role of NGOs, and partnered with them in the provision of social services. As evidence of their growing importance, the World Bank pointed to the increasing number of NGOs, "the volume of grant funding for development raised or managed by them; their contributions to important development objectives (such as participation, micro-finance, health, education and targeting of vulnerable groups); and their ability to influence the opinions of decision-makers and the public" (World Bank 1998:2). In an effort to increase civil society participation, the World Bank, included NGOs in the planning of development programs.

Some argue that the expansion of NGO participation is a move toward a less centralized, more democratic system. Mohan and Stooke (2000), however, are critical of the idea that NGO involvement necessarily increases democratic participation in development. They argue that NGOs are often politicized organizations staffed by elites; consequently, there is no reason to believe that they will be more responsive to the needs of intended beneficiaries. They are wary of the increasing focus on the "local" as a way to empower ordinary people and provide legitimacy to the democratic process. Devolving decision-making to the local level, they posit, does not necessarily mean more democratic decision-making as there is nothing to ensure equality and democracy at the local level. Moreover, Mohan and Stooke conclude that the state and society should not be conceptualized as discrete spheres; rather scholars should think about the relationship between the state and society as characterized by either strategic engagement or disengagement. This line of thinking highlights an important distinction when thinking about increasing democratic participation in development. There is a significant difference between increased civil society involvement in decision-making—conceptualized as NGOs, labor organizations



and other organized groups—and the establishment of participatory structures that open up the space for community members to participate.

The construction of participatory institutions on the local level can take many different forms, such as the participatory budgeting process in Porto Alegre, Brazil<sup>9</sup> or the community councils in Venezuela.<sup>10</sup> Fung and Wright (2001) call a political system based on such participatory institutions—one in which people on the local level and the state come together to dialogue about development and other political issues—Empowered Deliberative Democracy (EDD). Sen (1999) argues that participation is a key part of development and that the intended beneficiaries of development programs should not be viewed as passive recipients, but rather as agents who can shape outcomes. Furthermore, the economic needs of the population, he posits, can only be determined through open public debates. The establishment of participatory institutions on the local level can ensure a democratic and transparent process of decision-making, as well as link the local level with other levels of the political system. Fung and Wright (2001) suggest that EDD promotes fair and equitable policies by involving the disadvantaged in public decisions, by making decisions according to rules of deliberation, and by providing services to disadvantaged members of society. Moreover, it can be more effective than a centralized, state-centered model for several reasons. First, participants possess relevant local knowledge of the problem, and consequently may know the best way to improve the situation. Secondly, more ideas can be considered through deliberation yielding superior solutions. Third, it shortens the time of the feedback loop. Fourth, it empowers individuals. And, finally, many ideas are simultaneously considered and pursued in various locales, such that those that work can be identified more quickly and diffused to other groups in the network. In other words, “the combination of decentralized empowered deliberation and centralized coordination and feedback” can increase the learning capacity of the system (Ibid 26).

What distinguishes a participatory democratic system from a representative democratic system is that the former involves the participation of all members of society in the deliberation over issues and in the decision-making

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<sup>9</sup> Although not an example of a transition to socialism, the case of participatory budgeting in Porto Alegre, Brazil, is one example of increasing popular participation in local planning. The participatory budgeting process was found to have devoted more resources to the poorest districts of the city, with an emphasis on improving physical infrastructure. Due to the more transparent and accountable structure of the participatory budgeting process, there was a decline in clientelistic practices at the municipal level, which increased the legitimacy of the municipal government (Koonings 2004).

<sup>10</sup> The *consejos comunales* are part of an effort to build an institutional structure within communities that bring members of the community together to identify and discuss the development needs of the community and empower them to participate in the management of local development initiatives. In rural areas, each community council must represent at least 20 families, while in urban areas they must represent at least 200 families. In order to receive financial support from the government for the projects they propose, they must establish a community bank. The government provides them training and direction in how to go about doing this. The government, then, funds these projects from two sources. Some of this money is in the form of a grant and some in the form of a three-year loan (Armas 7/10/06).

process (Fung & Wright 2001). This requires the construction of institutions at the local level that are networked to the other levels in the political system, such as the municipal governments, state governments and the central government. While a participatory democratic system includes elements of a representative system, it “surmounts its partial nature...[by creating] new structures and institutions, organically linked to the people’s *daily life*, and ensur[ing] their *ongoing participation* in all levels of economic and political power” (Lowy 276, italics in the original). Such a participatory, deliberative process takes time to develop and institutionalize because there is a learning process that goes along with its development.

The foregoing discussion highlights how neoliberalism leaves a larger role to civil society—often consisting of organized groups that represent the relatively advantaged in society—and state-led development leaves a larger role to the state. Neither of these options will maximize development success as the most marginalized in society—the intended beneficiaries of many development projects—are excluded in both models. Moreover, it is not a question of which of these spheres—the state or civil society—should be making development decisions. Rather, only through dialogue and collaboration between these two spheres, can the design and implementation of development projects, and hence their success, improve. The relative ease or difficulty with which democratic structures can be established depends not only on the capabilities of the state and the political will of those who occupy it, but also on the nature of civil society. And civil society, like the state, is shaped in part by the nature of the economy. In the next section, I examine what civil society looks like in petro-states.

### *Oil and the Weakening of Civil Society in Petro-States*

Just as oil dependence shapes the nature of the state and its capacities, it also shapes civil society: who is organized and who is not organized, the nature of popular organization when it occurs, and the expectations of the population vis-à-vis the state. As discussed earlier, the social structure in petro-states has been characterized as having a labor aristocracy (Karl 1997). Oil does not generate much employment because of its capital-intensive nature, but those who are employed in the oil sector are well paid due to the ease of unionizing under these conditions. Petro-states tend to have strong unions that represent only a small fraction of the population, while the majority of the population is part of the relatively unorganized pool of unemployed and underemployed that constitutes the informal sector of the economy. The domestic elite tends to hold high-level positions in the state and, when oil is nationalized, in the state-owned oil company. They also control the dominant political parties. Organized social groups, such as the unions in the oil sector, curry favor with politicians in order to gain influence in a system that, as discussed earlier in this chapter, is characterized by corruption, concentration of power in the executive, and a state that controls the main income source of the country. Clientelistic relationships develop between actors within the state and organized social groups. The vast majority of the population, however, wields no influence in such a system.

Despite the exclusion of a large percentage of the population, the government can maintain political stability by subsidizing the cost of living so long as the price of oil remains high. Through spending the state can maintain the impression that the oil wealth of the country will eventually propel the poor into the middle class. However, when the price of oil plummets in petro-states, which, as discussed earlier, lack the ability to raise money through taxation due to their weak administrative capabilities and the limited economic activity outside the oil sector, the government in power will have to make difficult decisions in terms of where to cut state expenditures. The poor majority, who lack political influence and receive the smallest percentage of the country's oil wealth, are likely to be disproportionately impacted by the cutbacks. At this point, their expectations of upward mobility are shattered. As a result, discontent with a political and economic system that effectively excludes them often increases. There may be a renewed demand for a political system that gives them a voice and an economic plan that includes them in the country's development. This situation opens the possibility for a radical departure from the existing political and economic system.

The political instability created by a fall in the price of oil can lead to a situation in which a shift to a socialist development path occurs. Gramsci's concept of hegemony<sup>11</sup>—as a form of domination that combines force and consent—is useful for understanding how this situation comes about. Burawoy (2003) explains that consent is organized through institutions. In particular, the expansion of the state—through education, the law and welfare agencies—plays a role in the formation of consent. In other words, when the price of oil is high, and the jurisdiction of the state expands, the dominant class can establish a hegemonic form of domination. The more that consent expands, the less visible the use of force need be, such that it is only used in individual cases of deviance and/or in moments of crisis. To effectively exert hegemony, the dominant class through the state will foster consent by making economic concessions to other classes, but will never let those concessions fundamentally affect their profit-making abilities. In petro-states, so long as the elite continue to control the state, and the oil revenues, their profit-making abilities remain intact. Once the hegemony is created, posits Gramsci, one sees the transition within capitalism from political dictatorship to political hegemony. In other words, consent has increasingly replaced force as the technique for maintaining political stability. Burawoy (Ibid) explains that under political hegemony there is “a configuration of class domination in which negotiated compromise replaces irreconcilable interests, in which cooperative antagonism replaces zero-sum conflict” (225). In the case of petro-states, political stability can be maintained so long as the price of oil remains high, and the government can buy consent through subsidization of the cost of living.

Nevertheless, the hegemony established by the dominant class can be challenged, opening the possibility for a different type of economic and political system. Burawoy (Ibid) argues that although Polanyi<sup>12</sup> neglects the power of capitalist hegemony in his analysis, he does propose something that can be the

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<sup>11</sup> His concept of hegemony is developed in Selections from the Prison Notebooks (1983).

<sup>12</sup> Polanyi develops his ideas in his 1944 book The Great Transformation.

basis for a counterhegemonic project. Polanyi points out how the expansion of free markets provokes a countermovement that demands that government put social protections in place for what he calls the fictitious commodities—land, labor and money. The countermovement he describes is not rooted in a single class, but rather the experience of expanding market forces can unite different classes.

Burawoy (Ibid) goes on to point out that we see this in the Global South in response to the neoliberal ideology (and its promotion of free markets) that was adopted by the ruling elite in the 1980s and 1990s. In Venezuela, for example, political instability occurred after the elite-controlled government implemented neoliberal policies. The poor and middle classes came together to bring an end to the reigning power of the two political parties that had controlled the state for nearly four decades, which opened the way for new political actors and a new model of development.

For Gramsci, in moments of crisis, a country can shift from one political form to another. He views economic crises as potential openings for the spread of alternative ideologies, but also as an opportunity for the dominant class to reassert its hegemonic power. It is political crises, or crises of hegemony, which can be turning points in the trajectory of a society, historic junctures that open up the possibility for radical change (Burawoy 2003). In Venezuela, the economic crisis created by the fall in the price of oil in the early 1980s led to a political crisis that eventually ended the power of the ruling elite.

In the event of a major shift in political power, the new social project may involve the transformation of the undemocratic model of political participation characteristic of petro-states to one based on participatory, democratic institutions. There are powerful organized groups, however, that have benefited from the oil-led development model, such as the union of oil workers and the class that controlled the state, and they tend to be resistant to any new vision for society that involves redistribution of the oil wealth and political power. In oil states, “state expenditures actually create a client private sector, middle class, and labor force whose *raison d’être* is to sustain the existing model” because they want to ensure that they will continue to benefit from the country’s oil wealth (Karl 1997:54). Meanwhile, popular sectors, often the main supporters of and beneficiaries of a fundamental shift in political power, are relatively unorganized when the revolutionary government comes to power since many are self-employed in the informal sector. The new government needs its supporters to organize so that it can challenge the entrenched social groups, and build a participatory political system.

### *Challenges to Building Popular Participation in States in Transition to Socialism*

Increasing participation by those previously excluded from the political process is a central part of the transition to socialism (Fagen 1986). Not only is increasing participation part of the socialist project, an institutionalized process of dialogue between the state and beneficiaries is integral to the success of any government’s attempts to transform society (Scott 1998). As discussed in the first part of this chapter, effective state intervention involves creating institutionalized links between the state and society. In the case of a transition to socialism, this

means institutionalizing links to popular sectors. Increasing participation in decision-making can facilitate the project of changing the mentality of the population vis-à-vis the social and economic organization of society. As Lowy (1986:271) argues, “moving from the law of profits and capitalist competition to a socialist logic and the people’s support of a *collective* program (and not of individual profit) is not possible if each worker does not feel he or she is an active participant in *collective decisions, co-responsible* for the policy adopted” (italics in original). In order to maintain support for the political project, popular sectors must see the process of change as something they can shape to address their concerns and needs. Enriquez (1997) points out that organizational forms that institutionalize the link between policymakers and popular sectors can help ensure a sense of identification with the project of social change, which in turn can help sustain support for redistributive policies and give the government the legitimacy it needs to maintain power.

While this discussion highlights a number of reasons for increasing participation in transitions to socialism, the literature also identifies a number of dynamics intrinsic to such a political situation that work against efforts to expand political participation. The presence of a socialist-oriented government does not immediately mean the political system has expanded to include popular sectors. Marchetti (1986) emphasizes this point: “the mere presence of progressive forces in a government does not mean that the working class has gained power, but simply that it has entered upon a new phase of its struggle” (305). Rather, the creation of participatory structures is an ongoing process: “[the] link between popular participation and institutionalization...is a central and permanent dialectic of the transition toward a new society” (Ibid: 306). Increasing popular participation means increasing the participation of popular sectors in decision-making about production and in the political sphere, including planning on the local level and the national level. Increasing participation on the national level means involving the population in discussions about how to define “development,” including the goals of development and areas of priority (Sen 1999).

The path to achieving the goal of expanding popular participation is characterized by a number of difficulties. One tendency that undermines efforts to increase popular participation is the centralization of decision-making power (Fagen 1986). Leaders of the socialist project tend to rationalize this tendency to centralize power—that is counter to the socialist project—by arguing, “a firm hand at the helm as we sail through stormy seas” is necessary, as is a “period of tutelage while the masses learn the skill and discipline needed to participate more fully in the management of their lives and labors” (Ibid 260). This tendency to centralize power, which seems to exist in many non-socialist settings as well, is exacerbated by the political dynamics present in transitions to socialism. In the politically polarized context of a transition to socialism, the opposition may not only refuse to participate, but may also try to obstruct the process of social change. “The class nature of the measures taken by the revolutionary government necessarily intensifies the antagonisms of those in whose favor the revolution is *not* being made. If there is a logic of the majority, there is also a

political logic of the minority, and that logic is nonparticipatory, obstructionist, and potentially subversive” (Fagen 1986:258).

The tendency to centralize decision-making is even stronger when there is an armed counterrevolutionary movement because it is believed that the opposition could use information about the functioning of the economy to undermine the government. “As a consequence, the imperative of defense impedes the socialization of information, programs and plans, projections and results of economic activity,” which, in turn, limits the ability of popular sectors to participate in decision-making (Corragio 154). Marchetti (1986) agrees that a wartime situation hinders efforts to increase popular participation due to both the military aggression and economic pressures. Benglesdorf (1994:5) argues, “External threat has consistently compelled socialist revolutions to move in the direction of militarization, internal surveillance, and centralized and secretive decision-making structures regardless of their initial tendencies.” Revolutionary governments confront the challenge of how to address these efforts to undermine the transition without resorting to means that, in turn, undermine the effort to build a participatory democracy. The status quo prior to transition has been the exclusion of popular sectors in decision-making, and as a result of the desire to make swift changes to the society and economy, as well as the threats of counterrevolution, this tradition is difficult to overcome.

The state alone, however, cannot build the new political and economic system. Corragio (1986) suggests that in the short term the state may be able to transform itself to a certain extent, but to fully revolutionize the state, popular sectors need to take an active role: “to revolutionize the state implies revolutionizing power structures, and this requires the action of organized political and social forces whose objective is to democratize society, becoming protagonists of the revolution” (155). Moreover, it is necessary for popular sectors to take an active role because the state lacks the capacity, as discussed earlier in this chapter, to carry out all the necessary reforms itself. In order for state policy to become more coherent in terms of its linkage of political and economic objectives, for example, it is of fundamental importance that popular sectors are incorporated into decision-making about the management of the economy (Ibid).

Another tendency that undermines efforts to expand popular participation in states in transition is the tendency toward bureaucratization. Often times, there is only one party that is part of the revolutionary movement upon gaining power, or a single party is formed to unify the movement. Lowy (1986) posits that the one-party system leads to bureaucratization and hinders efforts to increase popular participation:

The lack of resources, underdevelopment, insufficient technically qualified personnel, and the absence of democratic traditions objectively exert pressure toward bureaucratization; that is, the creation of a layer of functionaries, administrators, and managers who authoritatively monopolize economic planning and political and

military power, excluding the people from decisionmaking and appropriating material privileges for themselves (Ibid 267).

He argues that active participation by popular sectors at all levels of the state is the only way to keep this tendency toward bureaucratization in check. According to Fagen (1986), mass organizations linked to the party are needed so that together they build the new socialist model. Mass organizations, however, often do not exist when the new government takes power. “The revolutionary party represents the most conscious and active vanguard,” while “the *mass organizations* have the role of mobilizing the broadest popular sectors around their immediate interests (Lowy 1986: 272, italics in original). States in transition encourage popular sectors to organize and facilitate this process because the government both needs this support to maintain its legitimacy, and because organizing is the first step for popular sectors to increase their ability to participate. The mass organizations, however, also need to maintain their autonomy from the party and the state. “If the mass organizations become a mere instrument of the state, or a mechanical ‘transmission belt’ of the party, they will be transformed into a bureaucratic apparatus without popular credibility and without effective democratic content (Lowy 272, italics in original). Lack of autonomy from the revolutionary leaders will undermine efforts to expand popular participation in shaping the revolution.

One can conclude from this literature on transitions to socialism that the role of the state in the formation of mass organizations has implications for the nature of the relationship that develops between the state and these emerging groups. We see that the organizations are born, in part, from a top-down directive, and, as a result, the state wields some influence in these organizations from the beginning. This means that on an ideological level, the government has considerable influence. If popular sectors are not well organized early on when the new government takes power, their ability to participate in decision-making is limited. As a result, the government plays a prominent role in defining the new vision for society, and the framing of the national social project. By extension, the government ultimately also plays a large role in determining the objectives of the mass organizations, since popular sectors are organizing around the vision that the government played a particularly large role in defining.

In addition, the autonomy of mass organizations may be limited because the government expects them to promote its revolutionary agenda (Ibid 1986). This boundary blurring, drawing on a term used by McAdam Tarrow and Tilly (2001) in their theorizing on social movements, can result in the inability of these organizations to challenge the government on decisions they disagree with, as occurred in Chile and Nicaragua (Lehmann 1992; Luciak 1995; Roxborough 1992). As a result, the organizations can lose credibility amongst their constituents, which limits organizational growth and their ability to broadly represent the interests of their sector-specific constituents (Luciak 1995). Organizations that are not truly grassroots and/or autonomous may end up developing a clientelistic relationship with the state and/or may fail to grow.

At the same time, mass organizations, as a product, in part, of the government, receive the government's certification, or "[the] validation of actors, their performances and their claims by external authorities" (McAdam et al 2001:158). This gives them legitimacy as new political actors and creates an opening for them to participate in national policy discussions. By working closely with the government, they can gain access to decision-making circles and shape the process of building socialism. These complex dynamics between the state and emerging mass organizations can be seen in the cases of Nicaragua under the Sandinistas and in Chile during the Frei and Allende governments, which I will explore in greater depth in the final chapter.

## **Conclusion**

The dynamics of oil dependence create a top-down, paternalistic state-society relationship—the opposite of the socialist vision of a grassroots, participatory society. This top-down, paternalistic dynamic emerges because the executive controls the oil revenue, which places decision-making power in the leader of the state and, as Coronil (1997) has described, gives the state magical qualities. Magical states accustom the population to a paternalistic, top-down approach. The state is expected to provide for the population for two reasons. First, since the state controls the nation's oil wealth and it is believed that the oil belongs to the collective, the state owes the population. Second, the majority of the population needs this government support because the Dutch Disease effects of oil limit employment opportunities, making it difficult for many to provide for themselves.

This traditionally paternalistic view of the state continues in the revolutionary context. The mentality of both actors inside and outside the state must change if the new society is going to be based on popular participation. There must be a shift in thinking, from expecting the state to do things to taking initiative. "Drawing on this energy [people's creative energy] requires changes in the typical attitude that assumes that the initiative and the direction of the transformation [the transition to socialism] will be in the hands of the state" (Corragio 1986:155).

Moreover, petro-states, due to their highly centralized nature, lack institutionalized channels for incorporating popular sectors. At the outset, it takes time and initiative for the community to come together and institutionalize collective decision-making. Learning to collectively deliberate over issues is a time-consuming and challenging process. Even once the institutional structures have been set-up, and the community has learned how to make decisions together, a participatory society requires more time on a daily basis on the part of community members than a representative system does.

To institutionalize genuine popular participation in decision-making, rather than build an institutionalized process of producing consent, popular sectors must not only be organized, but also autonomous from the state. If both the state and popular sectors are unable to overcome the tendency of a top-down, paternalistic relationship between state and society, efforts to build a more equitable society will be in jeopardy. The dynamics that undermine efforts to build



state capacity and to increase popular participation in transitions to socialism, and which I have shown to be even more extreme in petro-states in transition to socialism, have negative implications for the ability of these states to realize their goals of building a more equitable and participatory society.

Not only do the dynamics of petro-states and transitions to socialism undermine efforts expand popular participation, but as discussed in the first half of this chapter, macroeconomic effects of oil export dependence leads to the development of a weak state. These states lack the characteristics needed to successfully intervene in society to improve living standards and expand the economy. Moreover, I demonstrated how the dynamics of the transition to socialism reinforces some of the same tendencies that lead to weak states, and makes it difficult for states to acquire the characteristics that facilitate successful intervention in society.

The petro-state and transition to socialism literatures, as well as the work of Scott (1998) in the development literature, paint a dismal picture of the possibilities for a state-initiated transition to socialism in petro-states. In subsequent chapters, I examine to what extent the dismal conclusions one arrives at by bringing the developmental states, petro-states and states in transition to socialism literatures together are realized in the case of Venezuela. We will see that these dynamics do indeed play out in the implementation of the agrarian reform in Venezuela. However, my study of Venezuela shows that failure is not the inevitable outcome of these dynamics. My research demonstrates that despite these dynamics—that do in fact undermine state capacity and the expansion of popular participation—progress toward realizing the socialist vision is possible.

Through presentation of my participant observation and interview data, I show how actors on the local level can overcome the problems I identify in this chapter. This is evidenced by my fieldwork in two Venezuelan states in which the nature of and success of the implementation of the agrarian reform varied significantly. In particular, the conditions that shape the ability of popular sectors and state actors on the local level to organize and coordinate their activities plays a tremendous role in determining the degree of popular participation in shaping and implementing the agrarian reform, as well as the success of the new rural development projects. In other words, in order to understand the outcome of the agrarian reform in a particular place we must look beyond the macro-dynamics to the micro-dynamics on the local level, and the interaction between the micro and the macro.

But before I elaborate my argument in greater detail, I first present, in the following chapters, the Venezuelan case to examine how the dynamics within the state described in this chapter play out in a particular sector, specifically in the implementation of the agrarian reform. The agrarian reform provides us with a window into how the macro-economic dynamics, and their implications for state capacity and popular organization, affect the experience and success of agrarian reform, as well as a glimpse of how dynamics on the local level interact with these macro-dynamics to produce divergent outcomes in different locales.

## **Part II: The Case of Venezuela**

### **Chapter Three**

#### **Oil, Politics and the Transformation of the Agricultural Sector in Venezuela**

The preceding chapter tells us what we would expect a petro-state, like Venezuela, to look like, its approach to development, and its relationship to society. In this chapter, I examine from an historical perspective to what extent these ideas are realized in the case of Venezuela. Beginning with the initial consolidation of the state in the early twentieth century, and the discovery of oil during this process, I will examine the development of the Venezuelan state and its relationship to that society over the century. This historical look at the impact of oil on state development will bring us to the contemporary period, at which point I will focus on changes within the state that were made to utilize the country's oil resources to implement the agrarian reform.

#### **State Consolidation and Centralization**

Although Venezuela gained independence in 1821, state consolidation and centralization did not begin until 1908 when Juan Vicente Gómez came to power. Before this Venezuela was run by regional *caudillos* with their own armies. During Gómez's administration, the armed forces, for the most part, controlled the state institutions, and Gómez controlled the resources of the state (Di John 2009). Public finances were first centralized in 1910. A national state bureaucracy was created, and local economies across the country were integrated through the construction of roads. The forces driving centralization included the military and the economic institutions of the state, such as the central bank, the ministry of finance, and state development banks. The discovery of major reserves of oil in the 1920s provided Gómez with the resources he needed to carry out the consolidation and centralization of the state.

The newly established national state was based on corruption and coercion. Multinational corporations (MNCs) arrived in Venezuela early on in the process of state consolidation to exploit the recently discovered oil. The MNCs wanted to deal with a single, central state, rather than get enmeshed in legal battles on the local level with landowners in oil-rich regions. Consequently, the MNCs provided the Gómez regime with the support it needed to suppress its opponents on the local level. Gómez gave his friends leases to land in oil-rich areas in return for pay-offs. These friends then sold the leases to the oil MNCs for high profits. From 1920-35, there "was a pact among oil multinationals, the Gómez family, and a network of cronyist landowners" (Di John 2009:188). The centralized authoritarianism established by Gómez lasted until 1958 when a formally democratic system was founded.

The centralized nature of the state stayed in tact with democratization. After 1968, the state became increasingly fragmented: "Political contestation became progressively more clientelist, populist and polarized, particularly after 1973" (Di John 2009:186). Control over oil rents remained centralized during the democratic period, but what was considered a "legitimate distribution of rents

changed” (Di John 2009:194). A system of patronage through the granting of employment in the public sector emerged. This limited the expertise of the state, and its efficiency.

Since the foundation of the democratic political system in 1958, two political parties—*Acción Democrática* (AD) and the *Comité de Organización Política Electoral Independiente* (COPEI)—had alternated power to the exclusion of other political parties. In the early 1990s, these two political parties lost legitimacy after a decade of economic crisis, the imposition of neoliberal policies, and state repression of popular uprisings challenging these policies. The gubernatorial and mayoral elections of 1992 were won by parties in opposition to President Pérez’s AD. However, more strikingly, the abstention rate among eligible voters was about fifty percent, further illustrating the waning legitimacy of the political system. Then, in 1993, the Congress impeached President Pérez, citing corruption as the reason. The abstention rate in the election that brought Rafael Caldera to the presidency in 1994 was 44%, twice as high as in the 1988 Presidential election. Although Caldera was a founding member of the COPEI, he had formed another party to run in this election, further illustrating the demise of the two main political parties that had ruled Venezuela for over three decades (Coronil 1997).

In an effort to salvage the legitimacy of the political system, the political elite sought to “reform a presidential and centralized state that was increasingly ineffective, corrupt, and incapable of responding to the demands” of society (Lander 2007:27). The reforms that were implemented at this time involved some degree of decentralization, including a shift to the direct election of mayors and governors by the end of the 1980s. This change opened the political space for new leaders and parties to emerge on the local level. These reforms, however, were not enough to regain legitimacy in the eyes of the majority of the people (Crisp and Levine 1998).

### **The State-Society Relationship**

Prior to the discovery of oil, Venezuela had one of the most poor and stagnant agrarian-based economies in Latin America. The agricultural sector was based on the *latifundia* system, and produced coffee and cocoa for export. The development of the oil industry and the neglect of the agricultural sector led to mass rural-to-urban migration. This weakened popular organization in rural areas, as well as the political clout of large landowners. The political actors who would call for protection of agriculture were weakened by the economic changes that took place with the discovery of oil. Land was no longer the basis of wealth. Many landlords sold their land to oil companies and used this money to develop commercial and financial enterprises in the major cities. New family conglomerates emerged (Di John 2009).

During the period 1928-48, peasants, labor unions and middle-class groups challenged the military, large landowners and commercial elite who controlled the state and economy. Finally, a pacted democracy was established in 1958. By the late 1960s, the democratic system was firmly established, and a shift from a consolidated state with centralized political organizations to one with

fragmented political organizations took place. “Centralized populist clientelism in the period 1958-68 turned into more competitive and contentious populist clientelism characterized by more intense electoral rivalry, increasing factionalism within the dominant party, AD, and less interparty cooperation in the period 1973-93” (Di John 2009:224). The system of pacted democracy fell apart. The state and political parties became sites of struggle over resources. “The inevitable excess of demand for rights relative to resource availability create[d] shortages. Because parties were the road to state patronage, powerful incentives existed to form more particularistic and even personalist factions linked to different leaders” (Di John 2009:231). If you were not part of an organized group, you lost out in this system. Consequently, these dynamics led all groups to become clients of some faction of a political party.

The oil wealth of the country allowed the state to satisfy the demands of these various social groups. The price of oil shot up in 1973 when the Organization of Petroleum Exporting Countries (OPEC) established an embargo against the U.S. for its support of Israel during the Yom Kippur War. The price remained high until the embargo was ended in March 1974. In 1979, there was another oil shock due to the decrease in Iran’s oil exports following the Iranian Revolution. The Iran-Iraq war beginning in 1980 also contributed to high oil prices during this period. When the oil exports of these two countries were no longer disrupted by war, oil prices fell again. As we can see, the price of oil can fluctuate dramatically in response to the political situation in the Middle East and North Africa, which has economic ramifications throughout the globe for both oil importers and oil exporters. The Venezuelan state was able to meet the rising expectations of the poor majority into the early 1980s, while still maintaining the power and relative wealth of the oligarchy (Lander 2005).

Since Venezuela did not have a well-diversified economy, the country plunged into economic crisis when the price of oil began to fall dramatically in 1983. The government devalued its currency. Living standards for a majority of the population fell. The political impact of the economic crisis was tremendous, because Venezuelans had been living under expectations of rising living standards throughout the 1970s (Ibid). When the price of oil plummeted, the government did not immediately reduce its expenditures because cuts to social programs would have had political consequences for the politicians and party in power. Consequently, the government’s debt grew as it borrowed to maintain its 1970s levels of spending. This proved to be unsustainable and, by the late 1980s, the Venezuelan government eventually turned to the IMF for help.

This economic crisis contributed to the mounting crisis in the political system. Elected officials implemented neoliberal reforms against the wishes of the citizenry. The government devalued the exchange rate, liberalized trade, privatized state-owned enterprises and deregulated the financial sector. Poverty and inequality grew. Real per capita income fell by 27% between 1979 and 1999 (Wilpert 2007:13). The percentage of people living in poverty<sup>13</sup> increased from 32.2% in 1991 to 48.5% in 2000, while the rate of extreme poverty<sup>14</sup> increased

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<sup>13</sup> Households living on less than \$2 per day

<sup>14</sup> Households living on less than \$1 per day

from 11.8% to 23.5% (World Bank 2004:1). Moreover, wealth became increasingly concentrated in the hands of a minority of the population. The richest 20% of Venezuelans earned 53% of total income, while the poorest 20% earned 3% of the country's total income (World Bank 2004:1). The neoliberal policies made the economic and political situation worse: "economic liberalization not only failed to revive private investment and economic growth, but also contributed to a worsening of the distribution of income, which contributed to growing polarization of politics" (Di John 2009:110).

As part of the neoliberal restructuring, in 1989 President Carlos Andrés Pérez eliminated gasoline subsidies, which caused the price of gasoline to increase. This, in turn, led to the doubling of the cost of public transportation. There was mass public mobilization against the measures. In a country where oil was viewed as a natural resource belonging to all, the idea of raising the price of gasoline, and hence public transportation (which was used mainly by the poor and constituted a much larger portion of their total income than for the wealthy), was viewed as a measure stripping the poor of what belonged to them. This led to massive protests, rioting and looting that lasted five days, and which became known as the *Caracazo* (Coronil 1997).

The uprising shocked government leaders, who responded with repression—suspending constitutional rights, killing hundreds of people and imprisoning thousands of others (Ibid). These actions brought into question the political system and the country's political leadership. "They [the protests] made increasingly public the view that the people had been betrayed by their leaders and that democracy had become a façade behind which an elite had used the state for its own advantage" (Ibid 378).

Members of the military were also questioning the legitimacy of the political system. Some lower-ranked members of the military viewed the upper-level officers as part of the corrupt state that had forced the military to violently repress the popular uprising. A group of these lower-ranked officers, led by Hugo Chávez, tried to take over the government through a military coup in 1992. They failed and were jailed, but Chávez was propelled onto the national stage. When high-level officers attempted another military coup ten months later, it became evident that the government was losing the support of the military at all levels (Ibid).

During the course of the 1980s and the 1990s, social, economic and political exclusion came to be seen as permanent features of Venezuelan society for the poor majority. Political parties and the unions that were tied to them lost legitimacy because they were seen as part of the corrupt system that was excluding such a large portion of the population. People began demanding reforms to the political system. Popular organizations began to reemerge.<sup>15</sup> Movements for social change gained momentum. Afro-Venezuelan and indigenous groups formed organizations to identify their interests and advocate on their behalf. A movement of cultural resistance emerged with the issue of national identity at center stage (Herrera Salas 2007).

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<sup>15</sup> In the 1940s and 1950s, popular organizations emerged to challenge the dictatorship, but with the establishment of a democratic political system they began to dissipate.

## The Development Strategies of the Twentieth Century

When oil was discovered, the idea of using the vast economic resources generated by the oil sector to diversify the economy and Venezuela's export base emerged as the country's development strategy. Multinationals went to Venezuela to develop the oil sector, and through negotiation the Venezuelan state was able to control more and more of the oil revenue over time. Through the Customs Law in 1936, the Income Tax Law in 1942, and a new Hydrocarbons Law in 1943, the state was able to gain greater control over oil profits. In the period from 1936 to 1958, the state increased its role in "guiding the process of capital accumulation" in the country (Di John 2009:190).

In the 1950s, the state launched a state-led industrialization project, based on the import substitution industrialization model. As part of this development strategy, the state established its own enterprises in steel, aluminum, petrochemicals, oil refining and hydroelectric power. Between 1960-1973, Venezuela shifted to a more advanced stage of ISI, the production of capital goods. The state invested in large-scale heavy industry after 1968. The government used the high oil revenues of the 1970s "to undertake a big-push, mineral-based heavy industrialization strategy dominated by state-owned enterprises... This shift in development strategy required... the state to become more centralized, selective, and disciplinary in the rent deployment and monitoring process" (Di John 2009:184).

The government nationalized the oil industry in 1976 and used the soaring revenues from it to fund large infrastructure projects and subsidize the cost of living. Di John (2009:22) called what occurred in Venezuela, "one of the boldest and most ambitious industrialization and modernization projects in Latin American economic history." The oil wealth was controlled by the state and deployed to develop the country. Yet, as the petro-states literature would suggest, the state lacked the capacity to effectively use all these resources: "Despite the massive resource availability in the 1970s and [early] 1980s, the state became increasingly ineffective in channeling oil revenues in productivity-enhancing and growth-enhancing ways" (Di John 2009:5). Moreover, as Di John (2009) points out, state capacity is particularly important when the state controls the single resource that generates the vast majority of the country's tax revenues, foreign exchange, and financing for development.

State capacity declined over the period 1968-2005. Di John (2009) argues that there was "a long trajectory of an increasingly *reduced* political and institutional capacity to formulate and implement economic strategies that require coordination of investment; the cooperation of state, labor unions, and big business over economic strategies, and a state capable of monitoring and disciplining infant industries" (Ibid 225). In order to preserve political stability, state leaders used oil revenues to buy political support. The use and allocation of the oil rents was based on political calculations, rather than on what made the most economic sense or helped the country reach its development goals.

With the implementation of neoliberal policies came the privatization of state-owned enterprises. The idea was to reduce the state's role, and hence the

corruption, in dividing up the oil rents. Di John (2009) argues that the downsizing of the state weakened its regulatory ability. Moreover, “Financial deregulation, large-scale privatizations, and private monopolies create[d] large rents and thus rent-seeking/corruption opportunities” (Di John 2009:129). In other words, the implementation of neoliberal policies failed to address either the weak state capacity or state corruption, and in fact further decreased state capacity and created opportunities for further corruption.

From the discovery of oil until 1980 when economic crisis set in, Venezuela had the fastest growing economy in Latin America, with an annual average growth rate of 6.4% (Di John 2009: 16). Beginning in 1980, output growth and investment in the non-oil sectors of the economy declined dramatically (Di John 2009:14). Average GDP growth between 1980 and 1998 fell to 1.5%, and fell even further to -2.5% from 1998-2003 (Di John 2009:16). This economic decline had a significant impact on workers. In 1995, average real wages fell below their 1950 level; unemployment rates increased to 10.5% during the period 1984-1989, and by 1999, it was up to 11.5% (Di John 2009:19). During this period, the informal sector grew in size. From 1975-1980, 32% of the population worked in the informal sector; in the 1980s, this increased to 39.5%; in the first half of the 1990s, it was up to 44.5%; and then up to 50.1% from 1998-2002 (Di John 2009:20). Labor’s power weakened. Unionization declined from 33% in 1975 to 26.4% in 1988” (Di John 2009:119). Labor ties to AD weakened in the 1980s, which, in turn, weakened its bargaining power over wages. “Liberalization policies clearly exacerbated this trend, as lower wage shares along with weak demand for labor (owing to stagnant investment) further weakened labor’s power” (Di John 2009:119).

The election of Hugo Chávez signaled a rejection of neoliberal policies and the economic crisis exacerbated by these policies, as well as the corrupt and exclusionary political system of the time. Moreover, Chávez’s election ushered in a new model of development that was not singularly focused on using oil revenues to develop a manufacturing sector, but also sought to develop the agricultural sector; a model that was not focused so much on producing for export, but meeting domestic demand; and a model that did not support large-scale production by private capitalists, but rather sought to empower the poor through the development of small-scale, and collectively owned and managed businesses.

### **The Election of Hugo Chávez**

The election of Hugo Chávez, the first President to identify as, and be visibly non-white, marked a significant shift in political power (Sharma et al. 2004). He gave some people hope that he could bring real change to the political system. He was not viewed as part of the corrupt, political system that had for so long excluded the poor majority. He had never held public office; he did not come from a wealthy family; and he was not a member of a political party. He was a political outsider who campaigned on an anti-neoliberal platform.

Although his popularity was strongest among the poor, he had support across the classes. Lupu (2010) found that while the wealthiest Venezuelans

were disproportionately opposed to Chávez, this did not mean that Chávez's support base lay only among the lower class. In fact, it was only during Chávez's first electoral success in 1998 that he had disproportionately more support from the lower classes. Lupu maintains that Chávez had a cross-class base of supporters, and his base of support consistently increased since he was first elected. Moreover, the greatest increase in support for Chávez came from middle-class supporters. Moreover, Gates (2010) found that, although he was opposed by most of the business community, a small subset of business leaders decided to support Chávez as a result of intra-elite conflict within the business community. In 1998, Chávez was elected President with the support of 56% of voters (Wilpert 2007:18).

Chávez won multiple electoral votes of confidence after that. After being elected, Chávez held three national referendums. The first led to the approval of the establishment of a National Constituent Assembly to write a new constitution. The second referendum was to elect representatives to draft the constitution. And in the third referendum the people approved the new constitution with the support of 72% of voters (Wilpert 2007:21). Following the adoption of the new constitution, Chávez ran again for President and was reelected. He received a third electoral vote of confidence when the opposition used the new constitution to hold a recall referendum in 2004, and the electorate voted to keep Chávez in power. In 2006, Chávez was reelected for another six-year term with the support of over 61% of voters (Romero 12/04/06); and in February 2009, Chávez won a referendum that eliminated term limits, which opened the way for him to continue to run for President in subsequent elections.

One of the early measures Chávez took during his presidency was the creation of 49 laws in 2001. One of these laws was the *Ley de Tierras y Desarrollo Agrario*—The Law of Land and Agrarian Development—which paved the way for agrarian reform. This incited increasing opposition from the upper class, even among those who were not landowners at risk of losing their land. This was because it illustrated that the government was willing to override private property rights.

The opposition subsequently employed a number of means—both legal and illegal—to oust Chávez from power. Opposition to Chávez came from the *Confederación de Trabajadores de Venezuela* (CTV), a union, and *Fedecamaras*, the business federation. CTV was a union closely linked to one of the previously powerful political parties in the country, Acción Democrática, and, as such its members had benefited under the previous political system. It represented what Karl (1997) referred to as a labor aristocracy. Together, the CTV and *Fedecamaras* organized a series of protests and work stoppages with the goal of overthrowing Chávez. They had the support of major media outlets, parts of the military, and opposition groups and political parties (Cannon 2004). On April 12, 2002, a coalition of military officials and business leaders staged a coup to remove Chávez from power. He was returned to office two days later through a popular uprising, coupled with support from within the military.

The opposition tried to destabilize the government again in December 2002. They organized a national strike, including employees of the state-owned oil



company, which debilitated the country. This resulted in a thirty percent decline in economic activity during the first quarter of 2003 (Wilpert 2003:1). The oil industry shutdown was intended to cause economic crisis, and thereby force Chávez out of office. While it did cause an economic crisis, it was unsuccessful at expelling Chávez from government.

Due to these actions, Chávez took greater control of the *Petroleos de Venezuela SA* (PDVSA), the state-owned oil company. Venezuela is the world's fourth largest oil exporter (Datamonitor 2004). In 2009, oil constituted 30% of Gross Domestic Product, 90% of the country's exports and 50% of its fiscal income (World Bank 2009a:2). When Chávez was first elected the price of oil was around \$11 a barrel. After that the price of oil climbed, peaking in July 2008 at over \$130 a barrel. By end of year 2008, the price fell to below \$40 a barrel.<sup>16</sup> After that it increased again and registered around \$92 a barrel in January 2011 as a result of the political unrest underway in Egypt (U.S. Energy Information Administration).<sup>17</sup> The government managed to maintain many of the social programs funded by the oil revenue during the oil price declines by increasing the domestic debt, increasing the value-added tax, reducing salaries of top government officials, cutting the 2009 budget by 6.7% and increasing interest rates (World Bank website<sup>18</sup>). But, as the experience of the 1980s illustrates, building up debt is not a sustainable solution to low oil prices.

Although the price of oil fluctuated during Chávez's presidency, we can see that the price was relatively high compared to where it was when he was first elected, and, consequently, provided his administration with ample resources to carry out its development programs. The Chávez government directed a larger percentage of its income to social programs than the previous government. Government spending rose from 21.4% of GDP in 1998 to 30% of GDP in 2006. Social spending rose from 8.2% of GDP in 1998 to 13.6% of GDP in 2006 (Weisbrot and Sandoval 2008: 3). Moreover, this figure does not include PDVSA's social spending, which amounted to an additional 7.3% of GDP (\$13.3 billion) in 2006 (Weisbrot and Sandoval 2008:4). Those who lost power were displeased by this new distribution of the oil rents, in which more resources were targeted at the poor.

The attempts to overthrow Chávez only served to radicalize him and his supporters (Wilpert 2007), and eventually led Chávez to announce the plan to transition from a capitalist economic system to a socialist system. The Venezuelan government did not abolish private property, nor prohibit private capitalist enterprises. Rather, it expanded the role of the state in the economy, as well as promoted the participation of the population in the process of defining and implementing policy. Chávez expanded the state's role in production by nationalizing a number of companies including a steel-making company, a telephone company and a power company. The Venezuelan state also subsidized sectors of the economy that it wanted to develop, including the

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<sup>16</sup> <http://tonto.eia.doe.gov/dnav/pet/hist/rwtcd.htm>

<sup>17</sup> <http://www.eia.doe.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=WTOTWORLD&f=W>

<sup>18</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/LACEXT/VENEZUELAEXTN/0,,m enuPK:331777~pagePK:141132~piPK:141107~theSitePK:331767,00.html>

agricultural sector. And, rather than providing subsidies to private companies, Venezuela's socialist development program initially supported the expansion of the cooperative sector by providing it with subsidies and incentives to increase production.

Another key area of state intervention was the establishment of what Chávez called the social missions, a series of social programs ranging from a government owned grocery store chain that sold food at subsidized prices, to a job training and cooperative formation program, to a series of adult education programs for people who had never finished elementary school, high school or had the opportunity for a college-level education. The outcome of these programs, according to Weisbrot and Sandoval (2008:4), was a drop in poverty from 43.9% prior to Chávez's election to 27.5% in 2007. They suggest that this statistic in fact underestimated the improvement in living standards that took place because it did "not take into account the increased access to health care or education that poor people have experienced" (Ibid 4). In addition, the measured unemployment rate fell from 15.3% during the first half of 1999 to 9.3% during the first half of 2007 (Ibid).

Chávez labeled his plans to transform the social, political and economic system of Venezuela, Twenty-First Century Socialism. What exactly this socialism would look like was not explicitly defined. However, it was clear that it involved redistribution, the construction of new institutions that increased the participation of the population in defining and shaping development projects in their communities, and the empowerment of workers to participate in decision-making in their places of employment. Burbach and Piñero (2007:196) argue, "The strategy for transcending capitalism has not been one of full nationalization and generalized workers' control. But it is certainly one that seeks to use national resources for the satisfaction of human needs and for making the Venezuelan people the protagonists of their own transformation." The strategy was first to promote socialist values and forms of organization in the political and ideological spheres, and then in the economic sphere. The state was being transformed from within, and simultaneously popular sectors were mobilizing outside of the state to push for transformation (Ibid). The redistribution of land and the transformation of the agricultural sector were considered important parts of the construction of Venezuela's socialist model because they were seen as a means to economically and socially empower people who had been marginalized under the previous political system.

### **Agrarian Reform**

The Venezuelan government saw agrarian reform as the solution to a number of interrelated problems, many of which emerged as a result of the country's status as an oil exporter. The economic effects of oil, referred to as Dutch Disease, nearly wiped out the agricultural sector in Venezuela over the course of the 20<sup>th</sup> century. As agricultural production declined, Venezuela's dependence on food imports increased. As of 2006, the agricultural sector in Venezuela constituted only 5% of GDP, and the country imported 60% of its food (IFAD 2006, 1). With fluctuating food prices on the international market, the

ability of import-dependent countries to import sufficient food to feed the population can, at times, be compromised. This is particularly true when a country is dependent on a single export commodity. If there is a fall in the price of a country's main export commodity, the country will lack the necessary foreign exchange to import the food it needs. The decline of the agricultural sector also resulted in mass rural-to-urban migration over the course of the twentieth century. Given insufficient employment opportunities in the cities, urban poverty grew, and shantytowns developed around the urban areas. The agrarian reform sought to address these multiple problems. Its aim was to generate employment, diversify the economy, redistribute the population geographically, reduce urban poverty and the number of people living in poor conditions, as well as to achieve food self-sufficiency, promote socialist forms of organization and transition to an agroecological model of production.<sup>19</sup>

The new agricultural policy emphasized the redistribution of land, the provision of support to small farmers, production to meet domestic needs, as well as the promotion of cooperatives. The government's aim was to transform the production process in agriculture from being focused on profit to being focused on meeting the population's needs, as well as to empower workers through the establishment of cooperatives. The restructuring of the agricultural sector was meant to transition from a model based on large, capitalist enterprises to one based on small farmer cooperatives.<sup>20</sup>

The first step laid out in the *Ley de Tierras y Desarrollo Agrario*—the Land Law—was a massive redistribution of land. Prior to the land reform that began under Chávez, 75.2% of landholders owned plots of less than 20 hectares, which constituted 5.7% of total land, while 1% of landholders owned plots of 1,000 hectares or more, which constituted 46.5% of the land (Delahaye 2004: 17). In other words, land in Venezuela was highly concentrated, and many people were either landless or had extremely small plots.

The state owned a substantial amount of land at the outset of the agrarian reform. Consequently, the government started by distributing land that belonged to it. It only began expropriating land from private owners in January 2005, four years into the agrarian reform (Wilpert 2005). The state had ample resources due to its control of oil revenues. This provided it with the financial power to pay landowners for expropriated land, and gave it autonomy from large landowners because it did not have to rely on them for financial or political support.

Large landowners, however, resisted the government's new policy. They challenged the expropriations through the country's judicial system, which slowed down the land redistribution. Some also responded to farm occupations by hiring

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<sup>19</sup> "Agroecology is a scientific discipline that uses ecological theory to study, design, manage and evaluate agricultural systems that are productive but also resource conserving" (<http://agroeco.org/>).

<sup>20</sup> The government later shifted away from the promotion of cooperatives. Many of the new cooperatives experienced internal conflicts that impacted their ability to get their farming operations off the ground and meet production expectations. A significant portion of the agrarian reform beneficiaries I encountered in my fieldwork did not want to work in cooperatives. Rather, they wanted their own plot of land.

gunmen to kill peasant leaders. During the first seven years of the implementation of the Land Law, over 200 *campesinos* were killed (*Frente Campesino Socialista Jirajara* 2009).

In order to implement the agrarian reform, the government established a number of new institutions. One of these institutions was the *Instituto Nacional de Tierras* (INTI) or the National Land Institute. It was created through the Land Law. The Land Institute was responsible for determining which land met the criteria for redistribution that was codified in the Land Law, acquiring this land for the state, and then assigning *cartas agrarias*, or land-use rights, to people who wanted to work the land.

Once a person, or group of people, received the *carta agraria* for a plot of land, they could apply to the government for loans in order to buy seeds and other inputs needed to cultivate the land. After the government confirmed that they were cultivating the land, they received a *declaratoria de permanencia*, or a declaration of permanency (Fajardo 2007). After three years of working the land, they could then receive a *título de adjudicación*, or a title of adjudication (Mendoza 2005). If they continued to farm the land, they could pass the land onto their children, but they could not sell it. The reason the government did not give full private property rights was that it hoped to avoid a reconcentration of land.<sup>21</sup> A systematic process for transferring land to the landless was established, and done so in such a way as to minimize the chances of the reconcentration of land.

### Steps Involved in Gaining Land Rights

Types of Land Titles	Significance
1. Carta Agraria	Allows holder to apply for a loan
2. Declatoria de Permanencia	Received once cultivation confirmed
3. Título de Adjudicación	Received after 3 years of cultivation; allows holder to pass land on to children

The plots of land acquired by The Land Institute were called *fundos rescatados*, or recovered farms. The plan was for the *fundos rescatados* to eventually become *fundos zamoranos* when all the projects for these new farms had been realized (or approved). These projects included acquiring tools, building roads, irrigation systems and houses, and gaining access to medical services and schools, often times by building a health clinic and school nearby. Some of the *fundos rescatados* were selected from the beginning to be the first *fundos zamoranos*, and government resources were concentrated on these farms.

The redistribution of land alone does not ensure success at

<sup>21</sup> If farmers had full private property rights over the recently redistributed land, they could potentially turn around and sell the land (a number of different reasons could lead them to do this, most obviously personal financial troubles). This, in turn, could undermine the agrarian reform. If some individuals started buying up land, then land in Venezuela would become concentrated in the hands of a few again.

transforming the agricultural sector, as can be seen in Venezuela's agrarian reform of the 1960s. In this earlier land reform, many small farmers abandoned their land because they did not receive other support they needed to put the land into production (DeJanvry 1981). Recipients of land also need access to credit, technical support, the construction of infrastructure, and aid in the marketing of produce. In order to ensure that these other forms of support were provided to the beneficiaries of the land reform, the Venezuelan government established a number of government agencies to provide these services. The following table lists and describes the government institutions involved in the agrarian reform.

### Institutions Involved in the Agrarian Reform

Acronym	Full Name	Ministry	Function
INTI	National Land Institute	MAT	Redistributed land and provided land titles
INDER	National Institute of Rural Development	MAT	Built infrastructure in rural areas
CVA	Venezuelan Agrarian Corporation	MAT	Marketed agricultural produce and sold agricultural inputs
FONDAFA <sup>22</sup>	Fund for the Development of Farming and Livestock, Fishing, and Forestry	MAT	Provided loans to small farmers
SASA	Autonomous Assistance for Farming and Livestock Health	MAT	Prevented and controlled sickness and/or pests affecting farm animals and crops
INIA	National Institute of Agricultural Investigation	MAT	Engaged in agricultural research
CIARA	Training and Innovation to Support the Agrarian Revolution	MAT	Provided agricultural extension services
INAPYMI	National Institute for the Development of Small and Medium Industry	MINEC	Supported the development of small and medium sized businesses
INCE	National Institute for Socialist Training and Education	MINEC	Offered job training courses
SUNACOPP	National Superintendent of Cooperatives	MINEC	Registered cooperatives
CATA	Group CATA	MAT	Cuban and Venezuelan advisors teamed up to provide agricultural

<sup>22</sup> The government changed the name of this institution February 1, 2008 to *Fondo para el Desarrollo Agrario Socialista* (Fund for the Development of Socialist Agriculture).

			extension services
MVC <sup>23</sup>	Mission About Face	Social Mission <sup>24</sup>	Provided job training and cooperative formation courses
MCA	Mission In Countryside	Social Mission	Brought Cuban agricultural advisors to live and work on new farms
MZ	Mission Zamora	Social Mission	Implemented agrarian reform

The Land Law not only created the Land Institute, but also created two other institutions: *Instituto Nacional de Desarrollo Rural* (INDER) or the National Institute of Rural Development, and the *Corporación Venezolano Agraria* (CVA) or Venezuelan Agrarian Corporation. INDER was created to provide funding and technical support for infrastructure development, such as the building of roads, the extension of electricity out into rural areas, and the construction of groundwater pumps and irrigation systems on the new farms. CVA established stores that sold agricultural inputs, and was given the responsibility for overseeing the marketing of the farmers' produce.<sup>25</sup>

INTI, INDER, and CVA all fell under the jurisdiction of the Ministry of Agriculture and Land (MAT). There were a number of other government institutions involved in the agrarian reform which were also part of MAT, including FONDAFA, SASA and INIA. FONDAFA (*Fondo de Desarrollo Agropecuario, Pesquero, Forestal y Afines*) gave loans to small farmers. SASA (*Servicio Autónomo de Sanidad Agropecuario*) focused on preventing and controlling sickness and/or pests affecting farm animals and crops. INIA (*Instituto Nacional de Investigaciones Agrícolas*) was responsible for generating agricultural research appropriate for Venezuela's new agricultural model.

There were also a number of government institutions involved in the agrarian reform that were part of the Ministry of the Communal Economy (MINEC), including Fundación CIARA (*Capacitación e Innovación para Apoyar la Revolución Agraria*), INAPYMI (*Instituto Nacional de Desarrollo de la Pequeña y Mediana Industria*), INCE (*Instituto Nacional de Capacitación y Educación Socialista*) and SUNACOOOP (*Superintendencia Nacional de Cooperativas*). CIARA gave workshops to groups of small farmers on technical aspects of farming. Some employees of CIARA also worked on a daily basis with farmers on particular *fundos*. INAPYMI supported the development of small and medium sized businesses, and, in Yaracuy, it was involved in finding markets for the

<sup>23</sup> In September 2007, the government changed the name of MVC to Che Guevara.

<sup>24</sup> In 2003, the social missions were intentionally established outside of the existing government ministries.

<sup>25</sup> In practice, the marketing of farmers' produce in Yaracuy seemed to be done by employees of INTI (the Caracas office) and INAPYMI. This, however, only occurred after the initial harvest on some of the farms had been lost because nobody had planned for where to sell the produce. In Anzoáteguí, it seemed that each farm was left the responsibility of finding markets for its produce.

produce from the new farms. INCE offered courses in a range of areas, including agriculture. SUNACCOOP was responsible for registering cooperatives.

Initially established as separate from the government ministries, but later, for all intents and purposes, absorbed by the ministries, were the *misiones sociales*, or social missions. Several of these social missions were directly involved in the transformation of the agricultural sector. In addition, many beneficiaries of the agrarian reform also took advantage of services provided by other social missions that were not directly involved in the agrarian reform, such as the provision of free health care, or continuing education. The social missions were new government agencies funded directly by the national oil company. One of the ideas initially behind establishing the social missions was to set-up a parallel state structure that could bypass the Ministries. Chávez and his supporters argued that they inherited a state bureaucracy that was staffed by people who opposed their government and who were obstructing the implementation of the new policies. In practice, the social missions seemed to have been integrated into the ministries at the time of fieldwork.

The social missions that were directly involved in the agrarian reform included *Misión Zamora*, *Misión Vuelvan Caras*, and *Misión Campo Adentro*. *Misión Zamora* was the social mission responsible for the land redistribution, and its functions appeared to be integrated into the MAT. *Misión Vuelvan Caras* was a job training and cooperative formation program. It appeared to have been integrated into MINEC. *Misión Campo Adentro* placed Cuban agricultural advisors throughout rural areas. It appeared to be part of the MAT.

The vast majority of cooperatives on the new agrarian reform plots were formed through the program *Misión Vuelvan Caras*. This social mission trained people in a particular field (e.g., agriculture, cooking, sewing), and those people in the same course formed a cooperative together. It organized and trained groups of people through courses that lasted a minimum of four months. These courses were voluntary and participants received a stipend while enrolled in them. Generally, the agricultural cooperatives that were formed through *Vuelvan Caras* courses had both people who had never farmed before and people who had experience in farming, though the majority of people I interviewed in these cooperatives were new to farming. Many of the agricultural cooperatives I encountered during my fieldwork experienced difficulties—sometimes as a result of conflicts between individuals or factions within the cooperative, and sometimes as a result of members' inexperience and insufficient training in the concrete skills needed to work as a cooperative. Consequently, the government eventually stopped promoting cooperative formation throughout the economy. Nonetheless, through the *Vuelvan Caras* courses, the government brought more people into farming in order to expand the agricultural sector, and to redistribute the population from urban to rural areas.

Another way the government brought more people into agriculture was through a program called *Vuelta al Campo (VAC)*, or a Return to the Countryside. It was a voluntary program in which urban dwellers could relocate to rural areas with state support, to establish farming operations. During the period from 2002-2005, fifty-seven farms were created across twenty states. Fourteen

of these farms were part of the VAC program and eight states were home to a VAC farm (INTI 2006, 1-2).

***Vuelta al Campo Farms***

State	# of VAC Farms
Anzoáteguí	5 <sup>26</sup>
Apure	1
Bolívar	1
Guárico	2
Lara	1
Mérida	1
Miranda	1
Portuguesa	3

VAC is an example of a repeasantization program.<sup>27</sup> Cuba also undertook a repeasantization project, but did so during the 1990s. The Cuban program sought specifically to address labor shortages in the agricultural sector that had existed since the time of the revolution, but worsened after the collapse of the U.S.S.R. when the country shifted away from mechanized agriculture due to a shortage of the necessary inputs.

There were a number of differences between the Venezuelan and Cuban repeasantization programs. First, they differed in terms of the timing of the repeasantization program in relation to the transition to socialism. Cuba had been socialist for some time preceding the repeasantization program, in contrast to Venezuela, which introduced its repeasantization program early on in its transition to socialism. This meant that the government had the challenge of simultaneously training people to become farmers, and encouraging a shift in thinking to embrace socialist ideology. In Venezuela, many of the people who became involved in agriculture under the current government were not only moving from working in urban areas, in other sectors of the economy, to working in agriculture, but also moving from wage-work to collective production and management through participation in cooperatives.

Secondly, the Venezuelan government was not resource-constrained in the way Cuba was when it launched its repeasantization program. Venezuela benefited from high oil prices. Moreover, Venezuela was not subject to a trade embargo as Cuba was. Venezuela did not face the possibility of widespread hunger from insufficient access to food, which was the case in Cuba. In other words, there was not a pressing need to expand agricultural production because

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<sup>26</sup> One of these farms was not technically classified as VAC, but, like the VAC, was composed of people from distant urban areas, who had never farmed before. The only difference that resulted from its non-VAC classification that I could surmise was that INTI was not in charge of managing it; consequently, more of its funding came from other government institutions.

<sup>27</sup> Some of the discussion of the Vuelta al Campo program in this chapter is excerpted from my article "Can the State Create Campesinos? A Comparative Analysis of the Venezuelan and Cuban Repeasantization Programs," *The Journal of Agrarian Change*, 10(2): 251-272.



the government had the foreign exchange it needed to purchase food abroad. This affected people's perceptions of the need for repeasantization, and their desire to work in such an arduous profession. And, finally, the rural population in Cuba had "basic access to schools, housing, and healthcare" (Sáez 2003, 37) in contrast to the Venezuelan countryside, which lacked basic infrastructure. In sum, the incentives for participating in the repeasantization program were fewer in the Venezuelan case, and the challenges more numerous.

Since there were many people farming for the first time in their lives in Venezuela,<sup>28</sup> and the agricultural sector was small, Venezuela had limited expertise in agricultural production. Consequently, agricultural advisors from other countries in Latin America were advising the Venezuelan government on how to develop the agricultural sector. *Misión Campo Adentro*, a social mission announced in July 2006, was a program that brought Cuban agricultural advisors to live and work on new farms created through the agrarian reform in Venezuela (Ultimas Noticias 2006). Two thousand Cuban agronomists came via the *Campo Adentro* program (Schiavoni and Camacaro 2009:5). Cuban advisors were also paired up with Venezuelan advisors in a government agency called Grupo CATA.<sup>29</sup> The latter consisted of teams of six agronomists—three Venezuelans and three Cubans—each specializing in a different area of agronomy. They visited farms in the region where they were placed—both farms created through the agrarian reform and pre-existing farms—and advised farmers.

Most of these national government agencies and programs were headquartered in the capital, Caracas, and had local field offices in each state. In addition to these institutions of the central government, the state governments had their own institutions involved in the agrarian reform. For example, in the state of Yaracuy, the governor had a Secretary of Land and Food Security, and there was a state institution that gave out loans to small farmers. In Anzoátegui, the state government also had an institution that provided credit to small farmers. In the states where I did fieldwork the state government's involvement in the agrarian reform, however, was much less than that of the central government's institutions.

The foregoing discussion illustrates that the Chávez government created an elaborate institutional infrastructure to implement the agrarian reform. As is common in petro-states during oil booms, and in transitions to socialism in order to bypass the opposition, the government established a number of new institutions. Moreover, the contemporary agrarian reform was designed in such a way to avoid some of the problems in the previous agrarian reform, including lack of access to credit, technical assistance, and infrastructure, among other necessary forms of support, as well as reconcentration of land. In addition, the government seemed to be genuinely committed to transforming the agricultural sector and empowering the landless and land-poor in the process.

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<sup>28</sup> Moreover, many people who were working in agriculture before were working as seasonal wage labor for agribusiness rather than farming their own plots, and therefore did not necessarily have the farming expertise they needed (Domínguez 1992).

<sup>29</sup> At time of fieldwork, Grupo CATA existed in Anzoátegui, but not in Yaracuy.

## **Conclusion**

By putting the contemporary period in historical context, we are able to examine how the nature of state formation in Venezuela, the discovery of oil, the development strategies pursued in the twentieth century, and the nature of state-society relations changed over time and produced the political context out of which Hugo Chávez was elected. From this historical analysis, we can see that the Venezuelan state has a long history of being centralized and of lacking the capacity and expertise to effectively intervene in society because of the corrupt patronage system that emerged as a result of the high oil rents controlled by the state. This, in turn, produced a relationship between the state and society that was characterized by society's dependence on handouts from the state in exchange for which it would provide political support to the political elite who controlled the state. Moreover, political leaders approached development by spending petrodollars on large-scale projects aimed at developing an industrial sector that would produce for export.

The project of twenty-first century socialism, and the agrarian reform that is part of it, indicates a significant shift in terms of how development is viewed and the role society is to play in it. In contrast to the neoliberal period, in which the role of the state in development was diminished, but like the ISI period, the contemporary development strategy involves a large role for the state. Its role in the current development model, however, is distinct in several ways from its role in the ISI model. The contemporary model affords a larger role for society, and the state-society partnerships are viewed as collaborative. Moreover, the social actors that the state partners with in society are distinct in the two models. The contemporary model is based on partnership with popular sectors, while the ISI model was based on partnership with large-scale private capitalists. Furthermore, in the socialist-inspired, contemporary development path, projects are directly targeted at the poor, rather than at the wealthy with the idea that if they prosper, the benefits will trickle down to the poor, as was the case in the previous development models pursued in Venezuela.

## **Chapter Four**

### **The Venezuelan State: An Emblematic Case of the Influence of Oil on State Structures and Political Culture**

Efforts to increase the ability of the state to carry out the agrarian reform through the institutional expansion of the state bureaucracy described in the previous chapter were not enough to ensure its successful implementation. The impact of oil on the nature of the state and its political culture undermined its capacity. The political will and resources to transform society and the economy are not enough. This chapter examines to what extent the Venezuelan case reflected what my synthesis of the literatures on petro-states, developmental states and states in transition to socialism suggests we would expect. In other words, did the Venezuelan state exhibit the petro-state characteristics that are in many ways antithetical to the developmental state characteristics needed for successful intervention in society and the economy? And, if so, how did this concretely play out in the implementation of the agrarian reform?

More specifically, do we see the magical state syndrome in the design of the agrarian reform? Do the various parts of the state coordinate their activities? Do employees of the state have the necessary expertise to carry out the agrarian reform and advise the farmers? To what degree is there decentralization, and how has that impacted the implementation of the agrarian reform? Does the state have the autonomy that the developmental state literature suggests is so important for effective state intervention in the economy? And, finally does the state have institutionalized links to society? And, if so, to which groups within society does the state have established links? In sum, this chapter assesses the capacity of the Venezuelan state with regard to its implementation of the agrarian reform.

#### **Magical State**

Some of the initiatives that were taken by the Venezuelan state in its agrarian reform resembled what Coronil (1997) described as characteristic of petro-states, particularly during oil booms, and what Scott (1998) described as characteristic of high modernist development schemes. Coronil's magical state phenomenon is similar to the high modernist ideology described by Scott in that both involve a state-led approach to development that excludes the population from development planning and project implementation. Scott explains that the exclusion of the intended beneficiaries in the planning and implementation of development projects often undermines their success. In these cases, development planners tend to standardize citizens, and make assumptions about their desires and how they will act. These assumptions often prove to be wrong. This is why having the intended beneficiaries speak for themselves will increase the chances of success. Moreover, the large infrastructure projects that are characteristic of the magical state syndrome, and that are meant to impress the population, and provide the perception of instantaneous modernization, are exactly the type of projects Scott (Ibid) and others have shown tend to fail. The

magical state phenomenon and the high modernist thinking can both be seen in Venezuela's agrarian reform, from the large infrastructure projects to grand plans to transform the culinary habits of the Venezuelan population to the establishment of new agricultural communities by non-farmers in isolated parts of the country. I will examine each of these in turn.

### *Large Infrastructure Projects as Evidence of Rapid Progress*

It is easy to understand why the government might devote considerable resources to building large infrastructure projects. This type of development project does provide relatively instantaneous results, though not necessarily success at meeting development goals. In contrast, the transformation of people's thinking—specifically shifting from a capitalist mentality to a socialist mentality, and shifting from a belief in Green Revolution technology as the superior and modern way to farm to recognizing the advantages of an agroecological approach to farming—is a long-term project. The latter, however, is more likely to truly transform the agricultural sector than the construction of large infrastructure projects.

The focus on instantaneous results that is at the center of the magical state phenomenon is based in large part on the political considerations governments face. In order for the government to maintain its support, people must believe the government is doing something; and governments often show this by providing concrete changes in the short-term through the construction of large infrastructure projects. Given that previous Venezuelan governments implemented policies that enriched the few and excluded the many, it is not unreasonable to assume that the Venezuelan population would not have the patience to wait and see if change would occur in the long-term. These political considerations tend to win out over considerations of what is most needed for development. The construction of large infrastructure projects are the easiest way to create the perception that development is underway, but, in fact, often fail to deliver the expected development in the long run. Involving people in the planning and implementation of projects may be another way to ensure that people believe progress is being made so that the government will continue to have broad support. In fact, this approach may be more likely to ensure political support, not just in the short-term as the large infrastructure projects may, but also in the long-term.

In Venezuela, there were contradictory tendencies at play. On the one hand, the government did construct a number of large infrastructure projects that it used to make the case that it was "sowing the oil," and thereby maintain popular support. And, many of these projects did not seem to fully realize their expected benefits, nor did the prioritization of resources toward these projects over small-scale infrastructure projects yield the greatest benefit in terms of increasing production levels. At the same time, there were efforts to involve intended beneficiaries in the agrarian reform. However, for reasons we will get to later, these often fell short, leading to frustration with the government. Moreover, an enormous amount of resources, though not always expertly employed, were dedicated to longer term objectives in the transformation of the agricultural

sector. In other words, the magical state phenomenon did exist in the implementation of Venezuela's agrarian reform, though not exclusively. The magical state approach seemed to occur much more so in Anzoátegui, and less so in Yaracuy. In the former state, the government built a number of large processing plants. Grand opening events were held to inaugurate these large infrastructure projects, and large, colorful billboards, often with Chávez's photo and/or the Governor's or Mayor's photo, were prominently displayed in front or nearby off the main highway. The goal seemed to be to sell the idea that the government was in fact delivering on its promises to transform Venezuela and that, specifically, it was making rapid progress in the transformation of the agricultural sector.

Both employees of the government and farmers in Anzoátegui felt that the government was funding many infrastructure projects that did not address the most important needs of the population. For example, in one rural community I visited, PDVSA was funding the construction of six new classrooms at the school. One community member said that the community accepted the project because they could use the additional classrooms, but that they told PDVSA that building classrooms was not a priority for the community. Rather, what the community really needed was access to running water and health care services (Fieldnotes 11/9/07). In another rural community in Anzoátegui, the government constructed a building to house a health clinic, but the town did not have a doctor. Consequently, the town had the infrastructure for health services, but it was useless because there was no doctor (Fieldnotes 11/10/07). In Anzoátegui, the government seemed to focus on building large, infrastructure projects, and much less energy seemed to be focused on ensuring smaller-scale, basic infrastructure, such as water and electricity, and meeting the more pressing needs of the community, such as the construction of houses.

An employee of MAT in Anzoátegui felt that the government was putting a lot of resources into infrastructure for agricultural production, but that it was disorganized. The problem that they should be addressing, he argued, was the lack of production. He said that they had built a soy processing plant, for example, but that Venezuela did not grow much soy so they had to import soy from Bolivia to fully utilize the plant. Another example he gave was a milk processing plant that was inaugurated in June 2007. He said that it was processing much less milk than it was capable of processing because there was not enough milk being produced to run the plant at full capacity. He also said that the yucca processing plant built in Anzoátegui was running below full capacity because of insufficient yucca production (Fieldnotes 11/2/07).

The magical state phenomenon that Coronil (1997) identified in his discussion of the oil boom years under President Carlos Andres Perez was also apparent in Anzoátegui under the Chávez government. The problem was not that there was no logic behind the construction of these large processing plants, or no need for them, but that there was a tendency to focus on individual projects, and not on how they fit into an overall plan. Moreover, the abundance of state resources seemed to sideline any thought as to what types of projects to

prioritize, and where, since there was a perception that there was enough money to do everything eventually.

### *Transforming the Culinary Habits of Venezuelans*

In Anzoátegui, through repeated comments by farmers and employees of the government, I became aware of an additional agenda of the government in its implementation of the agrarian reform. It seemed that the government sought to introduce new food items into the Venezuelan diet. It encouraged farmers to grow some food items that were not staples of the Venezuelan diet. For example, an employee of MAT in Anzoátegui reported that the government wanted to create a soy beverage for adults, but as of that point in time, soy beverages were not something consumed by adults in Venezuela. Another agricultural product that the government promoted was the raising of quail. In one rural community I visited, employees of INIA were encouraging community members to raise quail, explaining that although there was not a culture of eating quail, it tastes good and its eggs can be eaten as well (Fieldnotes 11/09/07). The government was also trying to revive the consumption of cassava, a traditional bread-like product made out of yucca. At a public meeting between employees of the government and farmers, an INIA employee announced, “We need to acculturate people to eating cassava. We need to plan and organize production” (Fieldnotes 11/1/07). Farmers, in some cases, had trouble selling this produce.

The government’s efforts to create markets for agricultural goods that did not previously exist illustrates the high modernist approach to restructuring the society and economy described by Scott. There very well may have been a logic behind these governmental efforts to transform the culinary habits of the population. But top-down approaches to changing people’s habits do not tend to be very effective. The high modernist thinking that was one of the contradictory tendencies within the government led it to create incentives for people to produce goods for which there was little-to-no existing market because of the belief that the supply of these goods, coupled with telling people they should consume them, would be enough to ensure sufficient demand for what farmers produced. But, it was not. Farmers who had taken out loans from the government to produce the products promoted by the government were not always able to sell them, which frustrated farmers who then found themselves indebted. In addition, it prevented the government from recouping the money it had loaned to farmers.

### *Creating Farmers and Communities from Scratch*

Venezuela’s program *Vuelta al Campo* (VAC), or a Return to the Countryside, was also an example of the high modernist ideology described by Scott. One of the goals of the Venezuelan government was to expand agricultural production throughout the country in order to reduce food imports. This was a logical goal given the country’s dependence on food imports, and the potential problems that it could create for the country in the event of fluctuations in the price of commodities on the international market (both Venezuela exports and goods it imports), or the imposition of an economic embargo for political reasons, such as the embargo faced by Cuba.

The Venezuelan government attempted to simultaneously expand the agricultural sector and address the problems of un- and under-employment in urban areas by moving people from urban areas to rural areas and training them in agriculture. At the same time, the government sought to increase agricultural production in regions of the country with limited agriculture at the outset of the agrarian reform. The logic behind this choice was twofold. First, the goal was to create employment opportunities throughout the country in order to distribute the population more evenly throughout the territory, thereby eliminating some of the problems associated with the concentration of the population. Second, the goal was to bring the cultivation of food closer to the intended markets. As such, the government intentionally located some of the new farms in parts of the country that did not previously have much agricultural production so that these new farms could eventually feed the local population. This meant that participants in the VAC program left behind their community, and often times initially their families as well, to found new communities in a part of the country that was often sparsely populated, and where they did not know anybody. This presented a number of challenges for participants on top of the basics—learning to farm and learning to work as a cooperative. The latter of which was a required part of the VAC program.

Areas of the country with oil did not have much agricultural production because, as discussed earlier, oil tended to crowd out the agricultural sector. Not surprisingly, given that Anzoátegui was an oil state, it was the state with the most VAC farms. Five VAC farms were established in the state. Yet, the oil-based economy of Anzoátegui created a number of problems that undermined the success of the VAC program in the state. Oil was extracted in southern and central Anzoátegui near the cities of El Tigre and Anaco, and then shipped through a pipeline to the northern city of Puerto la Cruz where it was processed (State Legislator in Anzoátegui, personal interview 10/25/07). The northwestern and northeastern parts of Anzoátegui had some agricultural production before the agrarian reform, but the southern part of the state did not have much at all (PDVSA employee, personal interview, 10/29/07). All but one of the VAC farms in Anzoátegui was located in the southern part of the state near El Tigre. Very few people who lived in rural areas in southern Anzoátegui were farming, because, as one rural dweller explained, they could earn more working three months of the year in the oil sector than they could earn farming year round. A PDVSA employee working closely with INTI emphasized that Anzoátegui was not an agricultural state, but rather an oil state; and as a result there was not a culture of agricultural production (PDVSA employee, personal interview, 10/29/07). In other words, residents of Anzoátegui did not generally view agriculture as a desirable area in which to work. Although conversations with government employees on the local level seemed to suggest that they were aware of this, the government believed that it could develop the agricultural sector nonetheless by funneling resources into it without changing the local economic dynamics that made it undesirable. This again illustrates the high modernist thinking at work.

The oil industry tended to pay relatively high wages.<sup>30</sup> Consequently, other employers in Anzoátegui had to compete with the oil industry for workers. This meant that employers in the agricultural sector had to also pay high wages in order to attract workers. Labor is one of the inputs in production so higher wages gets passed along to consumers in the way of higher prices for the finished product. As a result, price inflation occurred locally; goods and services in Anzoátegui cost more than those same goods and services in Yaracuy. Farmers in cooperatives and family farmers do not work for wages. Their income depends on how much they produce and sell. Consequently, they do not benefit from the higher wages since they are self-employed, but they face higher prices on goods and services that they want to purchase. While the agricultural goods they sell may fetch higher prices than in non-oil states, what they earned did not seem to be high enough to compensate for the higher production costs they incurred. Economists might explain this by pointing out that price is determined by the intersection of supply and demand, and that the demand for most agricultural goods tends to be relatively elastic. In other words, if the price of a particular agricultural product goes up, consumers will buy a different product instead. For example, if the price of watermelons increases, then the quantity of watermelons demanded will go down as people decide to purchase papayas instead, or opt out of buying fruit altogether. This dynamic will keep the price of fruits and vegetables low.<sup>31</sup> Moreover, since the income of family farmers and farmers in cooperatives depended on their crop, and not on a wage, their income was not predictable as poor environmental conditions combined with lack of basic infrastructure, such as irrigation, could result in the loss of an entire crop. The inflation effect from the oil industry discouraged people from going into agriculture in Anzoátegui.

Not only was there a reluctance to go into farming in Anzoátegui, but there was also a reluctance to work as part of a cooperative. The government required participants on the VAC farms, as on many of the other newly created farms, to organize into cooperatives. There seemed to be more resistance to this in the state of Anzoátegui than in the state of Yaracuy. This may have reflected the generally more negative view of the agrarian reform and its potential benefits that existed in Anzoátegui. Alternatively, it may have reflected the lower level of farmer organization in Anzoátegui, both historically and in the contemporary period, which may have led to a greater focus on individualism than in Yaracuy where there was a greater sense of a collective struggle.

Regardless of the cause, in Anzoátegui, I encountered widespread opposition to working as part of a cooperative. One farmer argued that cooperatives never work because there is always conflict. “Some want to order others around. Others don’t want to work” (Fieldnotes 11/19/07). Another farmer said that Venezuelans were not accustomed to working together, and consequently cooperatives did not work. Moreover, he believed that it would take

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<sup>30</sup> This is potentially due to several factors, including the fact that oil workers are unionized, more highly skilled, and the oil industry is capital-intensive.

<sup>31</sup> Demand for staple food items (like black beans in Venezuela) may be more inelastic than other crops.



a long time to change that mentality. He said that since the government did not want to give land to individuals, he preferred to form a producer's association with four or five of his neighbors so that they could receive government resources (Fieldnotes 11/19/07). A PDVSA employee who worked closely with the Land Institute in Anzoátegui said that small producers, for the most part, were not interested in working collectively. Rather, they wanted their own parcel of land to farm. She explained that although producers may organize collectively to request a piece of land from the Land Institute, once the land was acquired, they each wanted their own plot (Ibid).

This was another example of Scott's high modernism. The government wanted people to form cooperatives because that was part of its socialist ideology. Consequently, the government mandated this as much as possible. People, however, subverted this in some cases by pretending to be organized into a cooperative, but not really working the land collectively. In other cases, people tried to work as a cooperative without much training in cooperativism, and eventually got frustrated and abandoned the new farms. The outcome of the VAC program in Anzoátegui seemed to confirm Scott's critique of high modernism.

Both the magical state syndrome and high modernist thinking were present in the state's approach to agrarian reform. However, it would be misleading to characterize the Venezuelan state as having exclusively taken this approach. Rather, there were efforts to create space for intended beneficiaries to give their input, and there were also an enormous amount of resources dedicated to achieving longer-term, less high-profile changes. Moreover, although the magical state and high modernist approaches were present in both states, there was a significant difference in terms of degree that those tendencies were present in the two states.

### **A Coherent, and Meritocratic Bureaucracy?**

As mentioned in Chapter Two, one of the characteristics the state identified as necessary for effective intervention is a coherent and meritocratic bureaucracy. In Chapter Three, I described the proliferation of new state institutions that was part of the agrarian reform. This meant the people who staffed these new institutions were working together for the first time. There were no established procedures. They had to be determined and instituted. In other words, there was no institutional experience, even if there were some individuals with relevant job experience within these institutions. Moreover, the sheer number of government institutions involved in the agrarian reform contributed to the uncoordinated and disjointed state bureaucracy that emerged, much like the literature on petro-states suggested. The fact that government agencies did not limit the scope of their activities to their stated mission was both the byproduct of a lack of coordination among the various government institutions, and contributed to the disjointed nature of the government's various programs for each farm. For the most part, the government institutions did not coordinate their activities for each farm, and the agricultural extensionists did not have the expertise necessary to advise farmers.

### *Overlapping Functions*

The various government agencies involved in the agrarian reform seemed to overlap in their activities. They engaged in activities outside those outlined in their institution's mission. As a result, they often duplicated functions that other agencies provided. For example, small farmers did not receive extension services just from CIARA, the government agency tasked with this, but also from a number of other government agencies. FONDAFA, the agency that made loans to cooperatives and small farmers, for example, would send extensionists to the farms to advise the farmers on what chemicals to use and other steps they ought to take to increase their production, as did the research-focused INIA, as well as INTI, the agency responsible for redistributing land.

In Anzoátegui, INIA engaged in a number of other activities that seemed to fall outside its mission of researching agricultural methods that were appropriate to the Venezuelan context. For example, INIA, in conjunction with PDVSA, took students from The Bolivarian University to rural communities to do assessments of the communities' needs (INIA employee, personal interview 11/1/07). Another activity of INIA that I witnessed was a course on constructing water tanks taught in a small, rural community. In another case, I accompanied three INIA employees to pick-up yucca seeds from one farm and take them to another farm as part of a seed-sharing program that INIA was organizing (Fieldnotes 11/5/07). Another day one of the INIA employees was teaching a course on politics to members of Frente Francisco Miranda, an organized group of young people who promoted the programs of the government (Fieldnotes 11/9/07).

Not only was there this overlap in the activities of the various government institutions, but there was also a tendency in Anzoátegui for each agency to deal directly with each farm, without coordinating their activities with other government agencies. The lack of coordination undermined the cohesiveness of each farm's and each state's development and production plans, as well as the success of the project to transform the agricultural sector.

### *A Shortage of Expertise*

In addition to the lack of coordination between the government institutions, there was the problem of a lack of expertise on the part of many people employed in these institutions. There were two issues involved in this lack of expertise. The first was that the universities of Venezuela taught agronomy students based on a Green Revolution model. Students learned such things as which pesticides should be applied to corn to kill a common insect that eats corn. The agricultural model of the Chávez government rejected the chemical intensive Green Revolution model in favor of an agroecological model. The goals of agroecology included improving "overall biological efficiency," preserving "biodiversity," and maintaining "agroecosystem productivity and its self-sustaining capacity" (Altieri and Nicholls 2003:37). The strategies employed include using biological pest management techniques and planting a diverse set of crops on the same plot. Government employees with degrees in agronomy, in general, had been socialized into believing the superiority of the Green Revolution model,

and did not have the expertise to advise farmers on how to farm using agroecology.

In Anzoátegui, there was not much emphasis on agroecology. When I would bring it up with employees of the government either they would reject it as a viable method of farming and/or would clearly not know anything about it. Two INTI extensionists with whom I spoke did not believe agroecology was an effective way to farm. One of them told me that it was not possible to use agroecology in Anzoátegui because of the poor soil quality (Fieldnotes 11/21/07). This illustrated both that they rejected this part of the new agricultural model, and that they knew nothing about it, because poor soil quality would not rule out the use of agroecology. In fact, agroecological methods could improve the quality of the soil through mixed cropping and the use of worm compost among other techniques.

At a government initiated meeting for producers to give input on the National Plan for yucca and other root crops, one producer said, “We need to raise consciousness in FONDAFA in regards to the environmental part, to reduce the use of poisons” (Fieldnotes 11/01/07). Another producer at this meeting said, “We still have not applied sustainable development despite all the talk of it. In terms of the organization of production, we are doing badly” (Ibid). Another producer added that the government could not continue to promote monoculture (Ibid). The central government was aware that many of its employees did not have the needed expertise in agroecology and had begun setting up its own schools for training agricultural extensionists in agroecology. There was a delay before students in these new schools would graduate and could take jobs in the government. Consequently, in the short term, there was a lack of necessary expertise in agroecology.

The second reason that there was a shortage of expertise stemmed from the polarized nature of Venezuela’s political scene. As mentioned in the literature on transitions to socialism, some of the people who staffed the government bureaucracy did not support the government. Consequently, there were people inside the state bureaucracy who sought to undermine the government’s efforts to implement new policies. Both farmers and employees in the government institutions believed that a fundamental obstacle in the implementation of the agrarian reform was that there were people who opposed the Chávez government still working in the government bureaucracy. For example, an employee of INIA, when speaking of a VAC farm in Anzoátegui, said that there were a number of approved projects for this particular farm, but that the resources were not arriving because the projects were stuck in the bureaucracy. She said that the problem was that there were employees from the old government institutions that had jobs in the new government institutions and they were dragging their feet. She said that the only thing that had changed was the name of the institutions (Fieldnotes 11/5/07). A farmer in Anzoátegui said that the Land Institute office had many people who did not support the Chávez government’s project. He added that the government did not want to fire these people because it did not want to violate existing labor laws. Rather, the government was waiting for them to retire, argued this farmer, so that the

government could put people into office that would actually do their job. This was his explanation for why the INTI office in Anzoátegui had not made much progress on the agrarian reform (Small farmer, personal interview, 10/24/07).

Among farmers there was also the perception that many of the people in the government bureaucracy were corrupt. A producer in Northern Anzoátegui said that there was a lot of corruption throughout all levels of the government. He said, for example, when FONDAFA employees engaged in corruption, like take some of the money it was supposed to use to give out loans, and instead use it to buy themselves a new truck and give a bonus to the director, the farmers could not really denounce these employees to their superiors in Caracas because the latter were corrupt too (Fieldnotes 11/03/07).

As a result of the opposition within the government bureaucracy, the government created new state agencies to bypass the existing ministries in order to implement the new policies. Thanks to the booming oil revenues, the government had the income to continue to employ people who were obstructing the implementation of the new policy (and avoid illegally firing them), and at the same time hire supporters to staff the new government agencies. This situation was not unique to the agricultural sector, rather as Wilpert (2007:129) describes, was pervasive throughout all government institutions.

Ever since Chávez's election, one of the most serious and chronic problems his government has faced has been a lack of highly trained professionals who support the Bolivarian project or who, at the very least, are not actively interested in subverting and destabilizing the government. The vast majority of the country's professional class clearly identifies itself with the opposition. Having these people ensconced in the state bureaucracy, often simply because no qualified personnel can be found to replace them, has created countless problems for the Chávez government in running the state efficiently. All too often, Chávez replaces skilled and capable opposition sympathizers with unskilled and incapable supporters.

In the agricultural sector, the government hired many young, recent college graduates, who lacked experience and expertise, but who supported the Bolivarian Revolution (or at least said they did). To address their lack of expertise, the government sent some new employees to Cuba for three-months to take courses provided by the Cuban government, as well as held workshops and meetings in Venezuela to educate these new recruits. My impression from speaking with employees of the government who had taken these classes, and participated in these workshops, was that the content tended to be ideologically focused, rather than practically focused. In other words, they provided these young people with the tools to explain how capitalism produced the negative social dynamics that they witnessed in Venezuela, and how and why a socialist system would eliminate these problems. However, they did not seem to learn the concrete skills needed to work with, and provide technical support to, people on

the new farms. Moreover, the recent college graduates hired did not have agricultural experience themselves. In other words, what they knew they had learned from books in the classroom.

One way employees of the government could gain the expertise they needed (assuming that they were in fact motivated to do this) was through experience on the job. However, I also noted during my fieldwork that there was a high turn over of government employees, particularly in Anzoátegui. Employees of the government would move from one government institution to another, and from one state to another. Because their job and their location were changing frequently their ability to gain expertise both in terms of the skills they needed to effectively do their job, and knowledge of the local environment, as well as familiarity with the particular farmers and farms within their jurisdiction, was undermined. In other words, the tendency of the government to frequently move employees around undermined the ability of these employees to gain the expertise they lacked and needed to effectively implement the agrarian reform.

The state bureaucracy lacked coherence and the ability to provide the type of support and guidance participants in the agrarian reform needed. The state was not particularly effective in its efforts to restructure the agricultural sector, expand production, and bring new people into farming. Rather, the state was composed of many different institutions, doing many different things, and employing many people who often seemed to lack individual direction and initiative, as well as management. Consequently, in Anzoátegui, a lot of time was wasted standing around doing nothing and the interactions that did occur between the intended beneficiaries and the government did not seem to be particularly helpful.

### **Decentralization?**

The developmental state literature also identifies a certain degree of state decentralization as important for effective state intervention. The Venezuelan state, as the petro-states literature suggests, has traditionally been a highly centralized state. As mentioned earlier, in the 1990s, because of the floundering legitimacy of the political system there was an effort to decentralize the government to some degree, such that Governors and Mayors became elected positions. This increased the decision-making power of the electorate, and may have allowed for greater diversity of views and positions in the Venezuelan political system. At the same time, in the politically polarized context of a transition to socialism, this increased the opportunity for the opposition to gain power on the local level and obstruct the implementation of the agrarian reform.

For example, the land redistribution could not begin to be fully implemented in Yaracuy until 2005, four years into the agrarian reform. Eduardo Lappi, first elected Governor of the state of Yaracuy in 1996 and then reelected in 1999, was part of the opposition to President Chávez. Consequently, every time farmers tried to occupy land that met the legal requirements for expropriation as codified in the Land Law of 2001, he sent the police to evict them (Personal interview, June 23, 2007; personal interview June 1, 2007). Carlos Giménez defeated Eduardo Lappi in the October 2004 election for

Governor (<http://cne.gov.ve/regionales2004/>). Giménez, who self-identified as a *Chavista*, passed Decree 090 on December 30, 2004, which was the first step toward implementing the Land Law in the state of Yaracuy. This decree established a commission to review land use and ownership in the state. Sixty-eight plots of land were identified as meeting the criteria for expropriation (Venezuelan Government 05/01/05). Of these 68 plots, 34 had already been redistributed at the time of fieldwork (Personal interview, 06/19/07). In Yaracuy, there was a four-year delay from when the agrarian reform law was created to when it began to be implemented because of the power of the opposition on the local level.

Even after a pro-Chávez Governor was elected in Yaracuy, the opposition was still able to obstruct the process of reform through its influence within the Judicial Branch on the state level. In one instance, a farmer was arrested and held for several days for “trespassing on private land” when the farmer had been given the green light to occupy this land by the Land Institute. The person who claimed private ownership of this land held enough influence on the state level to get the farmer arrested. This was not the only arrest that occurred under these circumstances in the state of Yaracuy, or in the country. This illustrates some of the contradictory actions taken by the government as a result of the lack of its cohesiveness, resulting from decentralization in this politically polarized context.

Conflict also arose between the state institutions and the field offices of the national institutions on the state level. Not only did the state institutions duplicate functions provided by the national institutions (e.g., provision of credit), but a conflict arose between the pro-Chávez Governor and the pro-Chávez directors of the national institutions’ field offices in Yaracuy (e.g., MAT, FONDAFA, INTI, CIARA). The conflict seemed to reflect a larger conflict present within the Chávez movement. As Ellner (2008) has pointed out, there were tensions between the more radical supporters of Chávez and more mainstream supporters. In the case of Yaracuy, the Governor and his supporters represented the more mainstream faction. This conflict was not just between different levels of government, but also extended to the new farms in Yaracuy. Most participants on the new farms allied with the more radical directors of the national institutions, but some aligned themselves with the Governor. The conflict played out in the local media as one side would denounce the actions of the other side, as well as manifested itself in physical conflict between people on the farms. At one point, the national institutions decided to stop providing financial support to one of the *fundos* that was allied with the Governor, and receiving financial support from the state institutions. The people on the *fundo* across the street from this *fundo* were no longer on speaking terms with their neighbors, with whom it was planned that they would eventually share a health clinic and school. A farmer in Anzoátegui also reported that conflict between pro-Chávez political factions interfered with the implementation of projects (Personal interview 10/24/07). The decentralization of the political system was not only an opportunity for the opposition to interfere with the implementation of the agrarian reform, but also became a space for different factions within the pro-Chávez movement to battle over their competing ideas about the development of the agricultural sector.

Within each of the individual government institutions involved in the agrarian reform, there was no move to decentralize. A hierarchical, highly centralized state culture remained. Wilpert (2007:203) argues, “The government, from Chávez on down, often suffers from inefficiency because bosses order their employees around without regard for their work plans or pre-existing commitments, forcing them to constantly re-adjust to changing orders from above and to discard plans.” Moreover, because of this hierarchical structure and centralized decision-making, the people on the local level who had a clearer idea of the problems on the farms were not empowered to come up with and implement solutions to address the problems. In Anzoátegui, for example, the agricultural extensionists in the state field offices visited the farms and filled out a report summarizing what they witnessed, including what was being produced and any production or cooperative-related issues. This report then went to their superiors in the state field offices. In order to address problems occurring on the farms, the directors of the field offices in each state would have to write up a report that would then be sent to Caracas. Presumably, the issues identified would work their way up in the bureaucracy of the headquarters of the government institutions in Caracas. There was often a long lag time before problems were addressed because of this hierarchical and highly centralized state structure. And, in some cases, problems were never addressed. Some problems got lost in the bureaucracy, while others were sidelined when new government initiatives became top priority.

There was limited decentralization within the Venezuelan state, as the petro-state literature suggested, and even less decentralization within each individual government institution. The former, nonetheless, provided the space for the opposition to obstruct the implementation of the agrarian reform. The latter was even more problematic because it reduced the effectiveness of the state at implementing the agrarian reform, and impeded popular participation and empowerment in the process.

### **Autonomy?**

A third characteristic identified in the developmental states literature as key for effective state intervention is the idea that the government should maintain a certain degree of autonomy.<sup>32</sup> As a petro-state, the Venezuelan government exercised a much higher degree of financial autonomy than states reliant on other types of economic activities. The revenues generated by the oil sector were directly funding the agrarian reform through the government’s control over the state-owned oil company, PDVSA. Consequently, the government did not need, for the most part, to rely on private companies, that would most likely not support the new socialist-inspired vision for the agricultural sector since it did not have a significant long-term role for them.

The main business of many of the private companies involved in the agricultural sector was the production and sale of chemical inputs, which were not part of the agroecological model of agricultural production being promoted by

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<sup>32</sup> Autonomy, as you may recall, was defined by Hamilton (1982) as the ability of the state to act independently of the interests of the dominant class.

the government. However, as we will see in the next section, the government did rely on them in the short-run to sell their chemicals to the new farms because a Green Revolution approach to farming remained dominant at the outset. Even with the government's dependence on private agribusiness, these large, private agrarian interests did not shape agricultural policies. The state was funding the development projects, and the beneficiaries of these projects were low-income people. Moreover, the main reason a reliance on chemical-intensive agriculture persisted was due to a lack of expertise and belief in agroecology, not because private agribusiness was involved in setting agricultural policy. In other words, the Venezuelan state did have the autonomy that the literature on developmental states identified as necessary for effective state intervention. This was, in fact, the only characteristic identified in the developmental states literature that Venezuela had.

### **Institutionalized Links to Society?**

The final characteristic identified in the developmental state literature is institutionalized links to society. As discussed, in the original formulation of the idea of embedded autonomy, the government needed to have links to private capital. In the agricultural sector, the Chávez government had not cultivated many links to private capital and/or private capital was not interested in working with the government. However, the CVA, of the Ministry of Agriculture, was selling privately manufactured agro-chemicals in its subsidized stores to farmers. Because of the limitations on expertise mentioned earlier, most of the country's agricultural production involved the use of chemical inputs. Private chemical companies promoted their products on the new farms with the consent of the government.

For example, in Yaracuy, the government provided a private chemical company with directions to all the new farms in the state so that sales representatives from the company could visit each farm and convince the farmers to buy their chemical since it was one of the chemicals sold in the CVA stores. On a farm that was receiving a sales pitch for a particular pesticide, one cooperative member said to her fellow cooperative members that they should not be considering the purchase of this chemical because FONDAFA had just given them an "agroecological loan." With this type of loan, they were not supposed to use chemicals to control pests, but rather to use biological methods of pest management. Other cooperative members seemed convinced that buying this pesticide was a good idea. Moreover, there were several Cuban advisors on the farm that day, and they seemed to agree that the use of this pesticide was a good idea. Although the Cuban advisors were there, in theory, to teach agroecological methods, one Cuban advisor argued that the Cuban situation (where an agroecological model had been implemented) was different from the Venezuelan situation. She felt an agroecological model would not work in Venezuela because production was taking place on a larger scale.

This illustrates two contradictions in the process of agrarian reform. On the one hand, the government's new vision for the agricultural sector involved a production model based on agroecology, not Green Revolution technologies that



contaminate the water and soil. After decades of following the “modern” Green Revolution model, it was not an easy task convincing people of the merits of an agroecological model. The government taught the benefits of agroecology through the *Vuelvan Caras* courses, workshops on the new farms, and pamphlets that the government produced and passed out. In addition, advisors from Cuba had been hired to teach the Venezuelan farmers agroecological techniques of production. After Cuba’s main trading partner, the former USSR, collapsed in the early 1990s, the country had to largely eliminate the use of chemical agricultural inputs because Cuba did not have the ability to import them. Consequently, they had developed some expertise in agroecology. However, the commitment of some of the Cuban advisors in Venezuela to agroecology was quite weak. Moreover, the government was working with private agro-chemical producers to market these products on the farms. Farmers with standard loans from FONDAFA were instructed to use particular chemicals and were required to buy these chemicals with the loan money. The next installment of the loan would not come until they had fulfilled the previous requirements (e.g., the purchase and application of pesticides). This illustrates the lack of cohesiveness that existed within the government in regards to the use of agroecology. There were people who believed in promoting a healthier, and less polluting model for the agricultural sector. At the same time, there were people who were educated with the Green Revolution model, and believed that it was the only way for the country to successfully expand its agricultural production.

Although this link to private agro-chemical producers existed, for the most part there were not many links to the private sector because of this sector’s opposition to the agrarian reform and the project of socialism. As a result, there was space for new cooperatives to emerge to meet the needs created by the new model. For example, there was a cooperative in Yaracuy that raised and released a certain insect that ate the type of worm that commonly ate the corn. Members of the cooperative went around to the new farms, educated the farmers about this alternative pest-control method and sold their service to the farmers. Once the government began giving out agroecological loans, this cooperative was able to expand its business. However, agroecological loans remained a small percentage of total loans. The contradictory actions of the government—specifically the continued promotion of Green Revolution technology—undermined the ability of cooperatives to emerge to provide agroecological inputs, and more generally fulfill the role previously provided by private companies. The space for cooperatives to emerge to provide new services and replace private capital was critical to both the socialist economy that the government was attempting to build, and the new vision for the agricultural sector.

As discussed in Chapter Two, an alternative to institutionalized links to private capital is institutionalized links to popular sectors. In Venezuela, popular sectors in rural areas were poorly organized at the outset of the agrarian reform. This made it difficult for the government to institutionalize links to popular sectors since organized groups did not exist for the most part. One approach the government took to increasing popular participation in rural development was to hold public meetings to which agricultural producers were invited to attend and

give input. These activities, however, often turned into ceremonial government events, rather than true avenues of participation for producers.

For example, in Yaracuy the government held a meeting to which it invited people from various communities located in a coffee-growing region of the state. There were about 50-70 people present. The organizers of the meeting—representatives from Plan Café, the mayor's office, the Ministry of Infrastructure, and a director at the coffee-producing NUDE in town—explained to attendees that the government's program *Plan Café* had funds to build roads in coffee-growing regions of the country. All of the communities present were anxious for the government to build a road to their community, because many of the dirt roads in the mountains became impassable during the rainy season.

The organizers of the meeting explained that the point of the meeting was for the communities present to collectively decide the order in which each community's road would be built. As one can imagine, every community wanted their road built first. The organizers suggested a way to determine the order in which the roads should be built. They ranked each community along each of the following lines: number of families in the community, number of coffee producers in the community, number of hectares of coffee being cultivated, and the state of existing roads. The community with the lowest number in each category received a rank of zero, and the community with the highest number in each category received a five. Then they added up the rankings for each community, and the community with the highest number would be the first to have a road constructed, and so on. The data the organizers had to fill in the grid came from the censuses that the *consejo comunal*, or community council, from each community had done. Some attendees at the meeting objected, arguing that the data were not accurate because some communities had inflated their numbers. As the organizers explained their logic of how the order of road construction should be determined, there was much protesting on the part of communities who were not at the top of the list. Participants seemed pretty unhappy with the way the meeting unfolded. There was lots of shouting and arguing.

It was clear that the organizers, who came up with the measures that would be used and how the rankings would be evaluated, as well as who brought the data on each community, already knew before the meeting the order in which the roads would be built. The point of the meeting seemed to be to get people to agree that this was a fair way to determine the order and provide transparency into the reasoning of the state entities. It took about three hours to get everybody to agree to go along with this, and then only about five minutes to do the actual exercise of calculating the rankings of each community. At the end of the meeting, the organizers had a photographer from the local newspaper come to the front of the room. They asked all the participants to raise their hands to show them all voting in favor of the final decision. The idea was for the photo in the paper to illustrate "poder popular," or people's power in action. Some attendees happily raised their hand for the photo; others grudgingly did; and some refused to raise their hand.

This purportedly participatory process for including intended beneficiaries in decision-making about development ended up being more of a way for the

government to explain how it was deciding the order in which it would construct roads in the region. I suspect the sharing of this information was intended to minimize discontent among communities not getting a road built at the outset, as well as to announce the government's intention to eventually build roads to all the communities in the region. However, because it was framed as an opportunity for popular participation, which then proved to be a sham, it appeared that many people did not leave the meeting feeling good about what transpired. The event proved to be purely ceremonial.

Another example of a government sponsored event intended to involve small farmers in shaping the development plan for rural areas was held in November 2007 in El Tigre, Anzoáteguí. The MAT in Anzoáteguí held an event titled "Plan Nacional de Raíces y Tuberculos 2008-2012." Producers in the state were invited to attend this meeting and give input on the national plan for expanding the production of root crops. The organizers of the event explained that the previous June there had been a meeting in Caracas to discuss a production plan for yucca and other root crops. The government then held workshops on this topic in Trujillo, Barinas, Cogedes, and now in Anzoáteguí. A government employee presented the National Plan that had developed through the previous four meetings in the other parts of the country. Attendees of the event were welcomed to comment on and suggest modifications to the plan.

There were approximately sixty-five people in attendance on the first day of this two-day long event, though the vast majority worked for the government. Few producers actually showed up. The second day of this event was a fieldtrip to a small cassava production enterprise and then on to the large-scale yucca processing plant recently built in the state. No producers went on the fieldtrip, only government employees. Farmers in Anzoáteguí reported that they were not organizing or attending rallies and marches because they did not hear about these events; they could not afford to travel from their farms to the events; and could not leave their farms unattended because of the theft problem in the countryside. I would guess that few producers showed up at this government organized meeting for similar reasons. Traveling from Barcelona, where the MAT office in Anzoáteguí was located, it took me six hours to get to the meeting using public transportation, and I had to take three different vehicles to get there. From a rural area in Northern or even Central Anzoáteguí, it would have most likely taken even longer to get to the meeting. Moreover, public transportation in Anzoáteguí was relatively expensive because of the local inflation effect resulting from the oil industry.

During the exchanges between the employees of the government and the producers who were in attendance, there was some conflict. Producers saw this event as an opportunity to voice their more general complaints about the implementation of the agrarian reform. The government employees organizing the event, on the other hand, were disappointed with these general complaints. They wanted more specific proposals of modifications to Plan Yucca. This suggests that there were insufficient avenues through which producers could give feedback on what was and what was not working from their perspective in the government's rural development program.

While there were some attempts on the part of the government to establish avenues of popular participation in the design and implementation of the agrarian reform, they were too few, and often failed to truly include popular sectors in decision-making. And, since the intended beneficiaries were not organized themselves, this precluded institutionalizing relationships between the government and popular groups. In other words, the Venezuelan government had the autonomy part of embedded autonomy, but did not have the institutionalized relationships with society that could facilitate the development and transformation of the agricultural sector.

## **Conclusion**

The evidence provided in this chapter illustrates how the Venezuelan state in its implementation of the agrarian reform was weak in terms of all the characteristics of developmental states, but one. In the Venezuelan state we can see both the magical state syndrome and high modernist thinking at play, as well as a state with limited coherence and expertise, limited decentralization, and limited links to society. This is consistent with the conclusions that can be drawn from the petro-states literature. The Venezuelan state did, however, have a high degree of autonomy, but this was undermined at times. For example, the autonomy of the state weakened at times, in particular when the elite, or a competing faction within the pro-Chávez movement, gained control on the local level, and obstructed the implementation of the national government's vision of the agrarian reform. The next question to consider, then, is: what impact did this weak state capacity have on the farm level? The next chapter will examine this question.

## Chapter Five Challenges in the Implementation of the Agrarian Reform

Six years into the agrarian reform, many of the new farms had not come close to the production expectations that the government had for them. In fact, the vast majority of new farms I visited were not economically viable. An employee of INTI reported that most farmers were not producing enough to be able to pay back their loans to the government agency FONDAFA (11/23/07). Production was low for a number of reasons. Many cooperatives were struggling due to internal conflict. People were abandoning the farms due to this conflict, as well as out of frustration with the government's slow paced implementation of the promised projects. In this chapter, I examine how the characteristics of the Venezuelan state described in the previous chapter impacted the implementation of the agrarian reform on the farm-level.<sup>33</sup> More specifically, I discuss how the impact of high modernist thinking, the magical state phenomenon, the lack of coordination and the shortage of expertise within the state, the centralized nature of the state bureaucracy, as well as the limited institutional links to popular sectors all negatively impacted the implementation of the agrarian reform.

Most of the interview and ethnographic data presented in this chapter was from my fieldwork in the state of Anzoátegui. Moreover, I focus the most on farms that were part of the *Vuelta al Campo* (VAC) program, or a Return to the Countryside, because those farms—which were considered emblematic farms of the new rural development model—seemed to be receiving the most government attention. Even though they received the vast majority of the government's resources and attention, they experienced the same problems as other new farms created through the agrarian reform, namely few individuals actually working on the farm and limited production. Although similar outcomes were observed on the farms in the state of Yaracuy, they took a more extreme form in Anzoátegui.<sup>34</sup> This seemed to reflect the fact that in the latter state there did not appear to be any concerted effort to address the problems as there was in Yaracuy.

### The Impact of High Modernist Thinking

High modernist thinking, as discussed in Chapter Two, is the belief that a government can comprehensively plan settlement patterns and production. The farms that were part of the *Vuelta al Campo* program (VAC) were an example of high modernism and what Scott (1998) calls miniaturization. He argues that when the grand development plans of high modernism did not work, governments shifted to “miniaturization: the creation of a more easily controlled micro-order in model cities, model villages, and model farms” (1998, 4). In the case of the VAC program, the government made blueprints for these model farms that it intended

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<sup>33</sup> Some of the discussion of the *Vuelta al Campo* program in this chapter is excerpted from my article “Can the State Create *Campesinos*? A Comparative Analysis of the Venezuelan and Cuban Repeasantization Programs,” *The Journal of Agrarian Change*, 10(2): 251-272.

<sup>34</sup> I delve into why we see this difference between the two states in Chapter Seven.

to grow into model communities. Rather than looking at the specificities of each locale and each group of people and adapting the plan to take into consideration the strengths and limitations present, there was one model. The location of the farm was chosen based on a desire to expand agricultural production in areas of the country with little agriculture. This did not take into account such things as the local effects of the oil industry, the quality of the soil, the fact that some participants in the program had children who needed immediate access to schools, or whether there was a community of people for them to integrate into. This added multiple levels of difficulty to an already ambitious plan to create farmers.

Participants left behind their social networks and, sometimes, their families. They had to build a new community from scratch, often with strangers and with only a small percentage of cooperative members actually on the land. When they relocated, participants lost their social networks and had to adapt to the changes involved in moving from an urban area with activity to a remote rural area where, in many cases, the closest *pueblo* was at least a half hour away by car. Needless to say, cooperative members did not typically have cars; cooperatives were lucky if they had a single vehicle. David,<sup>35</sup> one of the participants in the VAC program, told me, “Being here is different . . . We went out [in the city], went to a party, here no . . . there is nothing here. The closest pueblo is 15 to 20 kilometers” (Personal interview, 11/24/07). This town was extremely small and had very little activity, a sharp contrast from the urban areas the participants came from. Many participants expressed the sentiment that they were not prepared for life in the countryside. Roberto, a cooperative member on another new farm, reported that the government asked potential participants, “Do you like the countryside? Do you want to work in the countryside?” And if people said yes, they were sent to a farm. Roberto felt that they did not know what they were getting into when they decided to participate.

There were few people actually on the farms. Participant estimates of the number of “active” members and the numbers listed on project documents were always higher than the number I saw on the farms. David explained: “Originally, we were 86 [people] . . . Now there are 36 but there is a little conflict because the majority don’t want to come here until they [the government] give them houses” (Personal interview 11/24/07). At the time of the interview, there were only two people living on David’s farm. The remaining “active” participants were still far away in the city; they had yet to arrive. Gonzalo explained, “Some have work and don’t want to come here. And there are others that want both things, more than anything they are confused” (Personal interview 11/24/07). According to Juan, his cooperative had seven working members, though I never saw more than three people on the farm when I visited.<sup>36</sup> According to Luis, a member of *Fundo Revolución*, originally there were 117 families organized into five cooperatives on his farm. At the time of fieldwork, there were three cooperatives—one with one

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<sup>35</sup> I use pseudonyms for all interview subjects and farms throughout.

<sup>36</sup> I suspect that the figures on active membership included people who had not arrived, but had not said that they were abandoning the project; or people who had been on the farm for months and relatively recently had returned to Caracas.

member, one with five members and one with ten members. On *Fundo Sueños I* was told that six families lived there, though only two families were actively involved in the farming operations. This farm was different from the others because it had houses, making it a more desirable place to live. As a result, there was a slight twist on the project abandonment phenomenon—more people on this farm than were actually working on it.<sup>37</sup>

In rural Anzoátegui, there were vast stretches of relatively unpopulated space. Consequently, the farms, for the most part, did not have neighbors close by. VAC participants were not moving into an existing community. Rather they were expected to be founders of new communities in which the government would build infrastructure for basic social services, including a school and a health clinic. As the pioneers of this plan, VAC participants found themselves alone, awaiting the promised infrastructure.

The people who volunteered to be part of this program were generally people who were highly mobilized, urban supporters of Chávez. In rural areas of Anzoátegui, there was no organized farmer movement for them to join. While there were some loosely organized groups in the northern part of the state, they did not meet regularly (Campesino leader, personal interview, 01/10/08). None of the VAC farms in this state were part of any organized farmer group. Given that participants in the VAC program previously tended to be politically mobilized, this lack of avenue for political activity was particularly difficult for them. When I asked if they heard about meetings or marches, Gonzalo responded, “Here the radio signal is really weak and there is no TV. . . . the marches, when we hear, they have already happened. We can’t go. We are very few [on the farm]. We have work to do. We can’t leave the work to go to the marches” (Personal interview 11/24/07). They also could not leave the farms unattended because of the rampant theft problem. The small number of people on the farm put those on the farm in greater danger. Theft in the countryside, though less than in urban areas, was still common; with only a few people on the farm (and if the farm was abandoned altogether) theft of the invested resources, and potentially assault, was likely.<sup>38</sup> This effectively meant that these formerly politically mobilized people did not hear about or were not able to participate in political activity. The lack of an organized small farmer movement may not have been the case in every area of the country where VAC farms were located. However, the government intentionally located VAC farms in areas where there was not much agricultural production, which increased the likelihood that there was also not much small farmer organizing. This demobilization of VAC participants—who were strong supporters of the President—was not in the government’s interest as it was struggling against the destabilizing efforts of the opposition and needed a

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<sup>37</sup> Some cooperative members were living on the farm, but not helping out with the work. As a result, there was not much planted. However, the farm had a couple thousand egg-producing chickens. The eggs were bartered at the state subsidized grocery store chain for food to feed all members on the farm.

<sup>38</sup> During my time in Anzoátegui, I heard about a lot of theft from the farms. One farm had their cows stolen in the middle of the night. Another farm, that had only two people on the land, was held up at gunpoint. The farmers were tied up and everything was stolen (their vehicle, the transformer for the electricity, the pump that brought the water up out of the well and their cows).

mobilized base of support. Moreover, an integral part of the socialist project was to increase the participation of popular sectors; and popular organization, as discussed earlier, was the first step toward achieving this goal.

The sense of isolation experienced by many of the people on the new farms was exacerbated by the fact that so few cooperative members had come to the farm. Since initially the farms lacked infrastructure, only a few members of the cooperatives decided to go to the farms when the government informed them that the land was available. They built makeshift structures so that they had a shelter to sleep under and a place to cook. Many cooperative members who decided to go temporarily left behind their children and spouses in the city with the intention of bringing their families once the infrastructure was constructed. Juan said,

For me the most difficult is to have my family in Caracas, to leave them there . . . It is not that I left them, abandoned them. Rather it is I can't bring them because in reality there aren't conditions here [adequate enough] in order to bring them. There is no school nearby. We still don't have houses. Because, yes, I would be delighted with a life here working, producing, and with my family. This is one of the most difficult parts. But we are moving forward. (Personal interview 11/24/07)

He went on to say, "When one goes to war, one doesn't bring one's family. This, for us, is like a war, a beautiful war. Pretty. We don't come here to shoot anybody. This is a commitment, so the family waits for you there. When everything is in good condition, they will come here, for the war ended." Jorge, on *Fundo Gato*, echoed Juan's sentiments. "We are waiting for the houses in order to bring our families. We are only the heads of households here. The family is not here. They are far away. We are awaiting the houses for this [to bring the family]" (Personal interview 11/24/07). Many participants mentioned that one of the most difficult parts of the process was leaving family behind during the initial phases of the project, which often lasted years. Some who came to the farm left to return to their families in the city after waiting for so long on the infrastructure and equipment (Personal interview 11/24/07).

This social and geographic displacement left participants more dependent on the government. The government was hesitant to provide the promised resources because so few people had gone to the farms and people were hesitant to go because there was no infrastructure. The slow pace of project implementation, and the resultant lower than projected production levels, led to growing antagonism between participants and the government.

An additional difficulty participants placed in Anzoátegui faced was the poor soil quality, which made farming more difficult. In some areas, the soil looked almost like sand. Juan explained how they had to begin:

We planted cantaloupe, watermelon, corn and other little things over there but not in large extensions, not on a large scale. Rather, since



this is a test period, also for the type of soil, the soil is really acidic. So one can't run the risk, neither the institutions nor us, of planting a lot because we don't know if we are going to lose it. This is a test of what can be done, of what can be planted in order to see if the land is suitable. But now we know that the land is suitable. After we clear [the land] again, we can do a complete planting of whichever crop. (Personal interview 11/24/07)

Juan's comment suggests that the government placed people with little-to-no farming experience on land that the government was not sure was agriculturally fertile. It turned out to be sufficiently fertile to grow some crops, but required more work and knowledge than soils of higher quality. When I asked Gonzalo what had been the most difficult part of the process, he said,

The agriculture. The land here is really poor. You plant something and you need to be constant because suddenly the plant dies and it doesn't give you production. Or we are going to need to make [raised] beds with organic material and plant these beds. I think this is better. But we are lacking organic material. (Personal interview 11/24/07)

The participants struggled with agricultural production not only because they lacked the necessary knowledge, but also because they had to deal with difficult environmental conditions.

Not only participants in the VAC program, but everybody taking up farming in Anzoátegui faced the challenges stemming from the oil industry. Many people living in rural areas of Anzoátegui did not want to farm because the costs of production were too high to make it profitable. For example, a individual yucca farmer in Anzoátegui argued that the government needed to provide machinery because he had found that it was too expensive to hire agricultural workers due to the elevated wage rate in Anzoátegui resulting from the oil sector (Fieldnotes 11/01/07). Another individual producer, who had grown yucca in the past, said, "With the costs we have, we can't grow yucca" (Fieldnotes 11/1/07). Another producer added, "We need a subsidy. First, we need to find the market and the price and then we produce. Yucca should have something like what corn and sorghum and soy have [a subsidy]." He added that he was drawing up a "Plan de Subsidios" for yucca that he would take to Caracas (Fieldnotes 11/01/07). When the VAC participants arrived they also found the local inflation effects of oil to be a problem. When asked about the most difficult part of the VAC process one participant replied, "The agriculture.... because if you go to the market to sell your produce...the feeling that you have is that you aren't earning anything, you are recuperating a part of what you invested and nothing more. You don't earn anything" (Personal interview 11/24/07). The local effects of oil in Anzoátegui made agriculture an economically unattractive profession.

Another challenge faced by participants in the new government programs was the difficulty of finding people to purchase their produce. In some cases, this

was the result of the lack of the social, cultural and economic capital needed to find and establish relationships with vendors, and the failure of the government to help with this. The farmers did not have the skills, contacts or resources to find markets for their produce on their own. It was even more difficult for people who had come from other parts of the country to a new state to farm because they did not know people in the new state, or have relatives living in cities where they might need to spend the night when they were negotiating with government institutions or with people who controlled access to agricultural markets. In this situation, they would need the resources to find a hotel to stay at in the cities while they made contact with buyers of their produce.

At the same time, the government was providing incentives to farmers to grow certain crops, not all of which there was a high level of demand for. One producer complained that FONDAFA gave loans for agricultural production without first verifying that there was a market for what was produced (Fieldnotes 11/1/07). During an assessment in a rural community in Anzoáteguí it was reported that some farmers had planted cowpeas with seeds from FONDAFA and when they took their cowpeas to the market nobody bought them (Fieldnotes 11/9/07). In another case, the workers on a farm that was receiving extension services from the government reported that they had grown cowpeas and cucumbers, but that they had trouble selling them in the two closest towns, Tigrito and El Tigre, because Venezuelans did not want to eat those foods (Fieldnotes 11/19/07).

Some participants responded to the multiple challenges they faced by abandoning the project. As Juan put it, “If the institutions [of the government] don’t fulfill [their duties], sometimes we begin to think about our kids, our wives, who are very far away” (Personal interview 11/24/07). Others had not given up: “We came here first almost three years ago, cultivating, raising animals. And it was a little difficult. There was nothing easy to get where we are today. But when one wants things and one puts one’s heart into it, one gets it” (Personal interview 11/24/07). But even these people who were still working to get the farms producing were frustrated by all the challenges they encountered as a result of the way the state was implementing the agrarian reform.

### **Impact of the Magical State Phenomenon**

As discussed in Chapter Two, the magical state phenomenon occurs when petro-states, in times of oil booms, come to be seen as having magical powers that allow the state to instantly modernize the nation (Coronil 1997). An important impact of both the high modernist ideology and the magical state phenomenon in Venezuela was that the people I encountered on the new farms, created through the agrarian reform, were for the most part new to farming. They received the vast majority of government resources. Meanwhile, many previously practicing farmers benefited little from the government’s rural development program. Moreover, a small subset of these new farms received a disproportionate amount of resources. For example, in Anzoáteguí the VAC

farms and the NUDES<sup>39</sup> appeared to receive the most resources.<sup>40</sup> In Yaracuy, a handful of farms had also received a significant amount of resources. The model farms in Yaracuy, in general, had significantly more infrastructure than the model farms in Anzoátegui<sup>41</sup>. Again, however, they were a small subset of the newly created farms. These farms were considered models of what all the newly created farms would eventually look like, and consequently, resources were being concentrated on them.

The concentration of resources on a few farms in conjunction with the focus on large-scale infrastructure projects<sup>42</sup> characteristic of “magical states” left other farms without such basic infrastructure like irrigation. An employee of the National Land Institute (INTI) in Anzoátegui emphasized that what the farmers needed to succeed at producing was an irrigation system, which very few had. This meant that they could only farm part of the year since they were dependent on rainwater. Moreover, this dependence on rainwater for irrigation subjected them to the possibility of losing entire crops when the weather was not predictable, which occurred in Yaracuy while I was there. This INTI employee also said that the reason why there was so much yucca and sorghum being grown in Anzoátegui was because these crops did not require much water; and without irrigation systems there were not many options of what could be planted in the dry season (Fieldnotes 11/23/07). He also recounted how one farm had to harvest its whole crop of watermelons at once, or risk losing it because it lacked an irrigation system. This meant that they could not sell their watermelons slowly in the towns nearby. Consequently, they were forced to sell them to an intermediary who sold the watermelons in markets in other parts of the country (Fieldnotes 11/23/07). Selling to an intermediary was contrary to the new agricultural model, which emphasized small farmers selling directly to the local population.

As Coronil (1997) explains, a driving force behind this magical state syndrome is the government’s desire to promote itself. Oftentimes in transitions

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<sup>39</sup> *Núcleos de desarrollo endógenos* (or Nuclei of endogenous development) can be farming operations or can be other types of economic activities. The government provides financial and technical support in the establishment of the NUDE, but eventually the goal is for the NUDE to be financially self-sustaining. The goals of NUDEs include: to organize the community, eliminate poverty, improve the quality of life of communities located in areas with little population, encourage the deconcentration of high population areas promote a proactive and productive society, and promote participatory citizenship (MINEP, 02/02/07).

<sup>40</sup> In Anzoátegui, one farm had extensive infrastructure, while most of the other farms had very little. This farm was a NUDE that consisted of people who had moved from urban areas in other states to be part of the project. It had houses, electricity, a well, a classroom, an irrigation system, a tractor, a plaza, a large chicken coop, among other things. None of the other farms that were receiving a relatively large amount of resources had houses. Some had access to electricity. Only one had a well, and without a well, an irrigation system was impossible.

<sup>41</sup> At the time of fieldwork, only one farm in Yaracuy had houses, a community center, a plaza, a nursery school, a community radio station, and a health clinic built. However, several of the farms had trucks to haul produce and minibuses to transport cooperative members, as well as a barn to house supplies and a kitchen to prepare breakfast and lunch for members.

<sup>42</sup> In Anzoátegui, there was a focus on large-scale infrastructure projects, but not in Yaracuy, which had only one processing plant built. In the latter state, the majority of resources went to the model farms.

to socialism, and specifically in contemporary Venezuela, the government sought to promote its larger socialist project. In the implementation of the agrarian reform, sometimes the emphasis of government employees was on projects that were not directly related to agriculture, but rather were focused on convincing people of the government's vision for society and development. For example, an INTI employee, who was asked to teach the *Misión Vuelvan Caras* (MVC) course on agriculture, reported that the courses were four months long, with the first three months being "ideology, politics and history," and one month being training in agriculture. He said that this was the problem. The people did not learn enough about agriculture (Fieldnotes 11/23/07). In my interviews, I noticed that people on the new farms had learned about the benefits of organizing as a cooperative and using the principles of agroecology in their farming, as well as about exploitation of small farmers historically. They, however, seemed to have learned few practical skills that would help them work as a cooperative and successfully farm. For example, a lot of the problems occurring in the cooperatives stemmed from the inability of members to deal with conflict, people not showing up to work, and corruption (or at least perceived corruption) due to lack of financial transparency in the cooperative. These were problems that could be resolved through mediation, a work plan, a work log, regular meetings and increased transparency of the cooperative's finances. These solutions, however, required some training in concrete skills that it appeared had not been taught (or at least not enough time was spent on teaching these skills) in either the MVC course or in the course that prepared some VAC participants. In other words, at times the government's emphasis was on promoting its larger socialist project, rather than on providing the training that beneficiaries of the agrarian reform needed to succeed.

### **Impact of an Uncoordinated State Bureaucracy**

As discussed in Chapter Two, in petro-states, the state apparatus tends to be disjointed. The various institutions of the government do not work together. This problem is exacerbated in transitions to socialism as new state agencies are created to bypass the old state institutions that are still controlled by the opposition. In the implementation of the agrarian reform in Venezuela, government institutions sometimes were completely unaware of each other's presence in a given community. For example, in one rural community I visited with the employees of both INIA and the social development department of PDVSA, who were involved in a project to assess community needs in rural areas of Anzoátegui, we encountered an employee from an affiliate of PDVSA, PetroCuragua. He was visiting the community because his company was doing development projects in this area as well. It was the first time that employees of these two separate institutions realized that they were doing work in some of the same communities (Fieldnotes 11/14/07). Moreover, these participatory diagnostics—what the government agencies called their efforts to collect information on living standards and level of production in rural communities—seemed to be duplicating the work of the people who were doing the agricultural census, as well as the assessment of community needs that the community

councils did as one of their first activities. There were so many government institutions doing diagnostics that it seemed repetitive and inefficient. Moreover, there appeared to be no sharing of the information collected between government organizations.

The government's failure to coordinate the activities of the various institutions had several farm-level impacts. First, farmers sometimes received contradictory instructions from the various government institutions they dealt with. Second, the big picture—the collection of projects planned for any given community or farm—sometimes lacked logic. Third, the farmers had to deal with each institution separately, figure out how to reconcile the conflicting information given to them, and resolve the problems they confronted. And, finally, the frustration that the lack of coordination created—among both employees of the government and farmers—undermined the government's support and the people's belief in the new national development project. We will take a look at each of these in turn.

Agricultural advisors who visited the farms would sometimes give conflicting instructions to the people on the farms. In one case, an employee of INIA reported that a farm had planted sorghum based on “bad instructions” from INTI. She argued that the farm should have planted corn because it would have been easier to sell than sorghum (Fieldnotes 11/5/07). Based on information I learned at another point in time, INTI may have advised the cooperatives on this farm to plant sorghum because they were more likely to be successful with sorghum since the farm did not have an irrigation system. In any case, the agricultural advisors from the various institutions had different ideas about what the farms should do.

This story illustrates not only the conflicting instructions different government agencies gave farmers, but also the tendency of each institution to blame other institutions for the farm's problems. In another case, one of the employees who managed a particular farm's involvement in one of INIA's programs blamed INTI and PDVSA for the farm's problems. Meanwhile one of the local INTI employees blamed the INTI headquarters in Caracas and CIARA in el Tigre for the problems. What these farmers found was a tendency on the part of government employees to blame people in other government institutions for the problems, which ultimately meant that nobody took responsibility to resolve the problems confronted by the farmers.

Any projects that did arise as a result of the various diagnostics conducted were not coordinated with the projects other institutions were doing in the same community, or on the same farm, and consequently the larger project of developing the community or farm often lacked any logic. The projects would not necessarily complement each other or respond to the priorities of the community. One farmer reported that there were a lot of projects underway, but that they felt random because there was no coordination or connections between the projects (Personal interview 10/24/07). Another small farmer complained that the government often did not look at the whole picture, but rather focused on one part, and as a result plans did not succeed (Fieldnotes 11/1/07). In another case, as described in the previous chapter, a member of a rural community where

PDVSA was doing a diagnostic said that PDVSA had offered in the past to build the new classrooms that were currently under construction. The community said that it would accept the project, but it was not a priority for them (Fieldnotes 11/9/07). In a meeting in Anzoátegui in which the MAT was eliciting feedback on its plan to expand yucca production, one small farmer said that without irrigation, which many small farmers did not have, the government's plan to give out yucca seeds was useless. In order for Plan Yucca to work, INDER would have to guarantee irrigation infrastructure. In short, there were many projects underway, but there was no coordination to ensure that the infrastructure constructed would, in fact, be able to be used, or that the order in which it was constructed strategically made sense.

The failure to look at the big picture, which resulted from the lack of coordination, had several specific consequences. First, when the farmers harvested, or were ready to harvest their crop, they did not have access to the equipment they needed to do the work and transport their products to market. Members of one farm, for example, waited significantly past the ideal harvest period to use a harvester that belonged to FONDAFA to harvest their sorghum. The crop ended up beginning to dry before it was harvested. Consequently, when they sold it, they received less money because the purchaser paid per ton and the partially dried crop weighed less (Fieldnotes 11/23/07). While one government institution was responsible for overseeing the selection of crops and the timing of their planting, another institution was responsible for providing the equipment the farmers needed. This equipment was not limited to harvesters, but also trucks to transport the produce to market. When farmers could not get a truck in time, they sold to intermediaries who would transport their produce to market. As mentioned earlier, selling to intermediaries was contrary to the government's new vision for the agricultural sector, and the farms were paid less for their produce. A second problem they encountered was that the farmers did not have any buyers lined up. They had no idea where to sell their produce. And although the government had said that it would help with the marketing of produce, it had not lined up buyers either.

The lack of coordination between government institutions forced farmers to deal with each institution within the state bureaucracy separately. There was no single employee of the government that the farmers on a particular farm could go to when there was a problem, nor a government employee who was responsible for helping each farm navigate the expansive state bureaucracy. No one person had the resources and the knowledge to negotiate the system and ensure that the projects were completed, the services delivered and there was some organization or sense to the assortment of projects on any one farm or in any one community.

Moreover, lack of knowledge about how to navigate the system sometimes led to confusion on the part of farmers. For example, in one rural community, they identified housing construction as a priority for the community. They determined that they needed 62 houses. Thirty-one families lived in *ranchos* and 32 families lived in their parents or grandparents house. They said that in many houses, there were up to six families. In September 2006 and

February 2007, a spokesperson from the *consejo comunal* went to the *Instituto de Vivienda* to report the results of the diagnostic that the *consejo comunal* had done. He was told that there were no funds to build these houses because the current budget of the *Instituto de Vivienda* was already allocated for houses that they had started building in 2006. When INIA and PDVSA visited this community in November 2007, the community said that they were still waiting to hear when they would get a house construction project approved. An official from INIA asked if the community had submitted a project proposal with a budget. The spokesperson from the *consejo comunal* said that they had presented the census results, but not a project. It appeared as if some government employees at the *Instituto de Vivienda* had listened to the results of the census, and told the community members that there was currently no budget, but did not explain that they had to present a project proposal (or show them how to do it) to get in the queue awaiting houses. So their housing needs most likely did not really exist as far as the *Instituto de Vivienda* was concerned, but the community was under the impression that they were just waiting their turn (Fieldnotes 11/9/07).

Farmers often traveled to their local field office to demand resolution to the problems and find out why resources were delayed. Some small farmers in an indigenous community in Northern Anzoáteguí, not far from Barcelona, reported that nobody in the government institutions ever came to their farms. Rather, they had to go to Barcelona to do business with the government institutions, which cost them both the transportation fare, which they could not afford, as well as a lost day of work on the farm (Fieldnotes 11/3/07). Moreover, there was no guarantee that the person they needed to see would be in the office, or that they would have their problem resolved. These farmers lived relatively close to the government's field office. The costs to other farmers, who did not live so close, were much higher. Farmers in southern Anzoáteguí, for example, would have to pay for transportation from their farm to El Tigre, and then from El Tigre to Barcelona they had to pay about \$9 each way. Moreover, it was a long trip and would take the entire day. This was very expensive for the farmers, particularly since they were making little-to-no money from their farming operations. Consequently there were not able to do this very often. And, as a result, the problems they confronted were left unresolved.

When going to the local field office did not succeed at resolving the problem, they would sometimes bypass the government employees stationed in the state and go directly to the headquarters of the institution they were dealing with in Caracas. Due to the centralized nature of many of these government institutions,<sup>43</sup> farmers felt that this was their only hope of resolving the problems that were occurring. While the farmers felt they had to bypass government employees on the local level to make things happen, bypassing them also created tension between them and the government employees who they dealt with more often. One employee from INTI, for example, told me that one of the

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<sup>43</sup> Each government institution is hierarchical and decision-making is centralized in the headquarter office, most of which are located in Caracas. INIA's headquarters are located in Maracay.

farms was bypassing him and talking directly with INTI headquarters in Caracas, and he was annoyed about that (Fieldnotes 11/21/07).

At several points during my field research I heard employees of the government and farmers express frustration with this lack of coordination. When I asked three employees from INIA with whom I visited several farms if the government institutions coordinated their activities for each farm, one of the women replied, “no, that is one of the problems” (Fieldnotes 11/5/07).<sup>44</sup> In another situation, I was traveling to a farm with four employees of another government agency. They were discussing some problems on a particular farm when the conversation turned toward a discussion of the lack of coordination, with which they were clearly frustrated.<sup>45</sup> I also spoke to a number of farmers who identified this as a problem as well. This frustration that emerged as a result of the lack of coordination undermined confidence in the government and its project of building a more just social, political and economic system.

### **Impact of the Inexpert Nature of the State Bureaucracy**

As discussed in Chapter Two, the literature on states in transition to socialism suggests that the dynamics in this political context often lead to the hiring of people who are, first and foremost, supportive of the government’s political project. As a result, they do not always have the necessary expertise. In the case of the agrarian reform in Venezuela, many of the people on the new farms depended on the government’s expertise in agriculture because they had not been working in agriculture prior to the agrarian reform. People new to farming in some cases received insufficient technical assistance in agriculture; and in other cases, they received technical assistance, but it was not particularly effective. And, in yet other cases, they received contradictory advice from the various government institutions due to the lack of coordination between them.

As mentioned earlier, the majority of resources went to the model farms, and, in the state of Anzoátegui, many of these were VAC farms. Yet, even these farms did not feel that they were receiving the technical assistance they needed. Although some received some training prior to moving to Anzoátegui, since arrival on the farm they felt abandoned. Juan told me that they had not received an intensive course on farming since they arrived on the farm. “When we began we were 19 people, but always something happens, not everything is perfect. A lot left because in reality there hasn’t been technical assistance” (Personal interview 11/24/07). I was told that INTI, the government institution responsible for all but one of these farms, came “once a month or so” (VAC participant, personal interview 11/24/07). Fundación CIARA (CIARA), a government institution that provided technical assistance to farmers, visited on a weekly basis and other institutions of the government came every once in a while.

The government visits, I witnessed, to the farms in Anzoátegui often went as follows. The government employee(s) spent about five minutes looking at the

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<sup>44</sup> She did not elaborate because I suspect she was hesitant to critique the government too much in front of me, whom she had only just met.

<sup>45</sup> However, I also did not get the impression that they had tried to do anything about it, or intended to try to resolve this problem of lack of coordination.



crops; then they briefly told the one cooperative member, who was walking around with them, one or two things that ought to be done; then they spent five to ten minutes filling out their report on the visit, which they later turned into their supervisor. The advice they provided was not in-depth. The majority of their time was spent driving to and from the farm. Even when they did visit, it was not clear that the people on the farms learned much from them. The lack of coordination between the various government institutions involved in advising farmers undermined whatever advice they were able to give because, as a farmer from a VAC farm explained, so many different advisors came, each with different advice, that it was not helpful (Fieldnotes 11/21/07). For the farms that did receive advisors, the real problem was probably not a shortage of visits, but rather the ineffectual nature of their visits to the farm.

What the VAC participants describe suggests that the agricultural extensionists needed some training in pedagogy. VAC participants wished that the agricultural extensionists spent more time on the farms and taught through demonstration. One farmer described the classes they received in the following way: "They give us a seat and we listen . . . Them. There. Like professors and a blackboard. There one learns, for example, the ABC vaccine that is given every fifteen days or every month. They put a vaccine to prevent a sickness or something like that. They come for a little bit and then they go" (Personal interview 11/24/07). Most of these farmers had only a few years of schooling and were not accustomed to learning in this manner, making it difficult for them to retain the material after the extensionists left. Another member of this farm articulated what he felt would improve their technical training in agriculture, "It needs to be more continuous that they come" (Personal interview 11/24/07). Raul wanted the technical experts to come to the farm and teach two hours every day.

In the countryside one must work both the practical and the theoretical. The agronomists have the theory. The *campesino* has the practical experience. We are not going to say no to the theory. The theory is necessary. Experience is demonstrated with actions. It is not saying this is the way it is done. Let's go to the fields and let's do it to see how it is, to learn through doing. (Personal interview 11/24/07)

They wanted the agricultural extensionists to show them rather than tell them how to farm. "For this reason I say practice and theory need to be managed in this way because if they only tell us, tomorrow I won't remember what they told me" (Personal interview 11/24/07). They felt that much of what they had learned had been through trial and error.

The problem is that there are a lot of technical experts but they do not teach what they should. I believe that the objectives that they have drawn up, they do not meet. Therefore, we continue practically in the same way because what we are doing here is the experience that we brought of the little that we learned (Personal interview

11/24/07)

Participants wanted both more training and more effective training.

An employee of the MAT in Anzoátegui said that the government was not giving sufficient technical assistance to the farmers for two reasons. First, because there were not enough people trained in agriculture; and second, because the government was poorly organized. He reported that the agricultural advisors at FONDAFA knew less about agriculture than the farmers, and consequently there were unable to give assistance. He said that the agricultural advisors knew a little about every crop, which, in his opinion, meant that they did not have enough knowledge to be useful to the farmers. In other words, he felt that a broad knowledge of agriculture was useless. Rather, he believed that in-depth, specialized knowledge was what was needed to provide the necessary support to farmers. He thought the agricultural advisors should be extremely specialized; for example, rather than being specialized in root crops, they should actually specialize to the point of being experts in one particular root crop, like yucca. Only then did he believe that they could be of assistance to the farmers (Fieldnotes 11/2/07).

In addition, as discussed in the previous chapter, the lack of expertise of agricultural extensionists in agroecology meant that monoculture and chemical-intensive agriculture continued on the farms. In one visit to a farm, employees from INIA told a farmer that he should reduce his chemical use, but they did not give him any concrete suggestions. They did not provide any specific measures that the farmer could take to be more ecological. Rather, the way they spoke to the farmer it seemed more like they were reprimanding him. I suspect that this did not lead to any change in behavior on the part of the farmer. Moreover, this way of interacting with farmers could potentially cause tension between farmers and the government (Fieldnotes 11/15/07). The people who were new to farming, as well as people with previous farming experience, rarely had knowledge of agroecology, and thus were reliant on the extensionists to teach them how to farm without using chemicals. And since this was not happening, they continued to employ a Green Revolution model of farming, which was counter to the new model being promoted by the government.

In the implementation of the agrarian reform on the farm level, in Anzoátegui I also witnessed what seemed like a lack of a genuine commitment to the new vision for the agricultural sector on the part of government employees. This translated into limited follow-up when farms were having problems as described earlier, as well as poorly planned activities. For example, in one community INIA had planned a three-day course on how to construct water tanks so that farmers could begin to set-up some kind of irrigation system. The first morning of INIA's water tank construction course, two INIA employees, including the organizer of the event, did not show up for the activity. When the organizer was called, she said that she was asleep still and wanted to stay asleep rather than go. The activity ended up being a one-day event instead of a three-day event. Only two of the INIA employees present at the workshop knew how to build the tank. The other INIA employees just hung out, took pictures and chatted

with each other. There always seemed to be many more government employees than necessary at these events; many of them did not really do anything.

When we arrived in the community for the water tank construction workshop, there was only one person from the community there. Some people had gone to the closest city to buy groceries at the Mega-Mercal, a subsidized food distribution program of the government that was held from time-to-time in different locations. Other people lived in town and came to their farms only on the weekends. When people did show up, they said that they did not know about the course. When the construction of a water tank began, there were eight employees of the government, and only seven community members present (Fieldnotes 11/17/07). The activity seemed poorly planned, and as a result poorly attended.

It was also not clear that the employees handling the paperwork in the government offices were that well organized or competent either. One farmer who got his *carta agraria* in 2002 from the INTI office in Monagas<sup>46</sup> reported that he had to turn his paperwork in three times because INTI lost his file twice. He said that the process was slow at first. INTI did not initially have a computer system, so when a file was lost there was no longer any record. He said that you have to be persistent to mobilize the government institutions (Fieldnotes 11/9/07). Farmers found that they could not rely on the government employees to do their job or do it well. Instead, they had to return again and again to the government offices to pressure them to do their job. As in the case of the lack of coordination, farmers became frustrated with the government for its failure to provide effective support. In some cases, this led to project abandonment.

### **Impact of State Centralization**

As discussed in Chapter Four, decision-making was centralized in the headquarter offices of the government institutions, which were mainly located in Caracas. Due to the highly centralized nature of the state, there was often a delay in the receipt of resources, and the government was slow to respond to problems that arose on the farms. For example, on a VAC farm that had previously been located elsewhere, but was relocated to a better location, the people had been living for one year at the new site, and the government still had not begun the construction of houses (Fieldnotes 11/5/07). Participants on this farm did not know why the construction of houses had not begun, and had traveled to the headquarter institutions in Caracas multiple times to try to find out what was causing the delay. An employee of INTI said that he had turned in ten reports to the headquarters in Caracas regarding the delay in the disbursement of funds for approved projects on this particular farm, and nothing had happened (Personal interview 11/23/07). In another case, a woman expressed frustration with the government institutions. She said that the community had to wait and wait to get resources to carry out the projects that had already been approved. For example, she said that there was a project to build a *casavera*, a place where

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<sup>46</sup> This part of rural Anzoáteguí bordered the state of Monagas so some communities in this area dealt with the INTI office in the state of Monagas and some dealt with the INTI office in the state of Anzoáteguí.

casava is made. She reported that the project did not seem to be going forward. She gave another example, a well that PDVSA had promised to build so that the community could get access to groundwater. This project was inexplicably not moving forward either<sup>47</sup> (Fieldnotes 11/17/07). The government employees who visited the farms and knew what was happening on the farms did not have the authority to address the problems they saw. Instead, they wrote up reports describing the problems, sent them to the headquarters of their own institution in Caracas, and awaited a response. The government was inefficient and appeared as an expansive, opaque bureaucracy that was unresponsive to the complaints of participants in its programs.

In Anzoátegui, I encountered a number of people who were frustrated with government institutions because they felt that they did not follow through with their promises. As one member of a rural community put it, “There are some institutions that have lost credibility” (Fieldnotes 11/9/07). He explained that in the past PDVSA came and did projects that were never finished so people were not that hopeful or enthusiastic about PDVSA’s current visit. PDVSA also contracted to have a basketball court built and supervised it. The community reported that the project was never completed because the company that was building it stopped, and PDVSA, as supervisor, did not do anything (Fieldnotes 11/9/07).

Another negative impact of the centralized nature of the state bureaucracy was that intended beneficiaries were not truly able to participate in decision-making about what happened on the farms. This also contributed to the problem mentioned earlier of the government funding infrastructure projects that did not address the most important needs of the community. A producer at a government meeting on yucca said, “Producers do not direct production here” (Fieldnotes 11/1/07). This farmer was describing how the government makes many of the production-related decisions from what to plant to when to plant. On another farm, a farmer complained that he and his cooperative did not get to participate in the formulation of projects for their farm (Fieldnotes 11/21/07).

In another case, an employee from INTI expressed annoyance when he discovered that farmers on one of the new farms had already picked some tomatoes. I asked this extensionist why he was upset and he said because he is supposed to “give the order” of when to harvest. This could have just reflected this particular agricultural advisor’s belief that he knew better than the farmers. However, this attitude did not seem that uncommon because many of the people on the new farms were new to farming, while most of the extensionists had studied agronomy at the university. Although this probably was not part of a concerted effort by the state bureaucracy to control the decision-making process on the farms, this belief on the part of many government employees—that they knew better than the people who worked on the farms day-in and day-out—created a state culture that effectively led to the centralization of decision-making.

Later during that same visit, this agricultural advisor told the farmers to go ahead and pick all their tomatoes because their plants were infected with worms.

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<sup>47</sup> She attributed these delays to people inside the government institutions hindering the process of social change. This frustration, however, did not seem to diminish her support for Chávez

He said that it was too late in the growing cycle to spray pesticides because it would poison the consumer. He explained that they needed to pick the tomatoes, and clear out the plants before the worms spread to their pepper plants (Fieldnotes 11/21/07). In other words, the farmers who were on the farms on a daily basis, and consequently most familiar with what was going on with their crops, were not supposed to make decisions. In fact, in this case they were reprimanded for taking independent actions. They were expected to do only what they were told to do by the government advisors who visited the farms from time to time.

Another example of the directive role taken by the government in the implementation of the agrarian reform was the control it exercised in the disbursement of loans. An employee of INTI said that the government controls very tightly the disbursement of funds because if it did not the people would not appropriately use the resources. This illustrates the lack of trust that existed. Some farmers felt employees of the government were not doing their job and/or were corrupt; and some employees of the government felt this same way about the farmers. For example, this INTI employee said that when FONDAFA gave out loans they gave it in installments. First they gave enough money to buy the fertilizer, and then FONDAFA would inspect the farm to ensure that the fertilizer was purchased and applied. Then FONDAFA would provide the farmers with the next installment of the loan for the next step in the production process, and so on. But farmers reported that what happened was that the resources often arrived late, or they received the funds, but then the CVA Agrotienda where they were supposed to buy the inputs would not have in stock the pesticide or fertilizer that they were required by FONDAFA to buy. This meant that the inputs were not applied at the appropriate time. Ultimately, these types of delays could cause farmers to lose that season's crop (Fieldnotes 11/23/07). FONDAFA's measures to control step-by-step the loan disbursement process could have been a way for the institution to ensure its solvency, which was important for the longer-term success of the agrarian reform. Regardless of the impetus behind these measures, the state exerted a lot of control in the implementation of the agrarian reform, and since the state was not very efficient, this heavy-handed approach at times ended up undermining the success of the agrarian reform, as well as irritating the farmers.

### **Impact of the limited institutional links to popular sectors<sup>48</sup>**

As already discussed, the centralized nature of the state bureaucracy undermined popular participation in the agrarian reform. Moreover, because small farmers were not well organized in Anzoátegui (and in the early stages of organizing in Yaracuy at the time of fieldwork), the government did not have well developed relationships with small farmer organizations. Moreover, the *consejos comunales*, another form of popular organization, were only beginning to be established in rural areas. As a result, small farmers did not get to determine

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<sup>48</sup> See Chapter Two for the discussion of the role of institutional links to private elite in developmental states. See Chapter Four for the extent to which links between the state and popular sectors in Venezuela developed.

which projects were priorities, or have established channels between themselves and the government through which they could find out why there were delays, or have a say in determining what they planted. This led to frustration, particularly because their exclusion directly contradicted what the government claimed to be doing: empowering the previously marginalized and creating a participatory democracy.

Institutionalized links to popular sectors could potentially have averted some of the communication problems that were creating tension between farmers and the government. For example, in one of the cases in which a cooperative of farmers repeatedly traveled to Caracas to find out why they had been living on their new farm for a year and yet the construction of houses had still not begun. The farmers did not know what the problem was. An employee of INTI on the local level told me that there were many projects approved for this farm, but only about half of the resources had arrived. He said that this was because the government did not want to disburse the funds to build the well and the houses until all the people who were part of the project had moved to the farm. However, only sixteen people out of over a hundred were willing to move to the farm, which lacked basic infrastructure, including a dry place for all these people to sleep, electricity, and access to water. For some reason, this impasse that they were apparently at did not seem to be communicated to the farmers, who reported that they were always told when they went to Caracas that the resources would arrive in a month (Fieldnotes 11/23/07). Institutionalized channels of regular communication that created the space for active participation on the part of farmers, not just one-way directives from the government, could have alleviated some of these misunderstandings and prevented conflict that arose between farmers and the government. Moreover, it could have increased the success of the agrarian reform

## **Conclusion**

In short, there was the sense of unfulfilled promises. Farmers felt that the government had promised many things, ranging from the more abstract ideas of greater empowerment and participation to more specific projects like the construction of housing. This frustration with the unfulfilled promises can be seen in an interaction that took place between the government agency Grupo CATA and the director of a special education school that had a vegetable garden and some chickens, who received a visit from Grupo CATA. The school's director tried to get Grupo CATA to write down exactly what they were offering to do for the school because, in her words, she was sick of all the unrealized promises that she got from the government institutions. This was Grupo CATA's first visit to the school, but the director had obviously had a lot of interactions with other government institutions that had promised resources that never arrived. The members of Grupo CATA refused to put any of their promises in writing for the school's director (Fieldnotes 11/19/07). This probably reflected the fact that they were not really empowered to promise these things since decision-making tended to be centralized at the top of the hierarchy within the government institutions. Moreover, their refusal to put anything in writing most likely only

reinforced the director's perception that the government was all talk and no action.

As mentioned earlier, many of the people on the agrarian reform farms were new to farming and they relied on the agricultural extensionists to provide them with the knowledge they needed to succeed at establishing farming operations. The extensionists, in turn, did not have sufficient knowledge. As a result, farming operations were slow to take-off and participants on the new farms got frustrated. This was particularly true on the VAC farms, which were composed almost entirely of people who did not have farming experience, and who had often moved long distances without their families to be part of the project. The farms run by cooperatives formed through *Misión Vuelvan Caras* (MVC) tended to have some participants who did have farming experience, which gave these farms an advantage. Moreover, participants on the MVC farms in Yaracuy often continued to live in their communities while participating in establishing the new farms. This meant that they sacrificed less to participate in the project, which lessened the personal impact of the failure of technical support in the implementation of the agrarian reform.

Moreover, rural communities that received visits from some of the government agencies, and that did not feel that they were getting the types of support promised to them, instead saw the people employed by the government clearly benefiting from the oil wealth controlled by the government. When I visited some rural communities in Anzoáteguí with employees of INIA and PDVSA, along with students from the Bolivarian University, we traveled in a caravan of anywhere from three to five brand-new SUVs with tinted windows. The caravan stopped briefly in a number of small rural communities on the way to the community where the diagnostic was to take place each day. At each of these stops the employees of the government, along with students from the Bolivarian University, took photos with their government-issued digital cameras, and had the people in the community sign a log that recorded the visit for government records. These stops along the way did not accomplish anything, but as far as the government records showed these communities were being "attended to." Meanwhile, the people living in these communities, many without running water and electricity, saw all these young people who were working for the government in their expensive vehicles, with their electronic gadgets, joking around, taking pictures, and doing nothing for the community. As a result of this behavior and the unfulfilled promises of the government institutions, most of the people I encountered in these rural communities seemed to have low expectations when these government institutions arrived to do their diagnostics or offer extension services in Anzoáteguí.<sup>49</sup>

Government institutions in Anzoáteguí were ineffective, and consequently the development projects were not as successful as they could have been with a

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<sup>49</sup> Not all government agencies had all these resources at their disposal. PDVSA, the oil company, provided the SUVs. Other government agencies had a shortage of vehicles, which was, in fact, one reason that INTI (and other institutions as well) did not visit the farms more often. However, the digital cameras and the GPS gadgets were quite common among government employees in most of the institutions.

coordinated, coherent and expert government entity. Tensions arose between government employees and the people on the farms. Few people were on the farms, and production levels did not meet expectations. The tension, the project abandonment, and the lower than expected production levels undermined the socialist project, and popular support for the government.



## Chapter Six

### Grassroots Solutions: State-Society Partnerships on the Local Level

There was no concerted effort to address the farm-level problems described in the previous chapter in the state of Anzoátegui, but there was in Yaracuy. In the latter state, the directors of the national field offices of the government institutions involved in the agrarian reform, and the people on the new farms organized themselves into separate organizations. Beyond this, these two groups actively collaborated with each other on a daily basis, which resulted in greater success at resolving problems on the farms, and minimizing conflict between agrarian reform beneficiaries and the government. This chapter will focus on what happened in the state of Yaracuy. I will describe how each group organized, in what areas they focused their work, the ways in which they collaborated with each other, the challenges they confronted, their successes, their efforts to build a national small farmer organization, and the conflicts that occurred when they found that small farmers in other parts of the country wanted to take a more confrontational stance vis-à-vis the government. Through my analysis of the relationship between the small farmers in Yaracuy and the government, I found that there were a number of positive outcomes from their close collaboration.

#### Organization and Collaboration in Yaracuy

What made Yaracuy distinct from Anzoátegui was that participants on the newly created agrarian reform farms, and employees of the government on the local level, organized. Not only did each of these groups organize in response to what they saw as problems in the implementation of the agrarian reform, but they coordinated their activities with each other. The directors of the government institutions formed an organization, which they called the *Comando Regional Agrícola Unificado*, or the Unified Regional Agricultural Command, which was commonly referred to as the CRAU. Participants on the thirty-four newly created agrarian reform farms established what they called the *Frente Campesino Socialista Jirajara* after an historical indigenous leader in Yaracuy. They often referred to themselves as the *Movimiento Campesino* (MC), or the small-farmer movement.

The directors of the government institutions on the state level recognized the problems created by the lack of coordination between the various government institutions involved in the agrarian reform that were described in the previous two chapters. In response, the members of the CRAU came together to coordinate their projects for the farms in Yaracuy. One of the founding members of the CRAU described how this entity came into existence:

The CRAU is the result of a need to work together, all the institutions integrated... FONDAFA only giving out loans will not achieve the development of the agricultural project of the state. The MAT planning alone won't achieve it either. SASA only focusing on the animals and

the crops won't achieve it either. INTI in charge of the tenancy of the land alone won't either (Personal interview 06/19/07).

She explained how the CRAU helped increase the efficacy of the government agencies:

Now we all meet—INTI, MAT, all the technicians—with one purpose, to carry out the agrarian politics of the national government. The result, necessarily, is better efficacy and efficiency...because the small farmers when they arrive, they don't need to go separately to FONDAFA, to MAT, to INTI. Rather from one integrated team they can get responses to the range of problems that they have (Personal interview 06/19/07).

The CRAU would meet weekly in order to coordinate their activities. This minimized the duplication of functions between the institutions, and the possibility that farmers would receive contradictory instructions from different institutions, problems that, as we saw in the previous chapter, were prevalent in Anzoátegui.

Some of the participants on the new land reform farms organized early on in the agrarian reform to occupy land that met the criteria for redistribution, but was not being redistributed because the opposition Governor was obstructing the process. Once a pro-Chávez Governor was elected in Yaracuy in 2005, land began to be redistributed. Representatives from each of the new farms began meeting together. Raul and Gustavo, two *campesinos* in Yaracuy who were from two different agrarian reform farms, spent a large portion of their time organizing the land reform farms and coordinating the MC's activities with the CRAU.<sup>50</sup> The MC also organized weekly meetings, which they held in a space next to the government's Land Institute office.<sup>51</sup> The objectives of the MC's weekly meetings were twofold: to address immediate problems they faced on the farms and to build a movement, and ultimately, a national organization. They viewed the weekly meetings as a place for exchanging information, for coordinating the activities of the farms, and for resolving problems that arose on and between farms, as well as a means through which to build the *campesino* movement. The meetings allowed them to collectively identify the issues that were important to them and to convey this to the government in a cohesive and coordinated manner.

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<sup>50</sup> They dedicated so much time to the MC that they were rarely present and working on their *fundos*, which led other members of Raul's cooperative to discuss kicking him out of the cooperative.

<sup>51</sup> The idea was that each *fundo* in the state have a representative present at the meetings. In practice, some *fundos* had more than one representative and other *fundos* did not have any representatives present. When I attended these meetings, there generally were approximately 30 people in attendance.

Representatives of the MC—usually Raul and Gustavo—attended and participated in the CRAU’s weekly meetings, as well as co-organized activities put on by the CRAU. Similarly, employees of the government institutions sometimes attended the MC’s meetings to listen to the issues brought up by farmers. Gustavo described their relationship with the directors of the government institutions:

Our work with the CRAU is more than anything exchange of information. We are informed of the activities that they do, of all the institutions. They are informed of the activities that we do. Therefore, in practice we form a single team...the CRAU and the *Movimiento Campesino*...is a single structure (Movement organizer, personal interview, 06/07/07).

They conceptualized their relationship as a unified, single team, rather than as two independent groups engaged in collaboration. The question of autonomy from the government—or the ability to act independently of the government—was not forefront in their minds.

In the MC’s weekly meetings, representatives from each of the farms reported on issues they confronted on their particular farms. Gustavo described these weekly meetings as a way to, “detect the problems that exist and the institutions that can resolve them” (Movement organizer, personal interview, 06/07/07). For example, at one of these meetings farmers talked about the late rains. The rainy season in Yaracuy typically started at the beginning of May, but in 2007 it began several months later. Anticipating the coming of the rain, many of the farms had planted corn and when the rains did not come, they lost the seed they had planted. One farmer explained that FONDAFA, the government institution that gave loans to *campesinos*, covered 75% of losses that resulted from environmental conditions, such as late rains. The cooperatives were responsible for the other 25% of the loan amount (*Campesino*, personal interview, 06/07/07). This was a significant amount of money for these farmers as they were still in the early stages of establishing their farming operations and were not yet generating much income from farming. As a result of the unpredictable weather conditions, the farmers at the meeting decided that digging wells and setting-up irrigation systems on the farms were a priority. Raul and Gustavo then conveyed this to the people working in the government institutions who funded the infrastructure projects on the farms. This coordination between the MC and the CRAU facilitated a strategic ordering of the many development projects planned for rural areas.

Raul and Gustavo also informed attendees of the MC meetings about projects initiated by the local government officials, such as visits they were making to each farm. Many of the cooperatives had a lot of internal problems—such as low attendance rates on the farms, distrust among members, conflict between factions within the cooperative, etc.—that was undermining the ability of the cooperatives to succeed in increasing production. Consequently, the CRAU, along with representatives from the MC, decided to hold meetings on each of the

farms as a way to learn about issues arising on the farms, to facilitate conversations among cooperative members, and to help develop solutions to the problems. Raul, one of the MC leaders, described the purpose of these visits, as well as how the visits were an on-going project that sometimes got preempted by more immediate problems that arose.

The visits to the farms are to assess the weaknesses and strengths that they have. Since the activity is very dynamic it sometimes stops. We are not always working on these visits. More pressing needs arise—like what happened with loans, with the financing and the education of the farmers on the land (Personal interview 06/07/07).

After listening to the cooperative members discuss the problems and challenges they were facing, members of the CRAU would also offer solutions, including suggesting that the cooperative develop a work plan, keep attendance records, hold weekly or biweekly meetings, and that the cooperative's financial information be shared among members in order to ensure transparency and accountability. The representatives from the MC would talk about how their cooperatives dealt with similar issues. In effect, the MC and the CRAU were teaching farmers what the cooperative training courses failed to teach them, the concrete knowledge and skills needed to effectively work as a cooperative.

The description of these meetings illustrates one of the strategies the CRAU employed in its effort to build a positive relationship with people on the new farms. Rather than establishing a dynamic in which the college educated employees of the government arrived and told the small farmers what to do, which is what often happened when government employees visited the farms in both Yaracuy and Anzoátegui, the CRAU involved small farmers in the team that arrived on the farms. They had these small farmers participate on equal footing as experts who could talk about their experiences and the solutions their cooperatives found to similar problems. Cooperative members could no doubt relate better to the small farmers who had experienced similar problems than to the college-educated government employees who just understood their problems in theory. This may have made the farmers more receptive to the suggestions made to them at these meetings, and fostered a more positive relationship between government employees and the agrarian reform beneficiaries, in contrast to the relatively weak and contentious relationship that existed between government employees and people on the new farms in Anzoátegui.

Members of the CRAU and the MC would also remind the farmers on the cooperatives during these meetings that the equipment and resources the farms received belonged to the collective—not individual members—as did what was produced on the farm. This was in response to a problem that repeatedly arose: individuals on the farm trying to reap benefits that were supposed to be shared by the collective. For example, cooperative members on one farm complained that a fellow cooperative member had taken pigs that the cooperative was given

by the government to a piece of land that he had elsewhere, and they feared that he would sell the pigs and keep all the income for himself. Or in another case, people who stopped coming to the farms to work would take the machete they had been using when they worked on the farm when that machete technically belonged to the cooperative, not to the individual. Many of the participants seemed to find it challenging to shift their thinking from an individualist notion of private property to what the government was promoting: collective ownership.

In addition, members of the CRAU and the representatives of the MC would give speeches about how it was important to keep advancing forward, that their fellow cooperative members were not the enemy, that it was important for the cooperatives to overcome their problems and make their farm productive, and not to lose sight of why they were doing what they were doing. These were basically pep talks to ensure that the problems they confronted on the farms did not discourage them from continuing on with the project, a sharp contrast to the farmers in Anzoáteguí who felt isolated on their farms and abandoned by the government. These meetings and the pep talks may have played a role in reducing the level of project abandonment.

Visiting farms to facilitate meetings between cooperative members, offering solutions and giving pep talks surely did not fall within the official job description of the directors of government institutions. They identified a problem that was obstructing the agrarian reform and sought to solve it even if the solution required them to take actions that fell outside their job description. In contrast to the directors of these institutions in Anzoáteguí, they were out in the countryside making themselves available to small farmers on a daily basis, which helped create good relations between the government institutions and the small farmers in the state. Unlike their colleagues in Anzoáteguí, they were not hidden away most of the time doing paperwork in their offices in the capital of the state, or at meetings in Caracas.

In addition to planned meetings on the *fundos*, some members of the CRAU just showed up individually to check in with farmers. A number of times I witnessed Eduardo, a member of the CRAU, arrive on a farm, sit down in the area where the farmers congregated, say hello to everybody, ask how things were going, what the cooperative was working on, and share any news he had for the farmers. Then sometimes he would offer suggestions of things the cooperative should do. For example, he encouraged them to sell what produce they grew, but did not consume no matter how little remained; as well as encouraged them not to sell to intermediaries, but to sell it themselves in the town near the farm. In addition, he encouraged the farmers to organize themselves into *consejos comunales* (communal councils), an initiative of the national government to establish participatory democratic institutions on the local level to address local development needs (e.g., access to water, better housing, etc.). These casual visits allowed Eduardo to get to know individual farmers who worked on the new farms and vice versa. They also served to establish a more relaxed, informal dynamic between him and the small farmers. In contrast, in Anzoáteguí, every time I witnessed a director of a government institution visit a

farm it was part of a formal, official event. This limited the director's ability to meaningfully interact with cooperative members.

During one of Eduardo's informal visits, farmers on one farm complained to him that a young employee of INTI had come to their farm and given them instructions that they felt showed that this government employee did not understand the basic principles of working as a cooperative. The farmers told Eduardo that they needed to train better the employees of INTI before sending them out to the farms. Eduardo replied that they, the farmers, needed to help educate these young employees of the government.

Eduardo's response could be interpreted in a couple of ways. On the one hand, it could be that Eduardo was not taking responsibility for something for which the government should take responsibility—sending appropriately trained employees out into the field—in order to avoid contradictory instructions given to farmers by government employees. On the other hand, Eduardo's response to the farmers' complaints could have been a way to affirm the knowledge and role the farmers had in educating the employees of the government, putting them on a more equal footing with the government employees. The college educated agricultural advisors of the government may have had some theoretical knowledge that the farmers did not have, while the farmers, who had taken *Vuelvan Caras* courses on cooperativism and had some practical farming experience, may have had some knowledge that employees of the government did not have. One farmer told me that she had learned from Chávez that they were equal to the people who work for the government and that they should not feel intimidated by them. She saw the relationship between the farmers and the government as one in which, “we regulate the institutions and they regulate us” (Personal interview 06/01/07).

A week later, I was at the government offices in San Felipe, the capital of Yaracuy, and I talked with one of the young, INTI employees. It was about six in the evening. She was waiting around because the CRAU was requiring that all INTI employees take a course on cooperativism two evenings a week. She told me that the course was just starting. Whether the initiation for this course came from the feedback from farmers, or the CRAU's own interactions with employees in their institutions, they recognized a weakness in the training of their employees, and responded to it by establishing an evening course to remedy this lack of expertise.

In addition to the visits to the land reform farms, the CRAU sometimes held events in each county of the state open to all small farmers. Rather than holding these events in San Felipe, which would have made them more difficult and costly for small farmers to attend, one member of the CRAU explained,

We municipalize the attention to the producers, looking for other producers [with whom we don't already have relationships]. Small farmers don't need to come to the capital of the state in order to do their business. Rather we are the ones that need to go to be where the small farmers are, not the small farmers coming to us because

it is our responsibility. By going to each municipality, we are able to have more access. We are able to increase, in this case, the response [to solicitations from farmers] (Personal interview 06/19/07).

It was expensive for small farmers, who did not generate much income, to pay for public transportation to and from the state capital every time they needed to do business with the government institutions, or if they wanted to participate in events put on by the government. For example, this member of the CRAU explained that when developing the Agro-productive Plan 2007-2008, they held events in each county to solicit input from the farmers. By doing so, they were able to increase small farmer participation, one of the fundamental ideas of the socialist project. I did not witness this same attitude by the directors of the government institutions in Anzoátegui.

Even when CRAU members were in their offices in San Felipe, the directors of the government institutions were more accessible to farmers than in the past. According to Gustavo,

Whichever *campesino* comes here [the MAT office in San Felipe], the directors of the institutions receive him...Here we don't have what used to exist. Hours of Attention: Monday, Wednesday and Friday, for example, from 8 to 12 or perhaps 2 to 6...Now there are no signs in any director's office that says that they will attend to you at such and such time. You arrive whenever, if he isn't busy, he comes out and helps you, simple as that (Personal interview 06/07/07).

The downside of not having office hours was that a small farmer could come to the capital and discover that the person they came to see was not in the office, and have to return on another day. However, my experience in Anzoátegui illustrated that this could happen, and did happen frequently, even when government offices had set office hours.

In addition to the good relations produced by increased contact between the farmers and the government employees, the daily communication that occurred between the leaders of the MC and the government institutions brought transparency to government decision-making and allowed the MC to monitor the activities of the government. One of the MC leaders explained,

They give us information about the loans, the activities, and what they are going to do. And we also supply information, for example, who really is a *campesino*, who really deserves a small loan (Movement organizer, personal interview, 06/07/07).

Here this MC leader is referring to the fact that the CRAU involved Raul and Gustavo in the loan approval process. FONDAFA gave loans not just to the

farmers organized into cooperatives on the land reform farms, but also to *campesinos* with their own plot of land. Multiple benefits resulted from this collaboration. Corruption (or at least the perception of corruption) was rampant within the government. Involving the MC in the disbursement of funds both increased transparency, and potentially minimized corruption within the government institutions. Moreover, it was the direct implementation of one of the tenants of the new model: to increase popular participation. In addition, the opportunity to learn about and participate in the loan approval process helped these farmers build skills that could prove useful in their organizing activities and other aspects of their life. Gustavo explained how this collaboration with the CRAU worked:

We meet with them. And we are aware of the policies that will be developed, the loans that they are going to approve... in which crops, for example, when the loan payouts will be delivered... We are aware of the farmers on the list, that they have papers up to date... We collaborate and we work with the CRAU in order to facilitate things for them, things that maybe they aren't aware of... For example, suddenly somebody comes along that wants to pass for a *campesino* producer, when really [they are] a big producer. Therefore, one keeps an eye out... what we are detecting, in effect, is who really is a small producer (Movement organizer, personal interview, 06/07/07).

The MC monitored the distribution of loans in order to limit cheating and corruption within the system, which as described in Chapter Two is prevalent in petro-states. The coordination and exchange of information between the CRAU and the MC likely reduced the amount of corruption, as well as provided transparency to the process, which helped maintain a positive relationship between the MC and the government. Moreover, this collaboration and opportunity for small farmers to participate in the implementation of the agrarian reform no doubt generated feelings of legitimacy, trust and effectiveness.

The MC and the CRAU also worked together to remedy contradictory government policy. For example, FONDAFA would not give loans to farmers if they did not do as this institution advised and the advice FONDAFA gave was counter to the tenets of agroecology, a key part of the vision of a transformed agricultural sector. FONDAFA required recipients of its loans to plant a single crop and to apply pesticides. Both monocultural production and the use of chemicals are counter to the new model of agricultural production. Rather, agroecology involves planting a diverse mix of crops and using non-chemical pest control methods. Moreover, the new vision for the agricultural sector includes producing to meet the food needs of the local population. In order to do this, the farmers need to plant a variety of crops, rather than just a single crop. The MC and the CRAU petitioned the FONDAFA headquarters in Caracas to create what they called an "agroecological loan." Gustavo explained,



In an area like that you can sow everything. Therefore, this can allow you in the medium-, short- and long- terms, at least to have food for your family...the idea then is in your unit of production you can have everything necessary for your sustenance. If you have some leftover then you can sell it and this complements your alimentation. Therefore, this is what is being proposed. It was an idea from here, from the state of Yaracuy, from engineers from MAT and FONDAFA (Personal interview 06/07/07).

Gustavo explained why it was not an easy process to get the central headquarters of FONDAFA in Caracas to approve this new type of loan:

It is a very rigid structure, the structure of the state, that sometimes does not allow advances...There are some institutions in which there are still people from the old political structure that don't want this type of thing. Therefore, when an idea that is novel, like this, arrives - it may be new in name but it is essentially the same as the past, what was a *conuco*, we now call an agroecological plot – [it is difficult to get it approved] (Personal interview 06/07/07).

Despite the initiative of government employees on the local level, it was difficult to resolve this contradiction in the implementation of the new agricultural model because of the centralized, hierarchical structure of the state described in Chapter Four. However, they ultimately succeeded. Agroecological loans began being disbursed in Yaracuy in 2006, and eventually spread to other states.

Another problem that the MC wanted to address was the issue of corruption and foot-dragging in the institutions charged with implementing the new policies. They felt that it was their job to bring attention to these problems. Gustavo said:

There is a group of people – oligarchs, the corrupt, politicians from the old regime – who are still in the institutions, who don't want this [social project] to advance...Sometimes it is difficult, for example, to develop a project. There are a lot of projects that sometimes are really slow to develop because they are in there [the state bureaucracy] (Movement organizer, personal interview, 06/07/07).

Gustavo explained that some of these people held important positions in the headquarters of the government institutions in Caracas. The MC originally organized itself in part so that it could pressure the government bureaucracy to implement the laws and policies made by Chávez (*Campesino*, personal

interview, 06/07/07). When the MC could not find a way to push forward with the reforms using official state channels, they held press conferences and protested in the streets to bring what was going on in the state bureaucracy to Chávez's attention. Their allies in the CRAU would often join them in denouncing actions by people within the government that were counter to the principles of the agrarian reform and the socialist revolution.

One such example was the case of the small farmer arrested in Yaracuy for working land that INTI claimed as government land. The CRAU dropped what they had previously planned for that day and immediately went to the state judicial offices to talk with the prosecutor about having the *campesino* released. When that did not work, they organized, in conjunction with the leaders of the MC to mobilize dozens of *campesinos* from the land reform farms to stand outside the detention facility. They also assembled a team of lawyers to work on getting the *campesino* released. They called the two main state newspapers down to the detention facility, held a press conference, and called local radio stations trying to get some airtime to bring attention to what was happening. This illustrated how, when conventional channels did not work, the MC and the CRAU opted to use more publicly confrontational tactics to push the agrarian reform forward. It also illustrated how at times the CRAU prioritized their allegiance to the movement over their allegiance to the state bureaucracy when conflict between the two arose. This built trust between themselves and the MC, and strengthened their relationship with the small farmers.

The MC also proposed its own projects to develop the farming activities in the state. One *campesino* described one such project in June 2007. "We need some twenty cows to work, in order to continue with our practice [training]. The *Movimiento Campesino* presented this project to FONDAFA" (*Campesino*, personal interview, 06/05/07). She was referring to a proposal that each of the *fundos* receive a few cows in order to produce milk for internal cooperative consumption and to begin learning how to raise animals. As mentioned earlier, the people on the land reform farms often did not have much, if any, farming experience. They had to build this knowledge, and quickly, in order to expand production. When I returned to Yaracuy in January 2008, I was told that a number of *fundos* had received some cows and were learning how to milk them (*Campesino*, personal interview, 01/02/09; Movement organizer, personal interview, 01/02/09). Given that it was a farmer-initiated project (and the project implementation I witnessed in other parts of the country seemed to move slowly through the government bureaucracy), six months was a relatively quick timeline for implementation of the project. Having their voice heard and their projects implemented was one of the benefits of the collaborative relationship that existed between the MC and local government employees.

As a result of the constant communication between the CRAU and the MC, when problems did arise they were resolved. For example, there was a problem with the marketing of the produce from the farms. There was suddenly a large harvest of tomatoes in the state that exceeded local demand. Markets needed to be found in other parts of the country. There had not been planning of where the tomatoes would be sold. The farmers were under the impression that

the government was responsible for making sure that their produce found a market. They harvested their tomato crops, put them on trucks owned by the MAT and sent them to Caracas. The tomatoes were returned. The farmers were told that they had not found a place to sell the tomatoes. The tomatoes sat around in crates on the farms and began to rot. The farmers were frustrated because they were losing potential income after months of unpaid hard work. The problem was not a lack of demand for tomatoes in the country. Rather, relationships had not been established with produce sellers in the cities so they could not find markets for the produce. Raul explained that he kept the farmers informed of how the government was going about solving the problem through the weekly MC meetings. This, no doubt, minimized the frustration with the government that naturally arose from the situation. Taking action was not enough. Regular communication between farmers and the government was key to minimizing the development of an oppositional relationship between the two groups.

Although a little late for the initial harvest of tomatoes and peppers, the government did respond to the problem. Employees from INTI Caracas and INAPYMI arrived in Yaracuy in order to visit the farms. They came to find out the type and volume of produce that would be harvested in the near future so that they could find markets to sell this produce. The government's plan was to help the cooperatives establish relationships with produce sellers in the cities so that the government would not have to be responsible for the marketing of produce in the future (Employee of the government, personal interview, 05/29/07). In addition to these steps, a biweekly farmer's market was set-up both at the Land Institute office in San Felipe and at a location in Caracas. By the beginning of July 2007, farmers from the land reform farms, organized by the MC leaders and provided with trucks from the MAT office in Yaracuy (controlled by the CRAU), were beginning to take produce to Caracas every two weeks. The fact that the representatives of the farms met weekly to discuss problems on the farms and that the MC worked so closely with the CRAU helps explain why this problem was resolved relatively quickly and why it did not create a rift between the government and farmers. Regular communication between the MC and the government institutions in Yaracuy facilitated the implementation of the new agricultural policies and minimized the emergence of conflict between the government and the intended beneficiaries of government policy.

In their weekly meetings, MC members also discussed and developed their positions on political issues. They organized press conferences with the local media to publicly state their position on issues. For example, an article came out in the newspaper that the Governor of Yaracuy was in the process of negotiating the establishment of a plant that would transform sugarcane into ethanol (*El Diario de Yaracuy* 2007). Prior to the land reform, the *latifundia*, or large farms, of Yaracuy were mainly growing sugarcane. Then, with the agrarian reform and its emphasis on food production, the mass production of sugarcane decreased. Lavalle (2005:51) describes, "for the *campesinos* in Yaracuy, *caña* ha[d] become a physical symbol of land concentration and misuse and the injustices faced at the hands of the *latifundia*." They felt that the Governor's plan

for the farmers of Yaracuy to grow *caña* that would be processed into ethanol to be exported to the Global North to fill gas tanks was an outrageous idea given the local history and the goals of the new agricultural model. MC members discussed the issue of ethanol production in their weekly meeting, read and discussed an article on the impact of ethanol production on *campesinos* in Brazil, and agreed that it was counter to their interests as *campesinos*. They went over to the office of the Ministry of Agriculture and had a meeting to further discuss the issue with their allies in the government institutions, the CRAU, who were also against the Governor's decision. After the meeting, the MC held a press conference with local newspapers to denounce the move by the Governor to open an ethanol plant. Although both the Governor and the MC identified themselves as Chávez supporters, conflict often erupted between them.<sup>52</sup> This illustrated the disagreements that existed among Chávez supporters, that they were not shy about critiquing each other, and that the MC aligned itself with the more radical, ideological faction of Chávez's supporters.

### **Building a National *Campesino* Organization**

MC members wanted to build a national organization in order to ensure the representation of their interests in the political sphere, as well as to support the President and the process of constructing a socialist society (Movement organizer, personal interview, 06/07/07). Their allies in the CRAU were extremely supportive of their desires to build a national organization. Drawing on one of his interviews in Yaracuy with Laura Lorenzo, a member of the CRAU and a long-time advocate of small farmers, Lavalle (2005:68) explained,

A major hurdle for the agrarian reform is a general lack of unity within the *campesino* movement. One result of the marginalization of agriculture by the dominance of petroleum is that the Venezuelan *campesino* movement is fragmented and localized (Lorenzo, 2005). While land struggles were a constant facet of Yaracuy's history, many states saw only intermittent *campesino* pressure for land.

Chávez supporters could not join the *Federación Campesina de Venezuela*, the national farmer organization that existed when Chávez was elected, because it opposed the new vision for the agricultural sector. The threat posed by the landed elite to the process of land redistribution, including the assassination of over 200 *campesinos* (*Frente Campesino Socialista Jirajara* 2009), prompted government supporters to form their own *campesino* organization. The MC, with the support of the CRAU, attempted to move beyond their local efforts to instigate a national movement. The MC attempted to build alliances with *campesino* groups in other parts of the country, who also supported President Chávez.

The CRAU and the MC together organized a meeting in January 2007 in Yaracuy to bring *campesinos* from across the country together. Three

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<sup>52</sup> There was one *fundo* that did not participate in the MC. The leader of this *fundo* worked as the Governor's Secretary of Land.

subsequent meetings, held in other regions of the country, occurred during the first half of 2007. Gustavo explained why they initiated this series of meetings,

There wasn't a solid, strong *campesino* organization that grouped all the *campesinos* in a single voice on the national level. There is... one group here, another group there; the coffee producers on one side; the cattle ranchers on the other side. So we proposed having five national *campesino* meetings of *campesino* leaders to initiate... the construction of a *Movimiento Campesino* that is needed on the national level, as one unified force. It is a little like what the President is doing in the formation of the PSUV [United Socialist Party of Venezuela<sup>53</sup>] (Movement organizer, personal interview, 06/07/07).

With support from the CRAU in the form of a vehicle and money for gas and food, Gustavo and Raul traveled to the location of the upcoming meeting for a few days, several weeks in advance, in order to work with local farmers in organizing the event and planning the agenda. Due to government support, which they received because of their close relationship with the CRAU, they were able to wield greater influence in the founding of the national organization than other *campesino* groups that did not have the means to participate in the pre-meeting planning.

Gustavo explained that the goal of the meetings was “to make a final report [of the agreed upon proposals] that is going to be delivered in the fifth meeting, which will be in Caracas, to the Vice-President of the Republic” (Personal interview, 06/07/07). In the last meeting prior to their trip to Caracas they planned to,

reinforce the proposal of Táchira, which was the incorporation of the *Movimiento Campesino* into the PSUV, [the formation of] the necessary *campesino* organization, [the articulation of] socialism from the point of view of *campesinos*; [and] to name one or two representatives per cooperative or *campesino* organization [to attend the fifth meeting]. And [plan] to have...the fifth meeting in Caracas, with the document in hand; to give this proposal to the Vice-President so that it arrives in the hands of the President of the Republic... And to fix the date for the foundational congress of the organization that will represent the bases, the *campesinos*, who will be elected by neighborhood, municipalities, states (Movement organizer, personal interview, 06/07/07)

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<sup>53</sup> President Chávez announced after he was reelected in December 2006 that he wanted to form the *Partido Socialista Unido de Venezuela* (PSUV). He encouraged the political parties that supported him to dissolve and have their members join the PSUV.

A *campesino* leader from Yaracuy explained the objective of the fifth meeting in Caracas,

They [our proposals] are going to be presented in Caracas in July with an important mobilization of the vanguard of the cooperatives in order [to express] our solidarity with the process, and of course, advancing toward the construction of the United Socialist Party of the Bolivarian Revolution (Movement organizer, personal interview, 06/15/07)

The *campesinos* were strong supporters of Chávez and his projects, such as the formation of the new political party. Chávez's agenda and the *campesino's* sector-specific agenda tended to get mixed together in the elaboration of their goals at these meetings.

The MC found at these meetings that politically active farmers elsewhere took a more confrontational strategy vis-à-vis the government. Braulio Álvarez, a nationally renowned *campesino* leader from Yaracuy who was serving as a representative in the National Assembly, and a member of the CRAU who worked closely with Álvarez, headed up the opening of the fourth national *campesino* meeting. Representatives from each state present had a seat at the table. The rest of the farmers in attendance were observing the meeting. Álvarez and the member of the CRAU proposed an agenda for the weekend's meeting, which had emerged in part from the previous meetings. They presented several themes they thought should be discussed in the working groups, including establishing a school for farmers, the role of *campesinos* in the PSUV, agro-ecology and building the farmer movement.

A farmer from another state proposed an additional topic on the problems within the government institutions. He appeared to have widespread support among the farmers present with the exception of the contingent from Yaracuy. Farmers, who supported having this additional working group, argued that if the institutions were not doing their jobs, the farmers must demand the removal of government functionaries. The member of the CRAU present argued that the farmers should focus on the problems within their own ranks, that the farmers were getting plenty of resources from the government and that the real problem was the lack of "formación" among farmers. This term was generally used to refer to situations in which people were not practicing the principles that underlie the new socialist model, such as working as a cooperative. The entire group held a vote and it looked like everybody except the people from Yaracuy supported adding the proposed working group on the government institutions. This working group was added to the agenda and was by far the most highly attended working group and the most animated topic at the farmer meeting.

This fourth meeting went very differently from the way Gustavo and the other *campesino* leaders from Yaracuy had expected it to go. While the meeting got somewhat derailed from their stated objectives, what transpired was a testament to the internal democracy and grassroots nature of the national movement. The farmers ended up approving a proposal to take over the Land

Institute's headquarters in Caracas until the government responded concretely to their complaints about the slow progress of the reforms and the corruption in the process.<sup>54</sup> Many of the farmers at the meeting wanted to demand the removal of the heads of the Ministry of Agriculture and The Land Institute. This was not the first time that this was discussed.<sup>55</sup> The CRAU opposed this because they felt that the *campesinos* did not have the power to successfully get these people removed and did not have any suggestions of who should replace them. One member of the CRAU said, "How do we know that the people who would replace them would be any better?" They felt that the heads of these two government agencies were on the side of *campesinos*, even if the CRAU and the MC did not always like the decisions that they made (Employee of government, personal interview, 03/05/07). Strategically, they felt it was an error to demand their removal, and for this reason did not support calls for such measures. The national *campesino* meetings were marked by tensions as small farmers and their allies in the government negotiated over what the priorities of the national *campesino* organization should be, and their distinct strategies for achieving their goals.

### **Lessons From Yaracuy**

The foregoing examination of the CRAU and the MC in Yaracuy elucidates some of the benefits for both popular sectors and for the government of organizing and working together. Through collaboration they were able to address some of the problems that emerged as a result of the nature of the state, which, as discussed in Chapter Two, is shaped both by its dependence on oil production and by the political context of a transition to socialism. The CRAU was able to overcome, to some extent, the weak state capacity characteristic of petro-states, and develop some of the characteristics of developmental states, including increasing the cohesiveness, coordination and skill of the government, institutionalizing links to the popular sector and increasing the degree of decentralization of the state.

Through organizing and meeting regularly, the directors of the government's field offices in Yaracuy were able to act in a coordinated and cohesive way on the local level. Moreover, their cooperation prevented the unnecessary duplication of functions across government agencies, which was prevalent in Anzoátegui. The CRAU also proactively lobbied their headquarter institutions in Caracas to make changes to existing policy that was contradictory—as described in the case of agroecology—and to gain funds for new projects that would help the farmers realize the new vision for the agricultural sector—as described in the case of the MC's animal husbandry project. In addition, the CRAU tried to address the problem of insufficiently skilled government employees by establishing evening training courses to address weaknesses in

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<sup>54</sup> When I returned to Venezuela on my next trip, I asked a member of the CRAU and a member of the MC if some farmers ended up occupying the government offices in Caracas, and I was told that they did not.

<sup>55</sup> At the second meeting, there were also farmers who wanted to call for the removal of these two appointed government employees.

their knowledge base. While the politically polarized nature of the transition to socialism made it difficult to have a state bureaucracy based first and foremost on meritocracy, the state could nonetheless build the expertise of its employees. The CRAU and the MC helped the state act in a more cohesive way, and with greater expertise.

Although the state structure remained highly centralized, the CRAU found ways to address problems on the local level that did not require approval from the headquarter institutions in Caracas; generally, these were solutions that did not involve an allocation of resources. For example, they were able to address the problems inside the cooperatives themselves without the need for the disbursement of additional resources. They did this by adapting their conception of what their job entailed depending on what they saw as urgent. Their ability to step outside the narrow role assigned to them by the government bureaucracy improved the success of the agrarian reform in Yaracuy. They saw that the government had acquired a significant amount of land in the state through the land reform and that many resources had been allocated to the cooperatives farming the newly acquired plots of land. The challenge was neither lack of land or lack of resources, but rather the process of learning how to work together as a cooperative. The CRAU recognized this weakness and sought to rectify it by holding meetings on the farms. Through taking initiative and developing solutions that did not require additional funding, they were able to decentralize, to some extent, the activities of the government. This, in turn, increased the government's effectiveness, and, in this case, the success of the agrarian reform.

The CRAU also established institutionalized links to the small-farmer movement. As discussed in Chapter Two, developmental states typically establish institutionalized links to the private capitalists and I argued that the equivalent in the context of a transition to socialism was the establishment of institutionalized links to popular sectors. The CRAU took steps in this direction by institutionalizing its relationship with the MC. However, the MC did not represent all small farmers, but rather one particular group of small farmers—those who had benefited from the agrarian reform. Other small farmers in the state were not organized, which made it difficult to institutionalize links to small farmers more broadly, though their efforts to hold meetings in each municipality to elicit feedback on their agro-productive plan was an attempt to reach out to farmers who were not organized. Nonetheless, through their collaboration with the MC and their efforts to involve them in the various aspects of their work, they increased state transparency, minimized the possibility of corruption (through the MC's involvement in the loan approval process), and improved the effectiveness of the state (through involving the MC leaders in addressing the problems within the cooperatives).

By organizing and establishing an informal, information-sharing relationship with the CRAU in addition to participating in the more formal consultative meetings that the state institutions held to elicit feedback from *campesinos*, the MC was able to make its members' voices heard and influence decision-making. Because of their relationship with the CRAU, which advocated on their behalf when dealing with the headquarter institutions in Caracas,



projects they proposed either alone (e.g., the animal husbandry project) or in conjunction with the CRAU (e.g., the agroecological loans) were eventually funded and implemented. In addition, when a farmer represented by their organization was detained, they had the full support of their allies in the government in the fight for his release. The MC had an institutionalized channel of access to the government, which other *campesino* groups did not seem to have, as evidenced by what transpired at the national small-farmer meetings. Cultivation of informal relationships with the government gave them a greater voice in the process of social change in the countryside than other *campesinos*, as well as positioned them to play a leading role in national organizing efforts.<sup>56</sup> Their alliance with the CRAU provided the support they needed to launch the series of national meetings to form an organization. As instigators of this process and with the CRAU's support (e.g., provision of a vehicle and money for food and gas) they helped organize all subsequent meetings. Consequently, they played a large role in setting the agenda of these meetings.

I have identified a number of benefits for both the CRAU and the MC from organizing and collaborating with each other. Implementation of the agrarian reform was more successful and less conflict-ridden as result. There are, however, potentially negative implications to this close relationship we see between the CRAU and the MC. Such a close relationship runs the risk of limiting the autonomy of the small-farmer movement in Yaracuy, in other words, its ability to act in ways that challenge the government. A second risk is that a clientelistic relationship will develop between agrarian reform beneficiaries and the government. Such a relationship would effectively exclude other small farmers from participating in decision-making about development and benefiting from the agrarian reform. These two problems emerged, to varying degrees, in Nicaragua in the 1980s under the Sandinista government and in Chile in the late 1960s and early 1970s under the Frei and Allende governments. In the conclusion of this dissertation, I examine these two cases, which shed light on the potential risks posed by the MC's close, collaborative relationship with the CRAU.

## Conclusion

The politically polarized environment in a transition to socialism and the efforts by the opposition to prevent social change, often lead pro-revolution movements into a close alliance with the government. In the Venezuelan case, we see that the farmers without such a close relationship to government employees were more confrontational with the government. Although the *campesinos* at the national meeting were heavily influenced by Chávez's ideas—and in fact adopted many of his goals into their agenda—they still challenged parts of the government. The vast majority of *campesinos* at the national meeting did not feel shy about critiquing the government for what they saw as the slow pace and partial nature of the reforms. One *campesino* challenged the agenda being set at the national meeting because it excluded what many thought was an

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<sup>56</sup> Caniglia (2001) also found in her study of environmental activists that groups with informal ties to the government exercised greater influence in the process.

important issue that the movement needed to address—problems in the government institutions. And, he successfully added it to the agenda.

This disjuncture between the MC, which did not support adding the working group on problems in the government institutions, and many of the *campesinos* attending the national meeting may reflect a similar dynamic that occurs in coalition work. In his study of coalition work between labor movements and environmental movements, Obach (1999) found that leaders from each movement who work closely with each other “develop a greater sense of awareness and concern regarding one another’s issues and feel a sense of solidarity with their coalition partners,” while “the rank-and-file members may remain skeptical” (67). Although the type of coalition Obach describes involves two movements rather than a movement and a government, the dynamic was similar in the case of the MC which engaged in coalition-like work with the CRAU. As a result, its knowledge of the inner workings of the state was greater and, hence, its members were less inclined to broadly denounce the government than the other *campesinos* present.

The MC did not view the government as a unitary actor, but rather differentiated between different groups and individuals within the government. Gustavo told me, “There is a saying: One stick does not make a mountain. In the sense that sometimes the director of an institution may have good intentions but sometimes there is a state structure. There are some public functionaries who sometimes do not let things advance”(Movement organizer, personal interview, 06/07/07). The leaders of the MC understood that their allies (the CRAU) operated under a certain set of constraints within the institutions of the state. Through discussions with the CRAU, they determined when they wanted to respond to problems via state channels and when to denounce the institutions publicly and engage in protest activity. Lavalle (2005:66) writes “Even as INTI has denounced peasant occupations it is important to note that some state entities have supported *tomas*, indicating that the state has not been uniform in its application of the land law.” At least one member of the CRAU, for example, had supported the land occupations in Yaracuy, which were technically illegal. When a *campesino* was arrested, the CRAU elected to work outside official channels since there were obstacles within the government institutions to freeing the detained farmer. The CRAU repeatedly stood on the side of the *campesinos* and, consequently, over time, trust had developed between the MC and the CRAU. Moreover, because the CRAU actively involved the MC in its daily work, there was greater transparency to the decisions made by the state. This allowed the MC to better understand the dynamics within the state, which influenced how they reacted to action or inaction on the part of the state.

At the same time, there was a tension that emerged within the national farmer organization between the representatives from Yaracuy (both members of the CRAU and the MC) and representatives from other states. The contingent from Yaracuy at that moment clearly did not want the emerging farmer organization to take a confrontational stance vis-à-vis the government. The CRAU and the MC seemed much more willing to challenge the government when the issue was on the state level (e.g., the judicial branch arresting a farmer

because a powerful local landowner wielded his influence or when they disagreed with the pro-Chávez Governor of Yaracuy), than challenge the national government. They seemed more likely to favor adhering to the party line when it came to the national government, even though they recognized that there were problems stemming from the headquarter institutions of the government in Caracas.

One of the dangers of such a close relationship is that the MC leaders would not challenge the members of the CRAU when it disagreed with them, but instead would act as mediators between the CRAU and its constituents. Considering that Raul and Gustavo spent more time with the CRAU than with the cooperatives on their *fundos*, there was a danger that they would begin to connect more closely with the CRAU, and consequently act more like mediators rather than representatives of the *campesinos*.

Moreover, in order for the MC to truly represent *campesinos* throughout the state, it needed to expand its membership base beyond the new *fundos*. Otherwise, it would fail to represent *campesino* interests more broadly and would risk falling into the clientelistic relationship with the government characteristic of the *asentamientos* in Chile under the Frei government (Lehmann 1992). If the reforms did not move beyond the initial beneficiaries, they could end up creating stratification among *campesinos*. In addition, such a close relationship could mean that the MC would prioritize the more general needs of the revolution as defined by the government (such as getting *campesinos* to join the PSUV) before the interests of *campesinos*. This could limit the ability of the MC to truly grow into a mass organization that represents all *campesinos*. Edelman (1999), in his study of Costa Rican peasant movements, found that “the institutionalization of campesino-government negotiating processes and of new ‘productive projects’ often led organizations to focus on serving their existing constituencies rather than on their original objective of building a powerful movement for fundamental change” (157). The MC was focused on making sure the needs of the *campesinos* on the *fundos* was met, and was not organizing other *campesinos* in the state. There was much to do to get the *fundos* up and running and the MC had limited time and resources so it is not surprising that they focused on the people who were the most mobilized and easiest to organize—those on the *fundos*. In the long term, this would present a serious problem unless they moved their organizing efforts beyond the *fundos*. The challenge in the type of coalition work that the MC and the CRAU undertook, and more generally in the political context of transitions to socialism, is to maintain a participatory, democratic environment that provides room for both collaboration and critique.

## **Chapter Seven**

### **Where was the Grassroots in Anzoátegui?**

Thus far we have seen that where people organized and collaborated, the outcome of the agrarian reform was better. The question then is: why did people organize in Yaracuy and not in Anzoátegui? Many factors may have played a role, from the leadership skills of individual participants in the agrarian reform to the specific interpersonal dynamics that existed within the government institutions on the state level, or between participants on the new agrarian reform farms in each state. However, there are a few factors that stand out as having played a particularly significant role in explaining the divergent outcomes in the two states. These include differences in natural resource endowments, geographical factors, and shared historical memory.

With the right policies, some of the conditions that facilitated the mobilization and organization that occurred in Yaracuy could be recreated in other contexts. For example, measures could be taken to minimize the difficulties created by geographical factors in Anzoátegui. Other factors—such as a relevant shared historical memory—cannot be reproduced by policy. However, awareness of such factors could, nonetheless, be useful to policymakers as they make choices about where and when to begin the agrarian reform, as well as provide them with the insight as to the potential challenges they will need to overcome in order to successfully carry out the agrarian reform. This will be taken up in the conclusion of this chapter, but first we will take a look at each of the factors that played a significant role in facilitating mobilization and organization in Yaracuy, and inhibiting it in Anzoátegui.

#### **Natural Resource Endowments**

The local economies of each state were shaped long before the Chávez administration's agrarian reform. As elsewhere in the Americas, the colonizing powers shaped the local economies to serve their purposes. There were climatic differences between Yaracuy and Anzoátegui, and the latter had sea access. However, in terms of the role each state could serve for the colonizing power, there was not much difference. Venezuela did not have the abundant gold and silver that other parts of South America had, like Peru and Bolivia, and hence it was not a prime destination, or of particular importance to Spain.

Local social and political dynamics—the nature of the class structure, its relationship to the state, and the actions taken by the state—play an important role in shaping the nature of civil society and the local economy. What variation in regards to the class structure and the state that may have existed between Yaracuy and Anzoátegui prior to the discovery of oil was minimal. It was not until almost a century after independence that oil was discovered in Venezuela. At this point in time, the early twentieth century, the economies and social structures of Yaracuy and Anzoátegui began to diverge significantly. The basis of the socially and politically powerful in Anzoátegui lay in attaining an important position in either the oil industry, or in the state, while the basis of power for local elite in

Yaracuy, where there was no oil, remained in the ownership of large tracts of land.

The discovery of oil brought a number of changes to the nature of civil society and the economy in Anzoáteguí. A wave of new immigrants arrived in Venezuela to work in the oil sector. Europeans—primarily from Italy and Spain—came in significant numbers after World War II (Wright 1990). The discovery of oil also attracted many Afro-West Indian and Chinese immigrants. The foreign oil firms, which dominated the industry, created an ethnic/racial division of labor in which non-white Venezuelans found themselves at the bottom of the social hierarchy, below non-white immigrants. Dutch, British and U.S. citizens held managerial and technical positions in the oil companies; West Indians were mainly employed in clerical work; and Chinese held menial positions. The Venezuelans found themselves to be the only group without stable employment as they were hired mainly as day laborers (Ibid). The oil companies preferred West Indian laborers over Venezuelans because of negative stereotypes about the work ethic of Venezuelans; the West-Indians' knowledge of English, and their experience with the British colonial and education systems; and the expectation that they were less likely to join Venezuelan labor unions. Language barriers and their relatively higher positions in the oil companies created conflict between them and the lower class Venezuelans (Tinker Salas 2009).

The discovery of oil under the soils of Anzoáteguí led, over time, to the development of an oil-based economy that crowded out the agricultural sector. As the agricultural sector declined over the twentieth century, there was mass rural-to-urban migration in Anzoáteguí. The population was concentrated in several urban areas, mainly along the coast in the northern part of the state, where the oil was pumped into tankers for export. Meanwhile, the rest of the vast territory in the interior was left relatively empty. When the *Ley de Tierras* was passed in 2001 only a small percentage of the people in Anzoáteguí were living in rural areas, and of this population even fewer had an interest in farming.<sup>57</sup> This had implications in terms of the degree of enthusiasm, and subsequent mobilization within the state to push forward with the agrarian reform. As a result, Anzoáteguí became an obvious location for the *Vuelta Al Campo* (VAC) farms. The government needed a place to relocate its mobilized urban supporters who were excited about the opportunity to train to become farmers. Moreover, Anzoáteguí had plenty of land available for redistribution that was not likely to create much conflict.

Yaracuy, on the other hand, did not have oil. Instead, Yaracuy had highly fertile soils that were favorable for agricultural production. Agriculture was the primary economic activity of the state. More of the population in Yaracuy was engaged in agricultural production than in Anzoáteguí at the outset of the agrarian reform. Thus, people viewed the passage of the Land Law as an opportunity to improve their lives, whether because it offered the possibility of being a farmer as opposed to a farm worker, or because it offered a way out of

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<sup>57</sup> As mentioned in an earlier chapter, people could get work three months of the year at one of the oil extraction facilities in the rural areas of Anzoáteguí and earn more than they could farming year round.

the informal economy in the towns of Yaracuy. Consequently, the people of Yaracuy mobilized to push the redistribution of land forward.

### **Shared Historical Memory**

Historical factors, shaped in part by the nature of the local economy, also help explain the greater mobilization in Yaracuy than in Anzoátegui. Small farmers and the landless played a prominent role in the local history of Yaracuy. “Yaracuy has been home to a long history of conflict over land, from the resistance of the cacique Yaracuy at the time of the conquest to battles in the second half of the 20<sup>th</sup> century as *campesinos* attempted to use the first agrarian reform law to recover lost lands” (Lavalle 2005:45). In the early twentieth century, land became increasingly concentrated there. By the mid-twentieth century, a Cuban owned company bought a large tract of land in the valley of Yaracuy from a man who had amassed this land through seizing it when its occupants defaulted on their loans to him. The Cuban company, *Central Matilde*, planted sugarcane, replacing the food crops that small farmers had grown to feed themselves. In order to grow food for survival, the landless were forced to seek land in the hills, which was less desirable for agricultural production. Many of these displaced small farmers ended up working as wage laborers for *Central Matilde*. These sugarcane workers unionized, but *Central Matilde* was able to get the state, which was controlled by the local elite, to repress their unionizing efforts. Other landless people went into hiding in the mountains, and from there waged a war against Venezuela’s military dictatorship of the time, all the while maintaining contact with the sugarcane workers of *Central Matilde* and their struggle for fair wages and decent working conditions (Dominguez 1992).

In Yaracuy, these struggles of small farmers and agricultural wage laborers were not a forgotten struggle of the past, but rather continued to be alive in the minds of participants in the 2001 agrarian reform. I often encountered people who told me that their parents and other family members had been involved in the struggles of the landless in the 1940s and 1950s, fighting *Central Matilde*. In fact, many of the farms created through the 2001 agrarian reform were on the land that had been occupied during earlier land struggles. In his study of the land occupations in Yaracuy in 2005, Lavalle (2005:4) writes, “The land currently farmed by Santa Lucia was occupied almost every decade, and some cooperative members have fathers or uncles who directly participated in the *tomas* [land takeovers] of the 1960s.” Lavalle (Ibid) also recounts how the father of one of the *campesino* leaders, who had received land through the 2001 agrarian reform, had occupied land in the 1970s after the government institute tasked with carrying out the 1960 agrarian reform had not responded to any of his applications for land. *Central Matilde*, with the support of the state, responded to the land occupation by spraying poison on the occupiers, killing one person, and using the state police to forcibly remove the rest. On a different farm also created through the 2001 agrarian reform, a *campesino* told Lavalle (Ibid 58),

how his father had invaded the same patch of land that the VC [*Misión Vuelvan Caras*] cooperatives were now

occupying. 'He died without ever getting land. I am proud to be here, in the same place where he died.' Others had once worked as peons, often cutting sugar cane in Central Matilde's fields and some had occupied this land unsuccessfully in the 1980s when Central Matilde, they said, had poisoned the creek the occupiers were using as a water source with *gasoil*, a kerosene-like fuel.

The people involved in the 2001 agrarian reform in Yaracuy saw themselves as carrying on the struggle that the previous generation had started. This shared historical memory, as well as the role participants in the 2001 agrarian reform saw themselves as playing in the historic struggle for access to land in the state, played a significant role in mobilizing people in Yaracuy. It strengthened their commitment to the successful implementation of the 2001 agrarian reform.

The agrarian reform of the Chávez government seemed promising in comparison to the previous agrarian reform. Large landowners no longer held political power within the national government. And, Chávez seemed poised to radically change Venezuela's political and economic system, as well as to transform social relations. People in Yaracuy saw Chávez's agrarian reform as an opportunity to improve their lives in an economic sense, as well as an avenue for political empowerment. However, they faced a real obstacle when the Land Law was initially created. The Governor in Yaracuy at the time was part of the opposition, part of the old elite who had controlled politics in Yaracuy, and had excluded the poor majority. Chávez's mobilizing rhetoric and the empowerment people felt with the political rupture that Chávez's election represented were powerful mobilizing factors.

In order to fight the obstacles the opposition Governor in Yaracuy put in the way of the agrarian reform, small farmers and other people who had come from *campesino* families and wanted to return to farming began occupying land in Yaracuy. The land occupations were the beginning of contemporary small farmer organizing in the state. Once supporters of the agrarian reform mobilized, they were able to elect a Governor who identified as a *Chavista*. Supporters of the agrarian reform were then able to gain influence in the local state under the new Governor's administration. For example, a key member of the yet to be formed CRAU, who was active in struggles over land in Yaracuy, became the Governor's Secretary of Land and Food Security. She was actively involved in pushing forward the steps required to begin the land redistribution.

Later on, the *Movimiento Campesino* (MC) and the CRAU developed an on-going conflict with this Governor. As mentioned in an earlier chapter, this reflected divisions that existed within pro-Chávez circles, with the MC and the CRAU representing more radical supporters of Chávez and the Governor representing the less radical faction. Had conflict not emerged, but rather a collaborative relationship between the institutions of the central and state governments and the agrarian reform beneficiaries, the implementation of the agrarian reform would most likely have been more successful.

This case illustrates how the political decentralization that took place in the mid-1990s before Chávez's election opened the way for the opposition to maintain its stronghold on the local level and obstruct the implementation of the agrarian reform. But, it also illustrates how a mobilized population committed to the project of social change can use the electoral process on the local level to further the transition, even if they are not able to elect a Governor as committed to the socialist transformation as they would like. In other words, the class dynamics within the state on the local level and the local state's relationship to the central government also shape how politics—and in this case the implementation of the agrarian reform—play out on the local level.

The people involved in the land occupations under the opposition Governor at the beginning of the agrarian reform were the first people to get settled on the new farms created through the land redistribution. These same people began to formalize their alliance into what they called *Movimiento Campesino*, as well as began (in 2007) to expand their emerging organization beyond Yaracuy to the national level. What was integral to the mobilization that occurred in the state of Yaracuy was the fact that the *campesino* identity was strong in the state. People involved in the agrarian reform were proud to be *campesinos*.

When I later went to Anzoátegui and I used the word *campesino* when speaking with an employee of the government in the local Land Institute office, he told me that I should not use the word *campesino*, because it was offensive. He told me that the connotations associated with it conjured up the image of an uneducated, ignorant, simple-minded person. Not everybody in Anzoátegui seemed to share his perspective, but nonetheless there did not seem to be the same proud sentiment around the identity of *campesino* that I witnessed in Yaracuy. In the latter, people proudly proclaimed that they had come from a long line of *campesinos*, and identified themselves as *campesinos* even though many were just beginning to farm for the first time as adults. They rejected any negative connotations that might have previously been associated with the word and reclaimed it as an identity, an identity they used to mobilize people. The fact that oil was the primary economic activity in Anzoátegui may have also contributed to the negative connotation that *campesino* held for some people. Modernity and progress in Anzoátegui was associated with the development of the oil industry; in contrast the agricultural sector was viewed as backward, a remnant of the past.

The shared historical memory of land struggles in Yaracuy, and the devaluing of agriculture in Anzoátegui, not only differently impacted the degree of mobilization of those who could personally benefit from the agrarian reform, but also impacted the commitment of the people working for the government on the local level. In Yaracuy, the people who headed up the national government's institutions on the local level (the members of the CRAU) were mainly from the region (Yaracuy and in some cases the neighboring state of Lara). Their parents had been *campesinos*. They managed to get the opportunity to go to college in Barquisimeto, the capital of Lara, where some of them met as they were studying agronomy in the university. They became politically active. At least one of the



members of the CRAU was involved in the struggle for land in Yaracuy in the 1980s. She was known by *campesinos* in the state and respected as an intelligent and committed leader in the land struggles. Even while the Chávez government technically did not support land occupations, she personally supported the land occupations. In addition, the core members of the CRAU were politically active prior to the Chávez administration in contrast to the other employees of the government I encountered. Moreover, they were locals (at least in a regional sense<sup>58</sup>), which meant that they, too, were part of this shared historical memory of the mid-twentieth century land struggles.

These factors produced a situation in which the people implementing the agrarian reform on the local level in Yaracuy had a strong commitment to the agrarian reform, and the larger socialist project. They viewed this moment as an opportunity for economic and political empowerment, and they were not going to sit idly by and let the opportunity pass. In fact, all the CRAU and the MC leaders did was work. I saw them work twelve and thirteen hour days, day in and day out. It was not just a job for them. They had a strong personal commitment to seeing the agrarian reform succeed. In Anzoáteguí, I did not witness this same commitment to the agrarian reform or socialism. A number of the employees of the government I met were from other states and a number did not seem to have a direct personal connection to *campesinos*. And I did not see the same level of commitment and effort put into the implementation of the agrarian reform. On an average day, many of the government employees I accompanied on visits to farms in Anzoáteguí would get started around nine thirty or ten in the morning, and end their day by four or five in the afternoon. The employees of one government entity with which I visited a number of farms in Anzoáteguí often did not return to work after lunch. They joked that the main plaza in town was the office of one of their colleagues because that was where he would hang out in the afternoons.

There was a marked difference in the level of commitment to the agrarian reform in the two states. This can, in part, be traced back to the differing natural resource endowments of the two states and how that shaped their economies. The nature of the local economies played a role in shaping people's perceptions of the value of the agricultural sector. This, in turn, impacted the degree of commitment to the agrarian reform on both the part of the intended beneficiaries and on the part of government employees on the local level. This had real implications for the success of the agrarian reform. This, however, is only part of the story. Geographical differences also played an important role in facilitating organization and collaboration in Yaracuy, and creating an obstacle to it in Anzoáteguí.

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<sup>58</sup> Barquisimeto is just on the other side of the border of Yaracuy. Moreover, this part of the country is much more densely populated. Consequently, the state of Lara (or at least parts of it) and the state of Yaracuy felt more integrated to me than the various parts of the state of Anzoáteguí did. For example, there was much more traffic on the highway that ran through Yaracuy, than on the highways that traversed Anzoáteguí.

## **Geographical Differences**

As mentioned in earlier chapters, Yaracuy is a relatively small state and is densely populated. The highway bisects the state and most of the main towns of Yaracuy are situated along this highway. There was ample (and relatively cheap, compared to Anzoátegui) public transportation along this highway, connecting people to both the capital of Yaracuy, San Felipe, and the capital of Lara, Barquisimeto. Rural areas surrounded these towns and this was where the new agrarian reform farms were located. Many of the farms I visited were under an hour from a town. Consequently, people were able to continue living in town where they had been living until housing was constructed in rural areas, or if they wanted to, they could continue living in town indefinitely and still be able to be part of a cooperative on one of the new farms. The government had provided a number of the new farms with vehicles to transport cooperative members from town to farm.<sup>59</sup> As a result, participants were able to continue to be part of their social networks, and were able to continue to have at least minimally decent housing. As I described in Chapter Five, this was not the case in Anzoátegui.

Because of the large size of the state of Anzoátegui and the concentration of the population in a few urban areas, the farms were much more isolated. In Anzoátegui, I spent anywhere from one to five hours traveling from the closest urban area to farms. They were located in remote areas. As such, people who decided to be part of these new farms were isolated, and did not have access to the amenities provided by towns or cities. This was particularly difficult because these farms lacked infrastructure. The vast majority did not have electricity, shelter, running water, or even cell phone coverage. Because of all the delays that resulted from the inefficiencies and shortcomings of the state bureaucracy described in Chapters Four and Five, as well as the isolation (which contributed to the lack of information about what was causing the delays), participants were more likely to get frustrated and abandon the farms. The isolation of these farms also meant that it was more difficult for employees of the government to visit these farms, and for people on these farms to participate when the government did have forums to solicit farmer input on the implementation of the agrarian reform. Moreover, the isolation—the physical distance from towns which was not ameliorated by technology because of the lack of electrical and communication infrastructure in rural areas—made it difficult for farmers to organize, or even to hear about political activities taking place in other parts of the state or country. Unlike in Yaracuy, participants on the new farms in Anzoátegui could not meet weekly to discuss the issues that they were confronting, and how they might deal with them. Geographical factors were an additional obstacle to farmer organizing in Anzoátegui, and impeded the development of a positive relationship between state employees on the local level and people on the farms.

## **Conclusion**

Organization and collaboration did not occur in Anzoátegui to the same degree as it did in Yaracuy. A number of factors help explain these divergent

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<sup>59</sup> The first houses constructed for agrarian reform beneficiaries in the state were, in fact, built in a town, not out on the farm.

outcomes. This chapter identifies the conditions that produced a situation in which people on the local level in Yaracuy mobilized and organized, as well as the conditions that inhibited such a process from occurring in Anzoátegui. Specifically, the continuing importance of agriculture to Yaracuy's economy, the shared historical memory of past struggles for land, and the small size and density of the population in Yaracuy created a favorable environment for collaboration, both between beneficiaries of the agrarian reform, and between those beneficiaries and local government employees. Similarly, the devaluation of agriculture in the oil-based economy of Anzoátegui, the economic dynamics of oil that made agriculture unattractive, and the large size and relatively isolated nature of the countryside inhibited collaboration in Anzoátegui. While certain areas may be more conducive to the organic emergence of grassroots mobilization and organization, this does not mean that there is no possibility for success in the implementation of agrarian reform in places that do not have the conditions identified in this chapter. Having identified what produced the divergent outcome in the two states, we can now examine the extent to which policymakers can take measures that recreate, to some extent, the conditions that existed in Yaracuy. The shared historical memory, obviously, cannot be recreated in places where that past does not exist. However, there are measures that policymakers can take to alleviate some of the problems created by an oil-based economy, and by unpropitious geographical conditions.

Oil-based economies seem to create two problems at the local and national levels: inflation that undermines the development of the agricultural sector, and a social devaluing of agriculture and the people engaged in it. The Venezuelan government took a number of measures to minimize the initial starting costs of switching over to agriculture, including allocating resources to its development, and offering people land, as well as financial and technical support. However, subsidizing the start-up of new farms was not enough given the ongoing Dutch Disease effects created by oil. Unless the government continued to highly subsidize agricultural production in the long-term (and even more so than they already were doing in Anzoátegui), then the economic dynamics created by the oil sector would wipe out the agricultural sector in the long run. The literature on petro-states, however, shows that governments cannot subsidize non-oil sectors of the economy in an on-going manner because the vast fluctuations in the international price of oil means that the government will not always have the necessary revenue. Policymakers need to find a way to minimize the inflation effect created by the oil industry so that agriculture can also be economically viable.

In regards to the devaluing of agriculture that existed in Anzoátegui, again the Venezuelan government took measures to transform the population's perception of the value of agriculture and those who work in it. The government not only showed the value it placed on the agricultural sector by dedicating a significant amount of resources to it, but government leaders also talked about the importance of agriculture in terms of the nation's food security, as well as the government's goal of attaining self-sufficiency in the staple foods of the Venezuelan diet. Policymakers need to find further ways to valorize agriculture.

The decision to enter the agricultural sector must not appear as a step backward. Rural areas of Anzoátegui did not have the infrastructure to provide the modern amenities that the cities offered. One measure that would help change this attitude that rural areas and agriculture were backward would be the construction of infrastructure in rural areas. The ability of people to live in modern homes that have electricity, running water and phone service seems essential if you want people to leave urban areas. This was certainly one of the goals of the Venezuelan government, but, as we saw in Chapter Five, weak state capacity undermined the ability of the government to deliver this infrastructure in a timely manner.

The geographical factors that inhibited organization in Anzoátegui—the large size of the state, its sparsely populated nature, and expensive public transportation that did not even serve most rural areas—cannot all be remedied by government policy. However, the government can take measures to make these conditions less of an obstacle to mobilization and collaboration. In order to increase the ease of mobility within the state, the government would need to take measures to extend public transportation into rural areas, and make it more affordable. In order to increase the ability of people in distant parts of the state to communicate with each other, the government would need to prioritize the development of electrical and communication infrastructure in rural areas. Even if agrarian reform beneficiaries in Anzoátegui could not get together weekly to discuss the challenges they confronted, and possible solutions, they could at least communicate via telephone, the internet, the radio and the television. As for the local employees of the government, they need greater access to vehicles so that they can visit the farms regularly, as well as be encouraged to spend the night on farms that are extremely remote if need be. The latter of which also requires housing infrastructure so that there would, in fact, be a place for them to sleep.

Moreover, the government's classes for employees on socialist ideology was not enough to motivate some people to put effort into effectively carrying out their job duties. This suggests that the government would need to provide incentives to its employees to personally vest them in the success of the agrarian reform farms. Giving employees on the local level greater room for initiative could encourage some to become more invested in the project of social change. If government employees on the local level feel powerless, and frustrated with the headquarter offices of their institutions, which was an impression that I got from a number of employees in Anzoátegui, they are unlikely to be that motivated, and this will be reflected in the degree of success on the farms. Regardless of how, the government needs to find a way to improve the attitudes of its employees vis-à-vis the social project they are being given the responsibility to carry out, especially in areas of the country where people are not mobilized by shared historical memory.

## **Part III: Conclusion**

### **Chapter 8 Lessons from Venezuela**

Through my synthesis of the literature on petro-states, developmental states and states in transition to socialism in Chapter Two and my empirical findings in Chapters Three through Seven, I concluded that the macroeconomic dynamics of oil produced a state with weak capacity, one that did not have the characteristics of a developmental state, but rather was centralized, lacked coordination between its various parts, and had limited expertise. The macroeconomic dynamics caused by economic dependence on oil exports also produced a population that was poorly organized at the outset of the agrarian reform. This, coupled with the petro-state tendency to centralize decision-making, undermined efforts to institutionalize links to society, another crucial characteristic of developmental states.

Petro-states do, however, have one characteristic that facilitates their ability to promote an independent development agenda, and that is financial autonomy. This financial autonomy from the domestic elite is strengthened in cases where the state has nationalized the oil industry, and exists only during times when the price of oil is sufficiently high. The political upheaval that occurs when a socialist-oriented government gains power—as occurred in Venezuela—creates the conditions for structural autonomy because the domestic elite are ousted from the government, albeit often not completely. Nonetheless, the previously powerful no longer have the political power they once had, and the new government can act to change the course of society, and the nature of development. And, with the financial autonomy petro-states have during oil booms, the new government has the financial ability to do so.

Nevertheless, the social, political and economic structures that emerged over decades of oil dependence in Venezuela shaped the economy, the structure and political culture of the state, as well as the society's degree of organization and relationship to the state, in such a way that it undermined the implementation of the agrarian reform. Delays in the receipt of government financial support and the resolution of problems, contradictory advice regarding farming operations, as well as the lack of coordination between the many government agencies that had established relationships with each farm and limited state-society collaboration, were among the negative outcomes that occurred in the implementation of the agrarian reform.

Moreover, the dynamics present in a transition to socialism—in particular the politically polarized nature of such a context that led the opposition in Venezuela to repeatedly attempt to destabilize the government, and to undermine the implementation of the agrarian reform—made it difficult for the government to build state capacity, and discouraged the decentralization of decision-making that was necessary for institutionalizing links to groups within society, and increasing popular participation. This presented a number of obstacles to the efforts to transform the agricultural sector, and to implement a socialist-inspired development model in rural areas.

The Venezuelan case study, however, also illustrates that the dynamics created by oil dependence were not uniform across the national territory, and that the obstacles created by oil and its subsequent impacts could be overcome. What transpired in Yaracuy—as described in Chapter Six—illustrates the variety of steps that actors on the local level could take as corrective measures in the inhospitable context produced economically by oil, and politically by the transition to socialism. We saw that through organization—both by agrarian reform beneficiaries and local state employees—and state-society collaboration between these two groups in Yaracuy, some of the characteristics of the developmental state can begin to be constructed on the local level.

Actors were able to lobby the hierarchical, state bureaucracy to change policies that contradicted the new vision for the agricultural sector. Moreover, by being proactive and doing what they could within the limited space that existed in the context of a centralized state that was accustomed to telling people what to do rather than involving them in decision making, actors in Yaracuy took what power they could—in effect creating a degree of decentralization within the government. Aware that lack of expertise on the part of both farmers and employees of the government was a significant obstacle in the agrarian reform, the CRAU and the MC targeted their efforts at building expertise—through suggestions of concrete steps cooperatives could take in order to improve their functioning, and through the provision of training courses for employees of the government on the local level. And finally, the CRAU saw the problems created by the lack of coordination, and they took the necessary steps to coordinate their activities on the local level, even though they continued to receive directives from their headquarter institutions in Caracas as to what to focus on, or what new program to promote, that at times may have conflicted with the CRAU's agenda. In effect, both the MC and the CRAU juggled focusing on implementing the directives from Caracas and focusing on their own agenda, which they created based on what they were seeing on the ground, and what they determined was needed. These findings can help nuance the theories generated in the literatures on petro-states, developmental states, and states in transition to socialism.

Due to its emphasis on the overarching impacts of oil extraction and export, the literature on petro-states paints a pessimistic picture of the possibilities for economic diversification, the building of state capacity, and the possibilities for popular sectors to organize and gain access to the state. This emphasis on structural determinants overlooks the role agency can play, and where there may be room to subvert the structures produced by the macroeconomic effects of oil extraction and production. My study shows how actors can mitigate these dynamics as they play out in the implementation of the agrarian reform. If development is the goal—however it is defined—then we should be focusing on how actors can change the status quo produced by the institutions and structures that are in place, how actors can subvert the institutions and structures that undermine development. The MC and the CRAU show us some ways that actors can influence the outcome of development. What the actors in Yaracuy did was build state capacity and embed the state institutions in the relevant social group for a socialist model of rural development,

the *campesinos*. In effect, the MC and the CRAU began to construct the characteristics the literature on developmental states suggested were needed for effective state intervention.

As the literature on transitions to socialism discusses, there is a tendency for states in this political context to demand that its supporters adhere to the party line, that supporters provide a solid front vis-à-vis the opposition who will stop at nothing to overthrow the revolutionary government. Benglesdorf (1994) argues that external threat shapes the civil society organizations that emerge in a transition to socialism, and that it can lead to “the destruction of organized political autonomy and pluralistic expression” (5). Dissent within the movement for revolutionary change may end up being discouraged. Popular organizations may become highly managed by the state to make sure they remain allies, and do not begin to challenge the government. The research on the Chilean and Nicaraguan cases illustrates the loss of autonomy on the part of popular organizations and the rise of clientelistic relations between the state and groups within society that can occur, as well as the long-term implications of these dynamics for popular organizations.

### **Autonomy, Dissent and Participation**

In both Nicaragua and Chile, the government encouraged and facilitated the founding of rural organizations. In Nicaragua, civil society was weak when the Sandinistas attained power, so the state played a large role in directing and implementing the social transformation (Corragio 1984). The Sandinistas were catalysts in the emergence of the *Asociación de Trabajadores del Campo* (ATC) in 1978 and the *Unión Nacional de Agricultores y Ganaderos* (UNAG) in 1981. The ATC represented farm workers, while UNAG represented small- and medium-sized farmers (Luciak 1995). In Chile under President Frei, the government allocated resources to organizing farm workers into unions; and union leaders were selected by the government (Lehmann 1992). By the end of Frei’s presidency, 140,000 rural workers were part of a union, and two-thirds of these workers were in unions controlled by the Christian Democrats (Kay 1978:125). Consequently, the government wielded some influence in the definition of the goals and mission of these organizations at the time of their founding.

These organizations were also financially dependent on the government, which limited their autonomy. In Nicaragua, not only did the ATC as an organization rely on the government for financial support, but also the majority of its members were personally dependent on the government as employees on the state farms. UNAG, on the other hand, was more autonomous from the government because it was less financially dependent on it, as were its members who farmed their own land (Luciak 1995). The focus of popular organizations became about getting resources from the state: “The organization of the masses has come to depend on their leadership’s capacity for the mobilization and access to state resources, rather than on the development of the class struggle itself” (Corragio 1984:156). In Chile under President Frei, union leaders were provided support from state institutions, including use of office space,

telephones, and transportation (Lehmann 1992). In addition to the unions, rural organizations in Chile took the form of *asentamientos*, that organized farmers on land reform farms. These farmers were even more financially dependent on the government because the state owned the land they farmed and provided them with credit. Moreover, the state had the power to veto decisions made on these farms.

Government involvement in the founding of these rural organizations, and the latter's financial dependence on the former made it difficult for them to act autonomously from the government. The ATC was often involved in activities sponsored by the government and tended to prioritize the defense of the overarching goals of the revolution over fighting for the specific demands of rural workers (Luciak 1995). "The mass organizations led by the FSLN were transformed from forces enunciating their own specific demands to supportive forces, which often merely implemented the guidelines handed down to them by the revolutionary leadership and the state" (Corragio 1984:156). Mass organizations were tasked with implementing the government's agenda rather than lobbying the state to implement policies in the interests of their constituents (Fagen 1984). This, in turn, had implications for these mass organizations.

This inability to act autonomously from the government occurred in Chile as well. Union leaders avoided directly confronting the government even when the government took actions the membership disliked. Rather, the union leaders opted to work through the bureaucracy and act as mediators between union membership and the state institutions (Roxborough 1992). On the *asentamientos*, there was pressure to follow what the government wanted: "The integration of the *asentados* into society consisted in the development of a profitable relationship of patronage (and dependence) with the state machine and the governing party of the day" (Lehmann 1992:121). The government created a clientele. "*Asentados* provided a loyal base of support for the Christian Democrat Party through their control over the *Federación de Asentamientos* and through the *asentamiento's* dependence on the state for credits and subsidies. It appears that the government was willing to subsidize the *asentamientos* in return for their political allegiance" (Kay 1978:127).

The rural organizations in Nicaragua and Chile came to be seen by some small farmers as appendages of the government, which led to their loss of credibility. A lack of autonomy from the government stunted the growth and development of these rural organizations because they lost legitimacy among their constituents. Some farm workers perceived the ATC as promoting, first and foremost, the interests of the government, rather than prioritizing the interests of its constituents. As a result, the development of the organization and its ability to represent rural workers as a social group was limited. "Rural workers, even when supportive of the Sandinista Front, frequently objected to this close relationship and many chose not to join the union. They wanted to see their interests represented by a more independent organization" (Luciak 1995: 68). Moreover, farm workers who did not support the Sandinistas, but otherwise would have joined a union, did not. As a result, the ATC lost credibility among some rural workers. Although UNAG maintained more independence from the government,



organizers sometimes had to neglect their work because the Sandinista party called on them to engage in activities focused on the survival of the revolutionary government. Moreover, its meetings often turned into political rallies. “Grassroots participation declined as a result of this ‘politicization’ and peasant leaders were alienated” from the base of the organization (Ibid 112). The state, not the mass organizations, came to be seen as the one “that struggles and that delivers or postpones the fulfillment of demands” (Corraggio 1984:157). This perception would, in turn, make the mass organizations irrelevant. In Chile, the lack of autonomy meant that the unions under the Frei government limited their demands to wages and working conditions, rather than demanding the government expropriate land (Kay 1978:126).

While the dynamics just described undermined these organizations, some benefits for small farmers resulted from their relationship with the government. The ATC was formed during the insurrectionary period, which gave it a seat at the table when the Sandinistas gained power. Members of the ATC helped design the agrarian reform law and the law of cooperatives. Enríquez (1997) argues that through participation in these organizations [ATC and UNAG], farmers had “an open channel to those making policies that affected their daily lives” (160). Moreover, through organization the small-farmers were “able to become a key focus of government interest” (Ibid 146). This meant that resources were allocated to programs that benefited small farmers.

These case studies also illustrate the fact that governments are generally not cohesive, unitary actors. As the literature on transitions to socialism demonstrates, the revolutionary leadership rarely has full control over the government bureaucracy because the politically polarized nature of the transition leads the opposition to retain and/or gain footholds in the state in order to undermine the process of change. So when small farmers are allied with and dependent on the government, this does not necessarily mean all parts of the government. In Chile, for example, when the socialist government of Salvador Allende came to power and the country’s leadership sought to accelerate the land reform, *campesino* leaders believed that they had an important role to play in pressuring the parts of the government bureaucracy that were obstructing the agrarian reform to do their job. This was one way that they felt they could support the Allende government in its efforts to transform the society.

In order to counteract the landlord resistance and bureaucratic sabotage within CORA [the state agency implementing the reforms] which was creating the delays [in the implementation of the agrarian reform] it would be necessary to exert massive pressure on CORA to take action. The movement was therefore seen in several sectors as an attempt to help the UP [Popular Unity government] carry through its programme by mobilising the bases (Roxborough 1992:172).

The organized small-farmer movement saw its role under the revolutionary government as one of pressuring the government bureaucracy to carry out the

reforms legislated by the leaders of the revolution, similar to the perspective taken by many small farmers in Venezuela.

Dissatisfaction with the slow pace of reforms can emerge among people outside the state who support a government. The degree of responsiveness of a political system to demands for change will determine when people work within the system and when they work outside the system (Zald 2000). Popular sectors may engage in new forms of collective action in order to push for a rapid transformation of society. Consequently, pro-revolution movements may engage in protest of the government through such strategies as occupations of government buildings, private land and factories. Land occupations occurred in both Chile (Winn and Kay 1974) and Venezuela (Lavalle 2005) in order to pressure the government to more rapidly implement the land redistribution. The *campesino* movements worked outside the political system to put pressure on the parts of the government bureaucracy that were not implementing the legislated reforms. In this situation, these movements were asserting their autonomy from the government, which generally did not support occupations. In moments of conflict between social movements and political institutions, those inside the political institutions must make a decision whether to prioritize their institutional allegiance or their movement allegiance (Caniglia 2001). The decision they make will affect the degree of conflict between the government and the movement, and the prospects for truly transforming the state and economy.

In examining the relationship of the government and the newly formed pro-agrarian reform rural organizations in Nicaragua and Chile, we can see that while the close relationship provided these organizations with access to the government and the ability to participate in defining and implementing the new rural development model, it also undermined their ability to promote the interests of their constituents by limiting the positions they could take as a result both of the role the government played in their founding and their financial dependence on the government. In other words, the nature of the alliance matters. A close alliance has both potentially positive effects—an increased voice for popular sectors and more effective implementation of policy—and potentially negative effects—the emergence of a clientelistic relationship between the government and its supporters and the inability of popular organizations to challenge the government and grow as institutions as described in the cases of Chile and Nicaragua.

Analysis of these three cases—Chile, Nicaragua and Venezuela—suggests that creating the space for supporters at times to challenge the government may in fact strengthen the government's base of support. If popular sectors feel that they have a voice in shaping the revolutionary project, they will have a vested interest in not letting the opposition groups regain power because under the opposition they had no voice. However, if they are displeased with the way the revolutionary leaders are handling the transformation and they feel that they have no say in the matter, they will not work to ensure the survival of the revolutionary

government.<sup>60</sup> Supporters, or potential supporters, may turn away from government-sponsored popular organizations if they do not feel that they are free to develop an independent voice. In this situation, those who decide to participate in these popular organizations become, in effect, a clientele of the government. This ultimately leads to the development of stratification within popular sectors, thereby undermining the socialist project of reducing inequality. In Chile, inequality among rural laborers increased as a result of the *asentamientos* (Kay 1978). “The Christian Democrats were forming a privileged group of peasants, the *asentados*, who would eventually become a petty bourgeoisie and act as a buffer for the social tensions resulting from the conflicts between rural bourgeoisie and the proletariat” (Kay 1978:127). This group ultimately worked against the project to transition to socialism.

Moreover, there is an important role for groups outside the state to play. As the literature on states in transition to socialism shows us, the revolutionary government does not gain complete control over the state bureaucracy; the opposition retains some power within the state. Creating the space for groups outside the state to organize and put pressure on the parts of the state that are obstructing the social, political and economic reforms is key to success. Popular sectors may be able to pressure these state bureaucrats to do their job by bringing attention to the fact that they are not doing it, or by providing the government with sufficient evidence that these people are not doing their job that the government can legally fire them. This will help push forward the reforms and the transition to socialism.

In other words, demanding that people strictly adhere to the party line may in fact undermine the project of social change. A little “chaos” within the revolutionary movement may actually strengthen it, and increase the likelihood of real changes occurring.<sup>61</sup> Lowy (1984:271) argues, “Political pluralism...is not a concession to the bourgeoisie, but rather the condition for the existence of a real political life, a real confrontation of points of view and the possibility of a real *decision* by workers on matters essential to the country’s economic, social and political life” (italics in original). The national farmer meeting in Anzoátegui that I described in Chapter Six is an example of such internal dissonance. While some (such as the CRAU and the MC) were displeased with what occurred at this meeting—that the focus of the meeting shifted to a discussion of how to deal with

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<sup>60</sup> This could take a number of forms from supporting the government electorally to actively trying to raise awareness about the opposition’s efforts to destabilize the government or spread misinformation.

<sup>61</sup> In Thayer’s study of transnational feminist networks (2010:28-29), she argues, “Diversity among participants may sometimes produce internal dissonance, but it may also lead to constructive debates and creative synergies for marginalized constituencies.” While Thayer described the power dynamics between foundation donors in the Global North, middle-class women in an urban NGO in Brazil, and low-income women in a rural social movement in Brazil, her conclusions are also relevant to state-society alliances in transitions to socialism. In the latter, the members involved in the alliance also have shared goals. Moreover, their relationship may also involve power inequalities. Thayer (Ibid 28-29) explains, “Issues of representation can be disputed and accountabilities can be demanded by less apparently powerful participants. It is a space, in short, where the internal democracy so crucial to social movement alliances can be struggled for, if not always won.”

the problems in the state bureaucracy, and its failure to implement the agrarian reform, and ultimately concluded with a decision to occupy a government office in Caracas—a healthy debate took place. This illustrated that the government did not have control over this emerging popular organization. The government could not force the people present at the meeting to quietly accept the problems that existed in the implementation of the agrarian reform. The fact that participants could shape the meeting's agenda was a testament to the fact that a democratic process was at work, and that this organization, at that point in time, was a venue through which the people it was supposed to represent could discuss and debate how to address the problems, even if it meant challenging the government these people supported.

Dissent among supporters is feared because it is believed that the opposition will take advantage of it and use it to overthrow the government. Corraggio (1984:159) writes, "Political competition incorporated by the revolution as a component of the new society opens the door to opposition attacks designed to capitalize on the discontent generated by the difficult economic situation." This contributes to the tendency—pointed out in the literature on transitions to socialism—to centralize decision-making. "Powerful traditions, arguments and urgent realities pull toward a nondemocratic system of conflict management in the context of a transition to socialism" (Fagen 1984:261). But, as I have shown in this dissertation, this centralization of decision-making limits how much the intended beneficiaries of the agrarian reform can participate in decision-making, as well as how much the people on the local level familiar with the difficulties in the implementation of the agrarian reform can directly address the problems. Both of these outcomes undermine the project to transform society, as well as support for the government.

This fear that the opposition will be able to more easily prevent the transition from taking place if power is not centralized in the national government, which is controlled by the revolutionary movement, seems to assume that there is no middle ground between complete centralization and complete decentralization. Decentralization and popular participation does not have to mean that there is no role for the central government in the implementation of the development projects, or that the central government cannot exercise some oversight in the process, or that the implementation of the agrarian reform is not a coordinated effort between the multiples levels of the government and organized popular sectors. In other words, there are ways to mitigate some of the dangers of decentralization, while still realizing some of its benefits. It is not helpful to think of centralization and decentralization as an either/or scenario. Rather, like the concept of Empowered Deliberative Democracy proposed by Fung and Wright (2001), participatory structures on the local level can be linked to other levels of the political system. There are multiple ways the various levels of the government and organized popular sectors can communicate and coordinate in order to address problems that arise, whether they are related to the opposition, or to deficiencies in either state capacity or popular organization.

Moreover, as addressed in Chapter One, socialism involves participation of the population in decision-making regarding the allocation of resources.

Benglesdorf (1994:3) argues, “Egalitarian popular participation in determining and carrying out public policy and in directly controlling the process of production lies at the center of the Marxist definition of socialist society.” She says, however, in practice this has not been the case and she identifies three reasons for this. First, she attributes this contradiction in the theory and practice to an emphasis in countries in the Global South on the state as the actor with the responsibility to solve problems. Second, she explains that democratic practice has been undermined as a result of external opposition, which has allied itself with internal opposition. She argues, “liberal’ freedoms must be a measure of the content and reality of democracy in a transitional society,” but often times the threats faced by transitional societies lead the government to deny the population these freedoms (5). And, the third reason, she argues, relates to Marxist theory. Because of Marx’s singular focus on class and his failure to describe the transition, his “vision failed to understand the continuing need for borders between civil society and the state” (178). An organized civil society needs to be an independent and autonomous actor, whose decisions determine the state’s actions. This is in line with Wright’s (2004) conception of socialism, which I described in Chapter One. Corraggio (1984:165) also emphasizes the idea that the state alone cannot facilitate the transition, but rather “autonomously organized social forces” must actively participate in politics.

Twenty-first century socialism in Venezuela has not achieved the state-society relationship needed for an egalitarian and participatory socialism to date. What we see on the part of the state in Venezuela is a tendency toward centralization of decision-making, paradigmatic thinking and a lack of flexibility. This rigidity may simplify planning and execution, but it also tends to undermine the success of development projects. Reality never neatly fits into the models created by development planners, which is precisely why there has to be some degree of decentralization so that people on the local level who can see when and/or how reality is not matching the model are empowered to address these discrepancies. There has to be room for unanticipated changes to be made quickly; implementation has to be dynamic.

While the specific practices the CRAU and the MC employed could potentially be implemented in another context to increase the chances of success, the conditions that led to the organic emergence of the CRAU and the MC may not be able to be recreated to the same extent. However, as discussed in the previous chapter, there certainly are some measures policymakers can take to create a context that is more conducive to organization and collaboration. In the agrarian sector, these include taking measures to minimize the inflation effect of the oil industry, extend public transportation into rural areas and make it more affordable, prioritize the development of electrical and communication infrastructure in rural areas, provide vehicles for government employees so that they can regularly visit the farms, provide incentives to personally vest the employees in the success of the farms, give employees on the local level greater room for initiative, valorize agriculture and construct the necessary infrastructure to make living conditions in rural areas desirable.

Nonetheless, it is important to point out that even with the organization and collaboration that occurred in Yaracuy, the implementation of the agrarian reform, as observed at the time of fieldwork, was not the amazing success hoped for. As argued in this dissertation, this reflects the weak state capacity produced in large part by the country's dependence on the export of oil. While the steps taken in Yaracuy offer potential solutions for improving the implementation of the agrarian reform, there are also modifications that could be made to the design of the agrarian reform that could also improve its chances of success.

### **Redesigning Agrarian Reform**

Undertaking an agrarian reform that redistributes land, provides resources and technical support to small farmers, and shifts the country to an environmentally sustainable agricultural model was an important step toward addressing poverty and inequality, and all the problems that resulted from these conditions. And the Venezuelan government showed a genuine commitment to this type of agrarian reform, as evidenced by the enormous amount of resources that it allocated toward implementing it. Moreover, the design of Venezuela's agrarian reform sought to avoid a number of the problems that previous agrarian reforms had experienced, and, as we will see, a number of the conditions that Griffin et al. (2002) identify as key to successful agrarian reform were met in the Venezuelan case.

Griffin et al. (Ibid.) examine the successful land reforms that took place in Taiwan, Japan and South Korea, and identify several factors that, they argue, explain the success of these earlier reforms. In Taiwan and South Korea, the state owned a lot of land. Consequently, state-owned land could be redistributed before the state had to begin taking land from private owners. Secondly, the state in the East Asian agrarian reforms had resources to draw on to pay landowners for the land they took. Third, the reform was not market-based; rather the state confiscated the land, and provided a subsidy to the beneficiaries. Fourth, Griffin et al. (Ibid) argue that it was necessary to have a strong and determined government that was not dependent on the landowners for support. Fifth, the state introduced tenure reforms before land was redistributed, which led to a fall in land values, and thereby lowered the price at which the government had to purchase the land from private owners. The sixth factor in the East Asian land reforms was that there was strong local organization to implement and monitor the reform, which decreased corruption; "In other words, active participation in the reform process by the intended beneficiaries was an essential ingredient of success" (Ibid 309). The seventh factor that facilitated the success of the land reforms in Asia was the pre-reform institutional arrangements. Prior to the land reform, there were not many wage-laborers. Rather, there were many small farmers already working the land as tenants without title. Consequently, the reform did not displace people so much as it legalized their ownership over the land they were already working.

It was the last two factors identified by Griffin et al. that Venezuela lacked, and that created some additional challenges in the implementation of its agrarian

reform. In Venezuela, for the most part, there were not preexisting organizations on the local level to monitor the implementation of the agrarian reform. As this dissertation shows, the agrarian reform was more successful where local organizations eventually emerged. The other significant difference between the East Asian land reforms described by Griffin et al. and the Venezuelan case was that many of the beneficiaries of Venezuela's agrarian reform were not small farmers prior to the reform. This added two additional challenges to Venezuela's agrarian reform. The first was that many people relocated to rural areas and had to build communities from scratch, often far from their families and friends. And, the second was that people needed to learn to farm, which takes time and requires instruction.

In sum, those who designed the agrarian reform in Venezuela took into account lessons learned from earlier agrarian reforms. The two conditions identified by Griffin et al. (ibid) that were not met in the Venezuelan case were pre-existing conditions in rural areas that the Venezuelan government could not create on its own overnight. The problems I identified in this dissertation—the lack of popular organization and state-society collaboration, the challenges involved in teaching people to farm, as well as the social dislocation and isolation caused by resettlement in rural areas—directly result from the lack of existence of these two conditions: pre-existing local organizations to monitor the land reform and already existing farmers who mainly need legal title to their land.

Through the agrarian reform, the Venezuelan government sought to solve multiple social problems, including economic dependence on oil export, low levels of agricultural production, concentration of land, the negative economic, ecological and health repercussions of dependence on Green Revolution technologies, urban unemployment and substandard living conditions, and a low-skilled population, among other issues. By trying to address so many problems with one policy, the government failed to fully address any one of those problems, and undermined the success of the agrarian reform in the process.

At the outset, the agrarian reform did not target resources at existing farmers. Rather, since Venezuela was a highly urbanized country, and consequently, the majority of the government's supporters lived in urban areas, the government sought to address a number of urban social problems through geographically redistributing the population and creating jobs in the agricultural sector. As a result, resources were concentrated on people who had been living in urban areas, and working in other sectors of the economy. If the goals of the agrarian reform had been limited to increasing agricultural production, expanding small farmer access to resources (such as land, agricultural inputs, extension services), and shifting to an agroecological model, then resources would have been concentrated on people who already had familiarity with agriculture, and who lived in the particular locales where the newly redistributed land was located. This would have eliminated two of the challenges that I found to be the most significant obstacles to the successful implementation of the agrarian reform: lack of experience in agriculture and social dislocation and isolation. Maybe a state with high capacity could successfully address multiple social problems through agrarian reform, but the Venezuelan case suggests that a state with weak

capacity may not be able to successfully undertake such an ambitious project, and that it would be more prudent to limit the number of challenges involved in successfully carrying out the agrarian reform, at least until state capacity is strengthened.

Moreover, the government was trying to implement a transition to socialism in the realm of agriculture everywhere at the same time. This may have been a result of political considerations. The government may have wanted the reforms to benefit as many of its supporters and potential supporters as quickly as possible in order to maintain and grow its political base of support given the opposition it faced from the previously powerful. In any case, implementing the agrarian reform across the entire national territory at the outset was also ambitious, and seemed to be more than the Venezuelan state could effectively do. A more strategic investment of resources, what we could call a *rolling transition*, one that occurs first where the conditions for success are the best, and then expands out from there, would be more likely to yield a successful outcome. In such a scenario, the agrarian reform may have been implemented in Yaracuy before Anzoátegui since Yaracuy's primary economic activity was agriculture, the soils were fertile, and the desire for the agrarian reform was strong. Anzoátegui, on the other hand, would, in such a strategy, be one of the last places to implement the agrarian reform. If people living in Anzoátegui were able to first witness the benefits of the agrarian reform in other states, then there may have been more enthusiasm for it. Moreover, if the government, by implementing the reforms in more conducive locations first, had identified challenges in the implementation, and ways to address these challenges, then it would have greater expertise when implementing the reforms in a more difficult context.

The Venezuelan government took into account lessons learned from previous agrarian reforms in its design of its own. Unfortunately, Venezuela had a number of unfavorable conditions that created challenges, including weak state capacity, a society that was not particularly organized, a high concentration of people in urban areas, and few existing small farmers working the land. Given these challenges, the Venezuelan government may have had more success if it had not designed such an ambitious program that sought to address so many social problems, and had been more strategic in terms of when, where and how it implemented the agrarian reform. The high modernist thinking described by Scott took hold of government planners in Venezuela who were eager to address as many social issues as possible, and this ultimately undermined the agrarian reform.

As mentioned in the introduction of this dissertation, the agrarian reform in Venezuela was a window through which to investigate the challenges, as well as potential solutions to the problems that emerged, in a country pursuing a redistributive development model that aims to empower popular sectors. From this study, we can conclude that there are at least four conditions needed for successful development. The first condition is a government that truly wants to address inequality and the exclusion of the poor from politics and development. Arguably, this occurred in a number of countries in Latin America in the early twenty-first century with the election of left of center leaders. The second



condition is some degree of financial autonomy from the institutions and governments that promote neoliberal policies. Without autonomy governments will not have the necessary room to implement the kinds of policies that will address the problems of inequality and lack of economic diversification. The third condition involves building state capacity so that the state can facilitate development and provide the necessary support. And, finally, successful development requires organization on the part of popular sectors so that they can participate in defining and implementing development.

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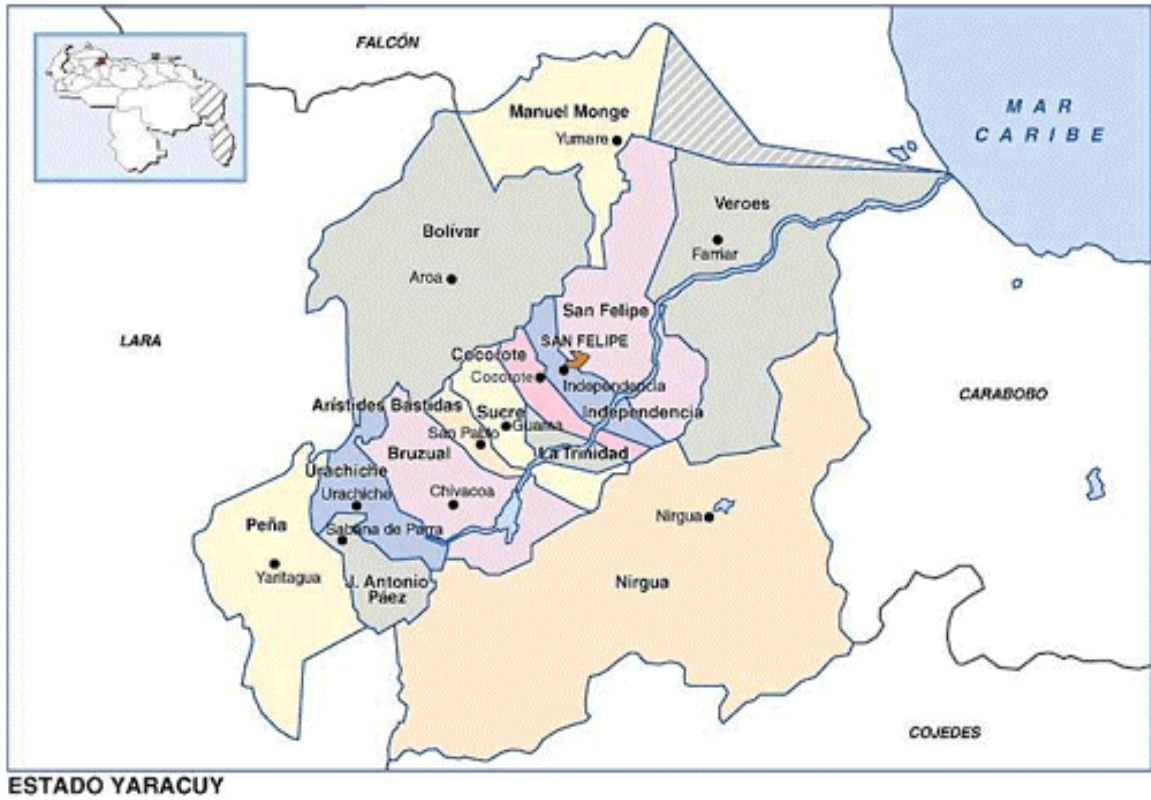
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## Appendix A: Map of Venezuela



## Appendix B: Map of Yaracuy



## Appendix C: Map of Anzoátegui



## Appendix D: Methodological Discussion

When I set out to do fieldwork on the agrarian reform in January 2007, I intended to focus on the state of Lara. I was particularly interested in the *Vuelta al Campo* program (VAC), the government's project to train people from urban areas to become farmers. The program went beyond the traditional goals of agrarian reform, and sought to address a wide variety of social and economic issues, not only rural, but urban, as well. Therefore, it seemed worth studying to what extent it was effective, as well as the personal impact it had on the people who volunteered to be part of it. In order to ensure that I had something to study, I selected Lara because the first *Vuelta al Campo* (VAC) farm was established there in 2003. I figured that it would be the farthest along in the process of implementing the many projects planned for these farms.

I found my initial contact with the INTI office in Barquisimeto, the capital of Lara, to be positive, and an employee of INTI took me to visit the one VAC farm in the state. Immediately after my visit to the farm, I was informed by my contact in the INTI office in Barquisimeto that his supervisor told him that I was not allowed to visit more farms until I got permission from the Ministry of Agriculture in Caracas. I never ended up going to Caracas to seek permission because, at the same time, government employees and farm leaders in Yaracuy were inviting me to join them on visits to farms in their state. When I had first arrived in Lara, I had gone to the university to speak with an agronomy professor, and he had introduced me to one of his students, who was studying a coffee-processing NUDE (nuclei of endogenous development) in Yaracuy. Through this connection, I met a number of people in Yaracuy involved in the agrarian reform, all of who were quite welcoming.

I decided that it would be more fruitful to choose a state where I would be granted nearly unlimited access because I would be able to collect much richer data on my two principal areas of interest: state capacity and popular participation in the implementation of the agrarian reform. My interest in the VAC program was secondary. Yaracuy did not have VAC farms, but I soon found that many of the people I encountered on the agrarian reform farms were new to farming as well. They had participated in a different program, *Misión Vuelvan Caras*. Consequently, I was still able to study the government's project to bring people into farming.

I ultimately chose the state of Yaracuy as one of my cases because of the access I was granted there. This might suggest that the agrarian reform was proceeding better there than in other parts of the country, or at least than in Lara. This certainly may have been the case, but I do not believe that it undermines my conclusions. I was not attempting to select a state that somehow represented the norm, or was "average." The two states where I did extensive fieldwork may have been extreme cases. And, as a result, this may have put the challenges confronted in the project of agrarian reform into relief, as well as provided me with the opportunity to study potential local solutions to these problems. Had I not done fieldwork in a state where people were organized and collaborating, I would not have been able to examine how people on the local level were, and could, go about addressing the national level problems. Therefore, even if this was not the

norm, it was worthwhile to study it in order to better understand the possibilities on the local level. In other words, I was able to gain insight into dynamics and processes that a potentially more “average” state may not have been able to shed light on.

I first met members of the CRAU and the MC at a farmer-government meeting that was occurring in Yaracuy, and which I heard about from my contact at the coffee-processing NUDE. At this meeting, I met two people whose names I had, in fact, been given by a UC Berkeley graduate student who had done fieldwork earlier in Yaracuy. I introduced myself and they invited me to attend an upcoming government event inaugurating newly built homes for some agrarian reform beneficiaries in the state. At this event, I was introduced to one of the leaders of the MC, who gave me his phone number and told me that I was welcome to accompany him to farms he was visiting.

That day I also got a ride back to Barquisimeto, the capital of Lara where I was staying, with one of the members of the CRAU, who lived there. Barquisimeto is on the Lara-Yaracuy border, so he commuted on a daily basis from Barquisimeto to San Felipe, the capital of Yaracuy where the government offices were located. He offered to give me a ride to Yaracuy everyday and let me tag along as he did his job. This is how I got to observe the daily activities of the CRAU and the MC. I was able to visit a number of farms with various members of the CRAU and the MC. They introduced me to farmers on the agrarian reform farms. I spent about two months doing this in order to get a sense of where all the farms were, observe how the CRAU and the MC worked—alone and together—and to get to know people on the farms.

I then spent the next three months traveling around Yaracuy on my own. Public transportation in the state was good and the farms were not too far from the towns. I visited as many of the agrarian reform farms as I could on my own, and interviewed people on the farms. I also interviewed a few farmers who were not on agrarian reform farms. I, then, formally interviewed the members of the CRAU and the leaders of the MC at the end of my first phase of fieldwork.

After completing six months of fieldwork in Yaracuy, I chose Anzoáteguí as my second state for extensive fieldwork. I selected Anzoáteguí for a couple of reasons. First, it had the most VAC farms of any state in the country. As I mentioned, in Yaracuy, there were no VAC farms, but there were people new to farming on the agrarian reform farms. I was interested in comparing the farms that were part of the VAC program with the farms that were created through MVC courses. A key distinction between the two was where participants came from. Most MVC participants were from local urban areas, while most VAC participants were from urban areas in other states, with the majority being from Caracas. I also thought that it would be interesting to study the agrarian reform in a state that was not considered an agricultural state, but was part of the government plan to expand agricultural production throughout the country. And, finally, I had a few contacts in Anzoáteguí. In June 2007, I had traveled there with members of the CRAU and the MC in order to attend a national small farmer meeting. On this trip, I met a few farmers from Anzoáteguí, from whom I got contact information.

I found Anzoátegui to be a difficult state in which to do fieldwork for several reasons. First, it was a very large state and public transportation in rural areas was basically nonexistent. Second, in general, the people I encountered in the government institutions were either unhelpful or were not particularly committed to their job so they did not spend much time on farms. Third, there was really no organized farmers' movement.

Even though I had some experiences in Anzoátegui that were like what I encountered in Lara when I first arrived, there were several government agencies in Anzoátegui that allowed me to accompany their employees to farms. I visited a number of farms with Grupo CATA, INTI, INIA and CIARA, as well as visited a number of rural communities through a joint project of INIA, PDVSA and the Bolivarian University. In the latter, some of the people in these rural communities had individually received, or applied to receive, titles to land through the agrarian reform. But these communities did not have any of the newly created agrarian reform farms that were given to cooperatives formed through one of the government's programs. In Anzoátegui, I had the opportunity to visit more farms that were not newly created through the agrarian reform than I did in Yaracuy. Visiting rural areas with little farming proved to be unexpectedly useful in that it brought to my attention the fact that rural residents of Anzoátegui were not excited about farming because they could earn more working for oil companies on short-term contract.

My fieldwork, however, focused primarily on newly created agrarian reform farms that had cooperatives formed through either the MVC or VAC program. These were the farms getting the vast majority of attention and resources from the government. It was clear that there were many farms in both states that were not getting much, if any, attention. But, since I was interested in the state's capacity to implement the agrarian reform and the extent to which popular participation was being expanded through the agrarian reform, it made sense to focus my research where the state was directing its time and resources.

Because of the size of Anzoátegui, and the limited public transportation in the state, I was not able to visit as many farms on my own, or to spend as much time on the farms, as I was able to in Yaracuy. In Anzoátegui, I found a way to visit five farms on my own, but generally when I visited farms in the state, I went with employees of the government, and did not get to stay long. I would have liked to visit each of the farms on my own because I think the presence of a government employee held the possibility of changing the dynamic of the interactions, and the nature of the conversations, even if they were not present for the conversation. Unfortunately, it was not an option for as many of the farms in Anzoátegui as in Yaracuy.

Since so many of the farms in Anzoátegui appeared to be on the brink of collapse, with few people on them and little-to-no agricultural production underway, the fact that I was not able to spend as much time on them as I would have liked was not as critical as it was that I spent time where initiative was being taken (in Yaracuy). It became clear to me that the focus of my dissertation should be on what exactly people on the local level did in Yaracuy, and how it helped them to be relatively successful in spite of the challenges faced across the

country as a result of the historical and contemporary impact of oil on the economy, society and the state.

I had planned to spend six months in Anzoátegui, but after three months, I felt that I was not seeing anything, or learning anything, new because the farms, in general, had few people on them and had low levels of production. Moreover, I could not find an active small farmer movement. I interviewed several people who had been somewhat involved in small farmer organizing, but I was told again and again that basically nothing was happening on this front in Anzoátegui. It seemed to me that Anzoátegui illustrated an extreme case of the general dynamics that I saw in Yaracuy as well, and that I have attributed, in this dissertation, in large part to dependence on oil export. I did not think that spending an additional three months in Anzoátegui would add to my knowledge and analysis of the agrarian reform.

While my experiences in Yaracuy and Anzoátegui, in terms of access and time spent on farms, differed, I feel comfortable with the conclusions I drew in this dissertation. From my travels around Venezuela during my preliminary research in summer 2006, as well as the conversations I had with small farmers at the two national small farmer meetings I attended in 2007, I feel that the general dynamics, which I have primarily attributed to oil, were issues throughout the country. As mentioned earlier, what I describe in Yaracuy probably was not the norm, but that does not undermine the utility of describing and analyzing what was going on there. Based on my conversations with other scholars doing research in Venezuela on the agrarian reform, it seems to me that there was a lot of variation across states, including which government institutions were most involved in implementing the agrarian reform, the projects the government institutions were focused on, and the terminology used. Consequently, I would be suspect of any claims that there was a state that was most representative in terms of how the agrarian reform was implemented.