I. Introduction

In 2003, the Venezuelan government launched the Bolivarian *Misiones*, a group of social programs and poverty alleviating initiatives intended to deliver goods and services directly to the population. These programs were financed with resources coming directly from the Special Oil Fund (SOF), a mechanism created by the executive to manage the windfall of petrodollars generated by an unprecedented surge in oil prices. By 2004, the government had already invested in the Misiones, approximately USD $5 billion the equivalent of 4.5% of the country’s annual GDP (Ferrell 2008). The Misiones have also been projected beyond the national territory, thus becoming the centerpiece of the government’s foreign policy. USD $ 43 Billion, or roughly 6% of the country’s fixed capital has been invested in social programs targeted to foreign countries (Corrales 2009:99). By these standards, the Bolivarian Misiones have been regarded as one of the largest and most ambitious social programs launched in Latin America during the last decade (Penfold-Becerra 2007:65).

There are thirty different Misiones that cover a broad range of areas, from literacy and other educational programs, to health services for marginalized communities, job training, assistance

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to the homeless population, housing development, land reform, and agricultural programs. Each Mision serves a specific purpose set forth by the government, but collectively, their overall goal is to help promote solidarity, redistribute wealth, empower the traditionally disenfranchised members of society, and facilitate the pursuit of a sustainable economic growth.

In order to achieve these ambitious goals, the government has relied on a variety of intervention strategies, including the enactment of new laws, the creation of new institutions and the encouragement of new practices. This process has also encountered important obstacles that arise from preexisting laws, institutions and practices, and also from a number of external factors including a fierce political opposition and a rapidly increasing social instability.

In recent years, the Bolivarian Misiones have attracted the attention of scholars interested in a wide number of issues, ranging from the assessment of different forms of social investment, to the redistribution of state resources for clientelistic purposes, and the use of social programs as vote-purchasing strategies. (Hawkins and Rosas 2006, Penfold-Becerra 2007, 2008, Ferrel 2008, Corrales 2008). While most of this scholarly body of work focuses on the economic, social and political angles of these initiatives, the legal dimension has been always overlooked. This research plans to at least begin to contribute in filling that vacuum.

In that respect, this paper seeks to discuss the variety of intervention strategies pursued by the Venezuelan government through the promotion of new laws, institutions and practices deployed to support the four Bolivarian Misiones that focus on land tenure, housing finance, and the redistribution of unused private and public land. Out of this subset, two Misiones (Mision Zamora and Mision Guaicaipuro) are particularly geared to land ownership and tenure issues of rural and indigenous population; and the other two are directed to the redistribution of private
and public land, the construction of housing units (Mision Habitat, Mision Villanueva), as well as a system of finance and loans (Mision Habitat).

The discussion offered in this paper is based on an empirical investigation conducted between December of 2008 and March of 2010.\(^2\) In addition to relying on several secondary sources, that include historical documents (e.g. congressional reports on past initiatives and proposed legislation), legislation, and administrative data dealing with social policies affecting property rights; my analysis is also based on a series of semi-structured interviews conducted during various trips to Venezuela, with at least forty individuals that include key officials of the Venezuelan government, policy-makers, representatives of multilateral organizations involved in Venezuela (e.g. World Bank, IADB), legislators, and also representatives of the local business and industrial sectors. This methodological approach has allowed me to offer a rich and contextualized description of the legal tools, implementation strategies, and practices; and also about the corresponding obstacles pertaining to the subset of government Misiones dealing with land tenure, housing finance, and the redistribution of unused private and public land.

In examining each of the selected Bolivarian Misiones, this research also considers the legal, institutional and practical obstacles posed to the implementation of the aforementioned social programs, and to the government’s broader social agenda. Ultimately, this paper also seeks to contribute to the nascent literature about the impact of law and legal institutions on innovative social policies, and conversely, on the effect that social policy and other development initiatives might have on existing laws, institutions and practices.

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\(^2\) This means that the research has not concluded, and that the collection and classification of data is still underway.
Two particular reasons make my focus on the selected subset of Misiones particularly useful. First, the fact that land reform and property rights-related policies in Venezuela have always held a prominent place in the different governments’ agendas throughout the last fifty years, allows me to contrast and compare the policies enacted under different historical, political and economic circumstances and draw inferences on their success or failure in redistributing wealth, achieving social balance, attaining modernization, and ultimately development. And second, regardless of the particular circumstances under which a set of property rights-related policies have been deployed, they have always faced similar challenges from the different stakeholders involved. A prime example can be found in land reform policies, which in spite of being generally perceived as a key condition to rural development, are often resisted by land owners who consider them as a threat to their individual rights. (Leftwich 1998:61)

In order to situate the Bolivarian Misiones into context and to determine the level of innovation brought by these social programs, the following Section (II) provides a historical overview of the different social policies and development strategies proposed or implemented in Venezuela during the last five decades, with particular interest on those referred to land tenure, housing finance, and the redistribution of unused private and public land.

Section III, begins by describing the different social policies promoted under the current administration in Venezuela, and delves into the analysis of how the Bolivarian Misiones work, what specific legal tools have been enacted to advance their goals, and which implementation strategies and practices are dominant. I conclude this section with a discussion about the legal, institutional and practical obstacles posed to the implementation of the aforementioned social programs.
Finally, in Section IV, after considering the distinctive features of the Bolivarian Misiones, I discuss the impact of the different laws and legal institutions on innovative social policies, and conversely, on the effect that social policy and other development initiatives might have on existing laws, institutions and practices in present-day Venezuela.
II. Five decades of social policies and development strategies in Venezuela

The Agrarian Reform and the fight against latifundio

Since the restoration of democracy in 1958, land reform and property rights-related policies have held an important place in the agenda of Venezuelan governments. The revival of democratic values after eight years of fierce military dictatorship (1950-1958), helped renew the interest of politicians in undertaking some efforts to advance policies that would strengthen the “social function”\(^3\) of property rights in Venezuela, and to devise different intervention tools for effectively promoting social welfare and development.

One of the first and most salient forms of legislative intervention was the Agrarian Reform Act (Ley de Reforma Agraria) of 1958, which created a regime for the redistribution of agricultural land. The policy behind the agrarian reform was designed to serve three specific goals: it was directed at suppressing the high concentration of land ownership, at establishing a system of rural finance with the intervention of private and public financial institutions, and at creating different incentives for landowners to make a more productive use of their property. The agrarian reform, had originally been proposed in the late 1940s during a brief period of democracy in the country, but was suddenly abandoned by the military regime that took control of Venezuela during most of the 1950s.

The eradication of latifundio, that is, the holding of vast extensions of rural land in the hands of a few wealthy individuals, became the centerpiece of the new agrarian reform policy (Eckstein et al 1978). Latifundio, had been historically identified as one of the main obstacles to agricultural development throughout Latin America. (Friedmann 1966)

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\(^3\) Article 545 of the Venezuelan Civil Code defines the social function of property
Under the latifundio system, the landowners traditionally held the upper hand when it came to decide which types of agricultural activities were to be encouraged, a determination naturally based on the potential for their own individual profit, and not necessarily on the welfare of the general population or in the best interest of the farmer-tenants. Landowners would often enter into individual arrangements with small farmers and unilaterally determine the conditions under which their land was to be exploited, including the compensation and other incentives given to the farmer-tenants in exchange for their labor. Moreover, most of these farmer-tenants did not have any rights to the land or to the crops, thus making their position even more fragile. As a consequence, the living standards of small farmers were very low, and the majority of the country’s rural population subsisted under conditions of extreme poverty and malnutrition (Kriby 1973). In a nascent democracy, this seemed to be a perfect justification for state intervention.

The poor conditions of rural life motivated a large portion of the population to begin migrating to urban areas in order to improve their living conditions, obtain steady employment, health and other services. The fact that the government had already started using the state’s oil revenues to finance large infrastructure and urbanization projects was yet another factor that contributed to the expansion of the country’s urban population and the abandonment of rural areas, as the general perception was that Venezuela’s future was in the cities.

The rapid increase in the country’s urban population created a new set of problems as the private and public sectors could not meet the increased demand for employment, and the government’s infrastructure was not prepared to serve an unexpected wave of citizens in need of health services, education and housing. The solution was to slow down the rural-urban migration by creating better incentives for people to stay in the rural areas. This motivated the government to take more seriously the agrarian reform process and to complement its strategy with the
creation of specialized public entities. The newly devised strategy also included the encouragement of certain practices to help articulate the policy.

As a result, the agrarian reform system was left in the hands of the National Agrarian Institute (Instituto Agrario Nacional), a governmental agency situated within the Ministry of Agriculture, which main goal was to administer the redistribution of rural lands, create a financing system for small farmers, and help articulate the government’s social policies. Another legal tool was the Expropriation Act of 1958\(^4\) as a way to force the transfer of privately held lands and to facilitate the redistribution efforts. During the first decade of the agrarian reform, the National Agrarian Institute was able to meet its policy targets only by 44%, thus helping only 117,000 families (out of the estimated 264,000) to settle on individual lots or on communally run farms (Kirby 1973). According to official accounts, most new landowners were satisfied with the results, and the exodus to urban areas seemed to have slowed down. However, very little could be said about the real impact of these initiatives on the country’s development agenda.

Even though well intentioned, the agrarian reform policy faced at least two significant obstacles. The first one, having to do with the absence of a basic infrastructure such as drainage, irrigation systems, poor communication between rural and urban centers, as well as the lack of a support system to help the new farmers, which made it extremely difficult for the policy beneficiaries to develop and thrive. The second difficulty resulted from the pressure exerted by the central government on the National Agrarian Institute to meet its goals, which led the latter to tap into unproductive land already owned by the state and distribute among the policy beneficiaries. In the few instances that the National Agrarian Institute took land from private

\(^4\) Ley de Expropiación por causa de utilidad Pública y Social
hands in order to redistribute it among small farmers, it was unused or simply unwanted land. Moreover, some well-connected latifundistas found in the agrarian reform a great opportunity to get rid of unproductive lots, and obtain compensation for otherwise unsellable assets (Kirby 1973).

Social policies during the “Saudi” Venezuela

In a decade signaled by a widespread political and social instability in Latin America, by the 1970s Venezuela had managed to maintain a relatively stable and steady growing democracy. The perception of political and social stability in Venezuela was enhanced by the idea of economic prosperity, which resulted from the unprecedented benefits obtained almost exclusively from oil exports, and to a lesser extent from other natural resources (natural gas, bauxite, and iron, among others). The sustained increase in oil revenues, and the country’s emerging role as a key player in the world’s energy sector, (IEA 2006) put Venezuela in a most enviable position marked by the placement of its per capita income as the highest in the continent. (Karl 1997: 234)

Petroleum allowed Venezuela to enter into the world market as an influential force. It also helped the country migrating from its status as a rural and poor society, reliant on a small scale, agricultural-based economy, (Izard et. al. 1976) to an urban, wealthy and modernized one. This economic boom also accelerated, once again, the migratory wave from rural areas to the cities and helped create the conditions for the emergence of a new bourgeois class. (Karl 1997: 82) Another important effect was the rise of political and economic elites whose power depended almost exclusively on the influx of petrodollars. The new reality allowed people from lower
socio-economic strata -but with the right political connections- to rapidly climb the social and economic ladder.

In domestic terms, a fiscal bonanza generated by volatile oil prices and the subsequent nationalization of the hydrocarbons industry in 1975, enabled the Venezuelan government to become the sole ruler of its own wealth (Makhija 1993) as well as the most important local investor and benefactor (Neuhoser 1992). Not surprisingly, oil “shaped institutions that in turn structured the preferences and behavior of state authorities and private citizens”. (Karl 1997: 90) The colossal windfall of petrodollars and the ostentatious lifestyle of the emerging economic elites during that period earned the country the nickname of Saudi Venezuela. (Tinker Salas 2005)

With a need to invest and diversify its income, the state created a myriad of opportunities that favored an emerging clientele of businesspeople, while simultaneously becoming involved in every imaginable economic activity, (Brewer-Carias 1981) ranging from the exploration, exploitation and commercialization of natural resources, to the sponsorship of other activities like product manufacturing, transportation, services, utilities, and mass communications. The economic expansion was accompanied by a broad range of protectionist and interventionist measures, such as import substitution policies, price controls, fixed interest rates, and extensive regulations, geared to deter foreign threats and to hinder local rivalry. (Jatar 1999)

The government also took a new approach to social policies and redefined its priorities, which obviously affected the initiatives related to land distribution, tenure and property rights. One of the first impacts of this new agenda was a shift from a policy that favored rural development, to one that gave preference to urban growth and modernization (Ferrell 2008). For
the political leaders, the rapid expansion of the country’s major cities and the modernization of the state justified the need to facilitate urban life, instead of sending people back to the farmlands. The agrarian reform was thus abandoned, and the priorities shifted to the development of urban centers, which included the regularization of property rights in the numerous urban squatter settlements, and several house financing initiatives. The country was perceived as being so rich, that the government saw no need in encouraging domestic production due to the fact that virtually anything could be (and was in fact) imported. Production forces had to be concentrated around the country’s main source of revenues represented by the oil industry, so the rest of the industrial and the productive sector was not considered as a priority. The main goal of the government was, simply put, to transfer oil revenues into private hands. (Briceño-Leon 1982)

The government’s new forms of legislative intervention related to the few remaining initiatives included in the package of social policies incorporated an array of laws and decrees that empowered specific government agencies such as the National Fund for Urban Development (Fondo Nacional de Desarrollo Urbano, FONDUR) and the National Housing Institute (Instituto Nacional de la Vivienda, INAVI), to lead programs geared to guarantee access to urban property.

Aware of the fragility of other political systems in the region, the threat posed by dictatorships and military regimes from neighboring countries, and the perceived need to maintain democratic stability as a precondition to economic and social development, the political establishment paid more attention to protecting and consolidating democracy than to directly stimulate growth and socio-economic equality (Leftwich 1998). The perception that Venezuela enjoyed one of the most stable and a well-functioning democracy in the developing world was widespread.
Below the surface, however, the Venezuelan democracy was far from perfect. Presidential and congressional elections were indeed held every five years, and all three government branches were formally organized according to the principle of separation of powers; but electoral results were often subject to negotiations between the main political parties, and the integration of the legislative and judiciary branches always depended on bargains and compromises between strong party leaders, and were not always a result of a transparent democratic process.

On October 31st, 1958, barely nine months after Venezuela had made a transition from dictatorship to democracy, the leaders of the three major political forces at the moment reached an agreement known as *Pacto de Punto Fijo*, by which they vowed to set the bases for future democratic stability. (Navarro 1988) The document contained a general declaration of principles according to which the main parties reassured their willingness to guarantee the respect for basic democratic principles, defend the constitution and to form a government of national unity that effectively represented the key sectors of society. (Karl 1997)

In real terms, this *pacto* meant the allocation of political power among the leading parties, through the permanent distribution of key government positions, congressional seats, judicial appointments, and public contracts. Even though the general elections determined which party would enjoy the dominant position during a given period, those bound by the pact were guaranteed at least a minimum share in the overall benefits, regardless of the electoral results. (Karl 1997: 99) Once established, the system reassured the political survival of its promoters, legitimized manipulation and influence, and created a breeding ground for powerful clientele.

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6 The idea of a “pacted democracy” (Karl 1997: 93) was not an original creation of Venezuelan politicians. A similar arrangement known as “Turno Pacífico” was implemented in Spain by Antonio Canovas del Castillo between 1876 and 1923, during the reestablishment of the Bourbon monarchy.
networks that would govern the most important sectors of the country during the next four decades.

On the other hand, the *pacto* system discouraged the idea of a transparent democracy and hindered the formation of a professional bureaucracy. Loyalty to the political establishment was far more valued than competence or professionalism. For years, *Acción Democrática* and COPEI, the two dominant parties, amassed considerable power, and divided the country into different political territories submitted to their influence. Party leaders also shared –indirect, but significant- control over the state’s resources, most notably, the massive revenue of petrodollars. As political parties -and not their constituencies- were the main beneficiaries of the political system, some preferred to say that Venezuela did not have a real democracy but a Partydocracy. (Calero 1982)

To members of the private sector, the only way to succeed and participate in the distribution of the oil rent was through political mobilization and by strengthening their networks. (Jatar 1999, Gómez 2007) Businesspeople understood that having the proper connections would guarantee them access to government contracts, joint ventures, concessions, subsidies, low-interest loans, and other forms of preferential treatments, including the possibility of exerting influence over judicial and administrative decisions in which their interests were at stake.

As a result of this political scenario, most developmental strategies, including social policies, were devised and implemented by the executive in a way that kept them out of legislative control or popular participation (Leftwich 1998). Even though effective for maintaining the political status quo and the appearance of democratic stability, this strategy did very little to stimulate development, promote equality and social welfare.
Furthermore, the government’s exclusive reliance on oil revenues to fund its social policies made these extremely fragile and unstable. Once the oil prices fell in the mid 1980s, so did the government programs (Ferrell 2008) and the stability of the social and political environment.

*The collapse of the “pacted” democracy and the new social agenda*

In 1988, Carlos Andres Perez, the political force behind the nationalization of the oil industry, and who during his first term in office had led Venezuela through the economic bonanza of the 1970s, became elected President once again. This time, Perez found a very different country to the one he had left ten years earlier. Venezuela was now facing an unmanageable external debt, a profound political crisis and an explosive level of social inequality (Ellner and Hellinger 2003, Gomez 2009).

The new administration vowed to bring Venezuela back to its old glory (Gomez 2009), and a comprehensive development plan dubbed “The great turnaround” (*El Gran Viraje*) was laid out. The plan outlined a series of industrial, trade, and social policies that largely followed the recommendations from multilateral organizations including the World Bank and the International Monetary Fund. For the implementation of this package, the government relied on a “dream team” of independent technocrats instead of the traditional political allies. The key economic and cabinet posts were offered to outsiders to the political establishment as a signal of the President’s departure from traditional party politics (Kornblith 1998). This political move enraged the traditional parties to the point that they withdrew all support to the President (Perez-Linan 2007, Corrales 2002) which contributed to the rapid deterioration of the political scenario.
The public announcement of the economic package was received with an uncontrollable spiral of social unrest that began with three days of violent protests in Caracas, and which quickly spread to the rest of the country. Almost immediately, the government announced a new set of social programs devised to mitigate the adverse effects of the neoliberal policies that formed the administration’s initial agenda. These programs, announced as part of a Plan to face Poverty (Plan de Enfrentamiento de Pobreza) basically focused on health issues, including the establishment of nutrition programs, day care centers, employment opportunities and the improvement of urban-squatter settlements.

As the government’s proposed package of policies was mainly geared to jumpstart the economy, and to help reduce the looming social unrest, most measures were designed to tackle urgent issues in the short term. In 1992, as resistance to the government’s economic policies was still strong, the administration launched a more ambitious social agenda known as the Social Mega Project (Mega Proyecto Social) which expanded the scope of previous social programs to include “investment in areas such as water infrastructure, education, health, housing, social security and environment” (Fernandes 2008). Unlike during past administrations, this time the government outsourced funding for these programs to a number of non-governmental organizations, which demanded a difficult coordination and made very difficult the implementation of the policy.

After suffering two frustrated coup d’état (Perez-Linan 2007), one of which was led by the then-future president Lt. Col. Hugo Chavez, President Perez was impeached and the country was thrown, one more time, into a spiral of instability and uncertainty. Two successive interim presidents -Octavio Lepage, and Ramón J. Velazquez- were appointed by Congress within a year, and the next general election, which took place in December of 1993, brought Rafael
Caldera, a prominent lawyer and politician who had also served as president between 1969 and 1974, to a second term in office (Kornblith 1998, Gomez 2009).

During this administration, the country faced the worst financial crisis of its recent history, as the private financial sector collapsed and the government unleashed a series of drastic measures to intervene the economy and regain control of the banking system. The series of bankruptcies that followed were so complex and numerous that the government was prompted to create a special banking jurisdiction to handle the financial cases (Crisp 1997, Gomez 2009).

In 1994, the government launched its Plan of Social Solidarity (Plan de Solidaridad Social) to replace the Mega Proyecto Social. This new set of policies included measures “to combat poverty through constructing a healthy economy that would reduce unemployment and increase salaries” (Fernandes 2008), but paid little or no attention to land tenure, housing finance, and the redistribution of unused private and public land. Given the depth of the economic crisis, and the impact of the neoliberal agenda implemented by the government, none of these policies had any significant impact on social indicators.

Social policies and the advent of the Bolivarian revolution

1998 marked a turning point in the political, social and economic landscape of Venezuela as Lt. Col. Hugo Chavez, an outsider to the political establishment, became elected President, thus putting an end to the dominance of the two traditional parties that steered the country through an apparently solid democracy for almost forty years. At the time, Venezuela was going through a deep crisis fueled by numerous corruption scandals, a dire economic situation, and social unrest, all of which rapidly eroded the legitimacy of the traditional political actors, and facilitated the conditions for a newcomer to take charge.
The rise of a new leader portrayed as anti-corruption, anti-neo-liberalism, and anti-political establishment, gained wide acceptance among most sectors of society. Chavez’s main pledge was to embark in an ambitious transformation of the state through a comprehensive constitutional and legal reform process that would promote solidarity, empower the traditionally disenfranchised members of society, and give preponderance to a socially-minded agenda. In order to symbolize its desire to break abruptly from the previous economic and political models which generally followed neoliberal agendas, the new administration called itself the Bolivarian Revolution, as an evocation to Simon Bolivar, the eighteenth century’s military leader who contributed decisively to the independence of Venezuela, Colombia, Bolivia, Peru, Ecuador and Panama.

In order to promote the conditions for successfully achieving its goals, the new government set itself to attain a tight control over the economy, to expand its presence to most commercial and industrial activities, and to minimize the role of the private sector. Political institutions also needed to be transformed in order to facilitate the promotion of a broad number of social policies. Regarding the latter, the implementation of measures related to property rights, more specifically to land ownership and tenure, housing finance, and the redistribution of unused private and public land were –and still are- at the forefront of the government’s agenda.

In the following section, I describe the different social policies promoted under the current administration in Venezuela, and delve into the analysis of how the Bolivarian Misiones work, what specific legal tools have been enacted to advance their goals, and which implementation strategies and practices are dominant.
III. Social power and the Bolivarian Misiones

Rise and fall of the Plan Bolivar 2000

During the first year of the Bolivarian revolution, most of the government’s social policies were not very different from the intervention strategies used by previous administrations, notably those during the 1970s. However, starting in the year 2000, the government began to drift away from past practices, guided by the policy principles set forth in the then-newly approved Bolivarian Constitution of 1999.7

In February 27, 1999, the Chavez administration launched its first comprehensive poverty alleviation initiative called “Plan Bolivar 2000”. With an initial budget of USD$ 170 million, the oversight of this program was entrusted to key members of the armed forces and it involved approximately 40,000 troops, who were sent around the country to distribute food in poor areas, vaccinate children, paint hospitals, rebuild schools, help fight literacy, and use military aircraft to transport people, as a way to subsidize their travel expenses. The government used the plan as a vehicle to foster military-civilian cooperation, and according to its critics, to bypass opposition governors and mayors in handling social investment funds, and to reward loyalty to the president.

In December of 2000, a presidential decree8 was issued to authorize the heads of any “exceptional development plans”, which obviously included the Plan Bolivar 2000, to award contracts and allocate resources directly to private parties and individuals without any outside control, thus eliminating the need for competitive bids, and other safeguards applicable to public

7 Constitution of the Bolivarian Republic of Venezuela, article 307
8 Presidential Decree 1221 of ___ December of 2000
contracts. The plan Bolivar 2000 was set to be executed into three phases shown in the following table:

Table 1: Stages of the Plan Bolivar 2000

<table>
<thead>
<tr>
<th>Stage</th>
<th>Implementing entity</th>
<th>Activities/Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proyecto Pais (Pro-Pais)</td>
<td>Armed forces/military personnel</td>
<td>Provide assistance to the most disadvantaged and excluded groups of the Venezuelan society in order to alleviate their urgent social needs. (instead of facilitating access, it created a parallel system)</td>
</tr>
<tr>
<td>Proyecto Patria (Pro-Patria)</td>
<td>Selected public employees and unemployed citizens enrolled as voluntary personnel</td>
<td>Involve larger social groups into socially-minded activities geared to promote “productivity”.</td>
</tr>
<tr>
<td>Proyecto Nación (Pro-Nación)</td>
<td>Several government agencies, under the supervision of CORDIPLAN, the Presidential Office for Coordination and Planification.</td>
<td>A variety of “structural” projects focused on the petrochemical, agricultural, and educational sectors.</td>
</tr>
</tbody>
</table>


The Plan Bolivar 2000 did not live beyond phase 1 as numerous tensions grew within the armed forces surrounding its management and oversight. More critically, the Plan commanders became the target of a corruption scandal, thus adversely affecting the public perception of the policy and eroding the government’s initial popularity. Little is known about the real impact of the Plan Bolivar because of the secrecy surrounding its implementation. The government claimed that it was a great success, but quickly dismantled it after the allegations of corruption involving its members became widespread.

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The Fondo Unico Social

In the aftermath of the Plan Bolivar 2000, the administration launched the Unified Social Fund (Fondo Unico Social)\(^{10}\), a government entity under the direct supervision of the Presidency and completely detached from the central bureaucracy. The USF was put in charge of administering and allocating the resources set aside by the central government to finance its social policies, and was also given broad discretion on how, where and with whom to invest its capital. The decree that established the fund, mentioned a wide variety of programs geared to strengthen social development, health, education, and to foster a “competitive popular economic model”, with emphasis on micro financing and cooperativism. The USF is still in operation to this day, and has become a very powerful entity within the government.

Alongside the creation of agencies such as the USF, the government also promoted the enactment of legislation intended to advance a number of social policies related to land tenure, housing finance, and the redistribution of unused private and public land. One of the first steps in this direction was the passing of the Land and Agrarian Development Act of 2001 (Ley de Tierras y Desarrollo Agrario)\(^{11}\), intended to further advance the policy set forth in article 307 of the Constitution to eliminate latifundios and foster economic development through to the promotion of agribusinesses.\(^{12}\) The LADA established three separate autonomous entities to replace the National Agrarian Institute that had existed since the 1960s. These new entities are, the National Land Institute (Instituto Nacional de Tierras), The Venezuelan Agrarian Corporation (Corporación Venezolana Agraria) and the National Institute for Rural Development (Instituto Nacional de Desarrollo Rural).


\(^{11}\) Ley de Tierras y Desarrollo Agrario.

\(^{12}\) Constitution. Art. 307
In recent years, the government has continued supporting legislation to advance its social policies, and has given preference to the ones related to land tenure and property rights. More recently, in August 14, 2009, the Venezuelan National Assembly passed the Urban Lands Act (Ley de Tierras Urbanas), a legislative effort to regulate unused urban lands and to facilitate its expropriation by the state for the development of residential projects, and other socially-minded goals. The ULA is yet to be promulgated by the President.

In spite of these significant legislative efforts and the creation of government entities in charge of overseeing social projects, the core of the administration’s social policies rests on a parallel system absolutely excluded from oversight and control, and subject to the sole influence of the Presidency. This system is formed by the Bolivarian Misiones, which I now turn to describe.

*Misiones to save the people*13

The LADA was part of a controversial “package” of forty nine laws enacted by the President in November of 2001 as part of the extraordinary legislative powers granted to him by the National Assembly, in order to help him bypass the hurdles of congressional debates and defuse the growing political opposition to his regime. The failure of the government’s early social programs and efforts to jumpstart the economy became evident as the unemployment rate increased from 10% in 2000 to 15% in early 2000 as shown in the following table:

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13 This was the initial name given by President Chavez to his new social intervention tools during the speech given to outline his administration’s social policy.
Table 2: Unemployment rate between February 1996 and February 2000

The fast rising unemployment rate was obviously linked to a significant decrease in the country’s economic activity. By the end of the year 2001, the Venezuela’s GDP had fallen dramatically to minus-4%, while the government had initially projected it at 2.7%. Oil prices had also dropped 21.65% between 2000 (USD$ 25.91 per barrel) and 2001 (USD$ 20.30 per barrel) and the country’s international reserves decreased accordingly from USD$ 15,685 million to USD$ 12,289 million. The following table shows the annual GDP variation between March 1995 and March 2002:
By early 2002, the social and political climate was, naturally, one of significant tension and turmoil. Numerous street protests took place and a national oil strike was organized. The government took a radical stance and threatened to nationalize the banking system, take direct control of the national oil company PDVSA, and unleash a series of measures against the private sector, including a series of confiscations, and expropriations. In the midst of an attack on civilians who were marching towards the Presidential palace on April 11, 2002, the President was briefly deposed and a de-facto regime took over, just to be displaced again 24 hours later.

Immediately after his return, President Chavez vowed to lead a national campaign of reconciliation, but quickly unleashed an offensive against members of the political opposition,
the private sector, religious leaders, and against virtually anyone who did not show unconditional support for his government (Gomez 2009). Opposition forces focused their attention on the organization of a recall referendum, a mechanism included for the first time in the Constitution of 1999 to activate the impeachment of any public elected official, including the President. With the levels of popularity at its lowest, the government felt the need to react in a swift manner to regain support from the masses, defeat the recall referendum petition, and stay in power. The launching a series of poverty alleviation initiatives seemed to be the solution (Ortega and Penfold 2008).

As part of its new Strategic Social Plan (Plan Estratégico Social), the government announced the deployment of several state-funded poverty alleviation initiatives called Misiones. The goal of the Misiones was to deliver goods and services directly to the poor, thus circumventing the traditional bureaucracy and other official channels. The Misiones were directly administered and funded by the Presidency, “through irregular budgetary and accounting channels” (Hawkins and Rosas 2006, Ortega and Penfold 2008), which gave the government ample flexibility to decide how, where and when to allocate resources, and for which purposes.

Taking into consideration the fragile position of the government with respect to its popular support and the increased polarization of the Venezuelan society, the use of the Misiones in a clientelistic fashion came as no surprise. During his weekly televised speeches, the president made no secret that the Misiones were intended to bolster his political support, and that the only beneficiaries were those fully committed to defend the Bolivarian revolution.
As oil prices began rising, thus contributing fill up the government’s coffers, the President was able to inject much more cash into the Misiones and expand their initial scope from a handful of modest social programs to a vast network of 30 different initiatives that covered almost every area of the country’s economic and social dimensions. The following chart shows the fluctuation of the Venezuelan oil basket in relation to the country’s GDP as related to the oil sector.

Table 4: Oil Prices and Country’s GDP from 1995 to 2002

![Graph showing oil prices and country's GDP](http://www.clas.ufl.edu/jur/200707/images/mcgrady-1.gif)


The existing 30 Misiones are part of an umbrella plan called “Mision Cristo”,14 which main goal is to completely eradicate poverty in Venezuela by the year 2021.15 Depending on their scope and objectives, the rest of the Misiones can be classified into three groups. The first group

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comprises the Misiones that address education, culture, as well as the political and social organization. The second group includes the Misiones that focus on food and health. Finally, the third group includes the Misiones geared to target public infrastructure, land reform, land ownership, and housing development. I now turn to discuss the latter group.

*Mision Zamora and the land reform process*¹⁶

The stated goal of the Mision Zamora is to reorganize land tenure and redistribute unused rural lands in a way that benefits small farmers. It also proposes to strengthen the development of agriculture through a system of credits and other financial incentives, technical support and agricultural infrastructure. The government has deemed the Mision Zamora as one of its most successful social programs and it claims to have met its goals. Between August of 2005 and May of 2006, the government reclaimed 1,3 million Hectares of unused land. The Mision also led to the expropriation of 730,041 hectares of unproductive lands, and 125,336 hectares of active crops. The Mision Zamora has also allowed more than 75,000 individuals to obtain land titles (Ferrell____), and has supported the organization of 64 “fundos Zamoranos”, a form of cooperative organization devoted to agricultural activities.¹⁷

*Mision Guaicaipuro*¹⁸

This social program seeks to help Venezuelan indigenous communities to obtain title to the lands traditionally occupied by their groups. In addition, the Mision Guaicaipuro also aims at providing financial assistance to indigenous groups in order to help them develop their land and

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¹⁸ Presidential decree 3,040 of_____. 2003
contributed to achieve development while preserving their cultural values. Unlike some of the other Misiones, since its creation in 2003, the oversight of the Mision Guaicaipuro has been transferred several times. The agency currently in charge of this mission is the recently created Ministry for Indigenous Population. The government has not released official data on the impact of this social program.

*Mision Habitat*

The Mision Habitat embodies the government’s policy to provide adequate housing to the population and facilitate access to credit and home loans. At the time of launching the Mision Habitat, the government allocated USD$ 200 million for the construction of 10 thousand single-family homes, and a year later increased it to USD$ 500 million to be used for the construction of 50 to 70 thousand additional homes. Moreover, the Mision Habitat also established a home purchasing program for low-cost housing. As with the case of the Mision Guaicaipuro, there government has not released official data on the impact of this program.

*Mision Villanueva*\(^19\)

In order to assist the Mision Habitat fulfill its goal to provide adequate housing, the government has launched the Mision Villanueva. This social program includes the development of affordable housing in urban areas. Its supervision is in the hands of the Ministry of Housing, but as all the other Misiones, its budget and day-to-day operation is also controlled directly by the Presidency. No official data on impact has been released regarding this social program.

\(^{19}\) [http://www.minci.gob.ve/noticias_prensa/28/12807/mision_villanueva_construirciudades.html](http://www.minci.gob.ve/noticias_prensa/28/12807/mision_villanueva_construirciudades.html)
[To add here: analysis of how the Bolivarian Misiones work, what specific legal tools have been enacted to advance their goals, and which implementation strategies and practices are dominant]
IV. Innovation and impact of the Bolivarian Misiones on the law and legal institutions

[This section will contain a discussion about the impact of the different laws and legal institutions on innovative social policies, and conversely, on the effect that social policy and other development initiatives might have on existing laws, institutions and practices in present-day Venezuela.]
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