

VENEZUELA

An active role for development



The programmes designed to strengthen the so called “endogenous development model” and to fight poverty continue to give priority to the cooperative organization of work, distribution of subsidized food, literacy programmes, housing credits and agricultural conversion based on reclaiming land for rural inhabitants and members of cooperatives. As regards gender equity, the Women’s Development Bank stand out, offering small credits with the aim of encouraging women to take a leading role in society.

Comité de Base Juana Ramírez la Avanzadora
Frente Continental de Mujeres
Red Popular de Usuarías del Banco de Desarrollo de la Mujer¹

Since Hugo Chávez was elected president in 1998, profound changes have been included in the constitution; the Outlines of the National Plan 2001-2007, the 49 decrees passed in 2001, the socio-productive programmes known as “Missions”, the boosting of the micro-financial public system and the strategic objectives formulated by the President of the Republic at the end of 2004.

The intention is for these changes to agree with the international commitments to fight poverty and to achieve equal opportunities for the world’s citizens made by the country at several summits and conferences. Their aim is to create capacities so that all Venezuelans realize their human right to quality of life.

This intention of equity is reflected in the new Constitution’s text beginning with the Preamble, which declares that it is the intention of the people of Venezuela to “rebuild the Republic to establish a democratic, participative and active, multiethnic and multicultural society”. Article 3 of the Charter establishes as essential State objectives “the defence and development of individuals, and respect for their dignity, the democratic exercise of the people’s will, the construction of a fair, peace-loving society”, and specifies that “education and work are the fundamental processes to attain these objectives”.³

Likewise, the Constitutional Law on Hydrocarbons (one of the decrees of 2001) regulates the activities aimed at “promoting the integral organic and sustained development of the country, paying attention to the rational use of this resource and to the

preservation of the environment”. The law points out that “the income the Nation might receive from hydrocarbons will be mainly assigned to finance health, education, the building of macroeconomic stabilization funds and investment in production”.⁴

National programmes to fight poverty

Legislation has been put into effect through specific programmes and measures aimed at fighting poverty which, according to 2002 data, affects 48% of the population, including 22% indigents.⁵

To guarantee people’s right to food, the national Government created the Mercal Mission in 2003, a food distribution network which sells more than four thousand tons of food daily. Since April 2005 the plan has had a monthly subsidy of USD 24 million which enables network price stabilization and ensures savings of up to 35% in the purchase of quality food. Currently, there are 13,563 shops which supply food to more than 10 million people throughout the country without having modified any prices.

The programme to fight illiteracy (Robinson Mission) is aimed at eradicating a problem which affects 6.9% of adults in Venezuela.⁶ According to data provided by the Ministry of Education and Sports, since July 2003 more than 1.4 million Venezuelans have completed this programme, a figure that is very close to the goal of 1.5 million. Almost 700,000 people, among them disabled persons, indigenous people and senior citizens, take advantage of the programme, which offers them up to sixth grade of primary school and is implemented in 81,000 venues under the supervision of 87,377 facilitators.⁷

As regards housing, state credits are being provided to community organizations that have been fighting for many years for dignified housing and already have land and developed projects. The State becomes a facilitator of technical, credit and material aspects through the New Constructive Model plan, based on the use of popular organization and

knowledge, and on collective and shared work. Another phase of the housing programmes, together with Urban Land Committees (popular organizations led mostly by women), provides land for people to build their homes in working-class neighbourhoods.

A profound agrarian transformation is underway, through the consolidation of what is known as endogenous development, which includes reclaiming land in diverse regions of the country with the aim of giving it to rural inhabitants and members of cooperatives, and providing them with technical assistance, credit and aid for product commercialization. At the same time, the Ministry of Agriculture and Land (MAT) and the Ministry of Science and Technology are working on a National Seed Plan. The MAT and the Ministry for Popular Economy (MINEP) are making progress in the National Winter Planting Plan with the objective of favouring farmers and achieving food sovereignty.

Endogenous development

The strategic horizon defined by the Government for 2005-2006, to which President Chávez has given the name the Leap Forward or Revolution within the Revolution, proposes 10 basic objectives to direct the actions of all institutional, social and political actors:

- Advance in the configuration of a new social structure.
- Articulate and optimize a new communicative strategy.
- Advance rapidly in the construction of a new model of democratic popular participation.
- Accelerate the creation of a new institutionalism within the State.
- Activate an efficient strategy to fight corruption.
- Accelerate the construction of a new productive model, moving towards the creation of a new economic system.
- Continue the implementation of the new territorial structure.
- Accelerate the configuration of the new national military strategy.
- Continue to promote the new multi-polar international system.⁸

1 This report was prepared by these three groups and had the support of staff of the Communications and Marketing, and Planning and Budgeting Areas of the Women’s Development Bank (Banmujer)

2 In December 1998, Hugo Chávez was elected president with 56.4% of the vote. In July 1999, elections for the National Constituent Assembly gave the absolute majority of votes to Chávez’s 5th Republic Movement, and a new Constitution was approved. In April 2002, troops loyal to Chávez aborted an attempted coup d’état supported by a sector of the army and the oil industry. In 2004, a referendum to decide if Chávez remained in power provided him with the support of 58.2% of the voters.

3 Official Gazette No 5.453. Caracas, 24 March 2000.

4 Official Gazette No 37.323. Caracas, 2001.

5 Economic Commission for Latin America and the Caribbean (ECLAC). “Statistics and Indicators Database”, www.eclac.cl/badeinso/consulta.asp

6 United Nations Development Programme (UNDP). “Cultural liberty in today’s diverse world”, 2004, <http://hdr.undp.org/reports/global/2004/>

7 Ministry of Communications and Information, April 2005.

8 El Troudi, Haiman. *The Leap Forward*. Caracas: Presidency of the Republic Publishing, 2005, pp. 25-26.

Linked to the seventh objective is the creation of MINEP in September of 2004. The task of the Ministry, in coordination with other national, regional and local government agencies, is the implementation of a new development model. "Its cross-cutting objective is the consolidation of the *Vuelvan Caras Mission*⁹, as well as the direction of policies linked to the transition towards a new model of endogenous development"¹⁰

This new form of development has as its dynamic socio-economic focus the Nuclei of Endogenous Development, which gives priority to the cooperative organization of labour. The authorities consider that cooperatives should be much more than a mere organizational form of productive labour, and become a life project in which "the individual must abandon behaviours, attitudes and expectations learned in a society that rewards competitiveness and individual action"¹¹

Various autonomous institutions that had depended on other ministries were linked to MINEP, among these are; the Sovereign People's Bank, the Micro-financial Fund, the Women's Development Bank (Banmujer), the Development Fund for the Promotion of Agriculture and Fishing, the National Institute for Small and Medium Businesses, the Industrial Credit Fund, the Institution for Cooperatives Supervision, the Institute for Rural Development and the National Institute of Educational Training (INCE).

MINEP created a decentralized agency in the 23 federated states and the Capital District, with representatives from all the associated entities and a coordinator designated by MINEP. These agencies promote the certification of "lancers" and "lancers" (facilitators) from the *Vuelvan Caras Mission*, after they complete a one-year training course with INCE and Nuclei of Endogenous Development. With the aid of consultants MINEP also promotes the creation of cooperatives and an investment project for obtaining assets and financing. The *Vuelvan Caras Mission* is presently at this stage. Primary data indicate that 63% of cooperative members are women and 37% men.

Promotion of gender equity

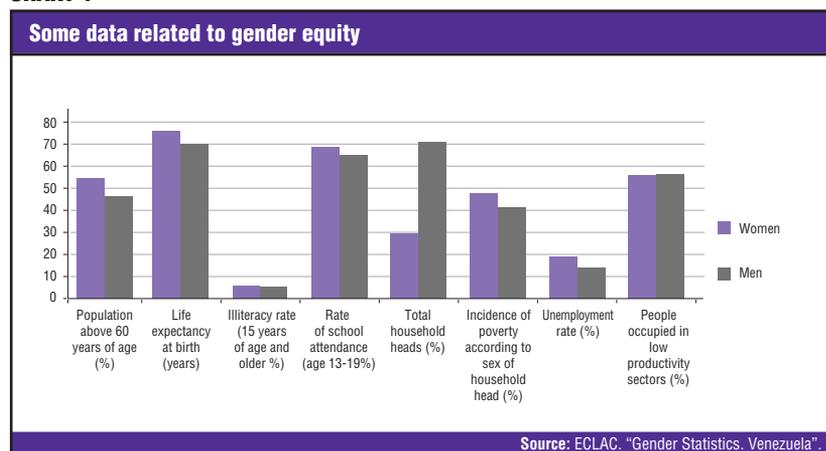
The INCE training plan incorporates a gender module and MINEP, sensitized to questions of gender inequality, will possibly attach a budgetary item to projects that promote equity between men and women. On the Gender-related Development Index, Venezuela ranks in 58th among 144 countries. Although in some indicators, such as life expectancy and literacy, there are no great differences, in others there are clear disparities. The case of empow-

9 The *Vuelvan Caras Mission* seeks to add popular participation to government management with the goal of social and economic transformation of the country through education and work, and to achieve a dignified quality of life for all citizens.

10 Ministry for the Popular Economy. *How to constitute a Nucleus of Endogenous Development*. Caracas, May 2005, p. 5.

11 *Ibid.*

CHART 1



erment, for example, shows that only 9.7% of parliamentary and 27% of top official and management level positions are occupied by women. In the area of economic activity, 43.9% of women are economically active, as opposed to 54% of men.¹²

Diligent work is being carried out to coordinate follow-up on cooperative members, taking into account culture, identity, existing gender relations and ethnic background, among other elements.

The creation of Banmujer is one of the principal measures for promoting equity. Through the financing of micro-businesses, women's economic autonomy and an active role in society are made possible. The project involves combating extreme poverty and its feminization. In 2002 the rate of female poverty was 18.8% while the rate for men was 14.4%. In homes where women are heads of household (28.8%) the poverty rate is 48%, while in homes run by men (71.2%) the rate is 41%.¹³

Banmujer

As a public micro-financial agency attached to MINEP, in 2005 Banmujer published a *Guide to Forming Cooperatives*. According to the Guide the Government has created a new economic model based on humanism and solidarity, promoting "a strategy for democratization of the economy, an alternative development model that contemplates gender equity and a new project for the country. It is a popular economy that promotes local development and creates the conditions for the active participation of women and men, of all the enterprising and creative working people..."

According to the Guide, the popular economy includes "productive and self-managing activities, joint micro-businesses, cooperatives and Associative Economic Units in general", favouring the participation of women, who are generally excluded from public policy and strategic development plans".

12 UNDP, *op cit.*

13 ECLAC. "Gender statistics. Venezuela", www.eclac.cl/proyectos/perfiles/paises/venezuela/venezuela.htm

In the section on cooperatives and gender equity it states that in Venezuela, 70% of the poor are women, a percentage registered in the country's statistics, which also recognize the increasing feminization of poverty. Also noted is the fact that women have traditionally been disadvantaged given their conditions of subordination and are therefore unprepared to face the economic world and the job market, resulting in increased rates of poverty.

Alternatively, the Government empowers the social economy incorporating traditionally excluded sectors like popular communities and women affected by poverty, unemployment and informal employment.

The Guide ends by pointing out that in cooperatives financed by Banmujer, women tend to be a majority and occupy the main management positions.

Banmujer is financed with resources from the National Treasury together with special resources provided in national and multilateral agreements. The financial and non-financial services that it offers favour the economic and social roles of women and stimulate their active role in the creation of a new society with gender equity and justice. At the same time, it supports the *Vuelvan Caras, Plan Café*, Handicrafts for Export and Seed Capital programmes. Banmujer has agreements with the Ministry of Labour and the Mercal Mission, supports the Banded-Banmujer Agreement, Mission Guacaipuro (for indigenous peoples) and gives help to women of African descent in the Barlovento area as well as to disabled women, among others.¹⁴ ■

14 Banmujer. *Popular Economy in Action from a Woman's Point of View*. Caracas, April 2005