



## Venezuela's Housing Struggles and the Emancipatory Project

Herbert Jauch

### Background

For many decades, Venezuela has been a country of extreme inequalities which were also reflected in the country's approach to housing. Insufficient government housing policies resulted in sprawling shanty towns on the outskirts of the cities and this was a common feature until the end of the 20th century (Holldack, 2016). At the time, Venezuela was characterised by mass poverty and political corruption as well as typical neoliberal economic policies. A small elite reaped the benefits of Venezuela's national resources, including oil (Jauch & Shindondola, 2008; Bolivarian Republic of Venezuela, 2020).

In the second half of the last century, Venezuela experienced a rapid rate of urbanisation as many people left the countryside to look for jobs in the cities. The urban population increased 6-fold between 1950 and 1999. Local elites controlled the real estate market and reduced housing to a tradeable and profitable commodity which resulted in a large-scale social exclusion of the urban poor. Over 30% of Venezuelans, more than 3 million households, were condemned to live in inadequate housing conditions (Bolivarian Republic of Venezuela, 2020).

With the 1998 election victory of the Bolivarian Party led by Hugo Chavez Frias, significant and fundamental changes began to take place to alter Venezuela's political, economic and social landscape. Chavez firmly believed in the ideals of a "people's government" as opposed to a government of the elite. He envisaged to replace the system of capitalist accumulation with an economic system that was founded on people's direct participation and control over their national resources. A basis was laid through the participatory development of a new Constitution which was adopted by 72% of Venezuelans through a national referendum in December 1999 (Jauch and Shindondola 2008).

### New Social Programmes

Following the attempted US-backed coup against the Chavez government in 2002, changes intensified to systematically tackle the inequalities that were visible in all spheres of life. Participatory democracy became the vehicle to give citizens a direct say in the running of the country and the utilisation of its resources. A whole range of targeted programmes, known as "missions", were implemented from 2003 onwards to deal with free education for all, free health care, food security, decent housing etc. (Jauch & Shindondola, 2008).

The resources needed for these social programmes were derived from the country's oil revenue. The national oil company, several large manufacturing companies and much of Venezuela's farmland already belonged to the state by the time the Chavez government was elected. What changed was how these resources were utilised to benefit the poor. The royalty fees payable by private oil companies were increased from 1% to 16% and an extraction tax was introduced, earning the country around US\$ 10 billion between 2004 and 2007 (Chavez, 2008).

## **Housing Missions**

Venezuela's Vivienda Great Housing Mission began as a nationwide project in 2011 with the goal of building 3 million homes at an affordable cost for families most in need by 2019. Adequate housing was regarded as a human right and linked to the struggles for land and to live in the city. This presented a direct challenge to the concept of housing as a capitalist commodity (Holldack, 2016).

In 2014, a second housing mission, the Barrio Nuevo Barrio Tricolor Great Mission, was established to transform and consolidate areas which had been historically excluded from assistance and reduced to misery at the margins of the big cities (Bolivarian Republic of Venezuela, 2020).

The Vivienda Great Housing Mission was implemented based on five key principles:

- Firstly, community self-organisation to ensure the participation of organised communities in the design and transformation of their neighbourhoods and towns. Community councils and volunteers (known as "brigadiers") organised themselves into "construction communes" to take charge of finding suitable land for construction and for creating suitable housing projects. As organised communities, people found solutions to their own housing problems and families could choose between renovating their existing home or moving to a newly constructed home (Bolivarian Republic of Venezuela, 2020; Correo del Orinoco International, 2011).
- Secondly, the availability of land was increased through legal reforms which allowed the State to acquire more land for housing. This enabled more than a million families in urban areas to receive title deeds for their homes between 2011 and 2019 (Bolivarian Republic of Venezuela, 2020).
- Thirdly, the local production of housing and construction materials was systematically promoted through private, nationalised and worker-controlled social production enterprises which supplied cement, doors, windows, ceilings, synthetic and natural wood etc. needed for the execution of the housing missions.
- Fourthly, the actual construction was carried out not only by private companies (hired by the state) but 37% of construction was undertaken by community organisations. Grassroots movements co-existed alongside the housing missions and promoted collective ownership of the housing processes (Bolivarian Republic of Venezuela, 2020; Holldack, 2016).
- The fifth pillar of the housing mission was financing which initially was based on Venezuela's oil revenue. Owing to the economic crisis and sanctions, the Venezuelan government now uses a crypto currency based on the value of the

oil resources to safeguard funding for the construction sector. In addition, the sector was exempted from VAT while import tariffs and customs duties were introduced for imported construction materials and services to encourage local production (Bolivarian Republic of Venezuela, 2020).

The beneficiaries of the housing programmes were families with combined incomes of between 1 and 3 minimum wages. Most beneficiaries received a subsidised 30-year credit to make the new houses affordable. The interest rate on such housing loans was fixed at 4.66% which is much lower than in other Latin American countries such as Argentina and Peru where interest rates vary between 9 and 43 percent. Thus, beneficiaries in Venezuela could acquire new homes at a fraction of the actual costs (Blough, 2012)

### **Grassroots Participation and the "Consejos Comunales" (Community Councils)**

A key political project in Venezuela was the deepening of democracy through direct, grassroots empowerment. Various initiatives were undertaken and from 2006 onwards, community councils were formally established. These councils are neighbourhood organisations comprising of 200 – 400 families in urban areas and at least 20 families in rural areas. The councils have constitutional status and are meant to effect direct democracy and decision-making power at grassroots level. (Lopez Maya, 2007; Albert, 2008; McIlroy, 2008).

All council decisions are taken in “citizens’ assemblies” attended by residents who are 15 years and older. These assemblies elect their council executive committee, financial management and monitoring committees as well as thematic committees dealing with specific local priorities such as health, education, land, recreation, etc. Before a communal council is formed, the assembly has to elect a preparatory committee, which carries out a “census” of the community, including a profile and challenges faced by the particular community. The preparatory committee also has to organise an electoral commission to supervise the council elections. The elected spokespersons serve for 2 years but can be recalled at any time by the citizens’ assembly. This helps the community to hold their spokespersons accountable (Lopez Maya, 2007).

### **Self-management**

Rigel Sergent from the anti-eviction movement which is part of an alliance for urban struggles in Venezuela (known as "Movimiento de Pabladoras"), explained that the struggle for the right to housing was part of a broader struggle for the right to the city, for the construction of new collective habitat and for an urban revolution. Practically, this included fighting against evictions and for the right of people to own the land where they built their houses or shacks. This urban movement developed its own political programme based on Chavismo's guiding premise of building a communal and egalitarian society. President Chavez had repeatedly emphasised the importance of transforming society through the development of socialism at grassroots level which cannot happen without "popular" participatory democracy which includes self-management and self-government (Sergent, interviewed by Pascual Marquina, 2019).

Venezuela's urban movement, therefore, engaged with collective struggles as opposed to individual struggles to break with the logic of capitalism. Its key aim was not merely to build self-constructed houses but it emphasised participation "in a process that aims at the collective transformation of the city". Self-management was seen as "a transformative collective experience" as decisions were arrived at through debates and collective struggles

which contributed towards building another set of social values (Sergent, interviewed by Pascual Marquina, 2019).

Although private enterprises were able to deliver houses at a faster pace than communal self-managed housing initiatives, the movement pointed out that its aim was to promote collective decision-making, transformation and "qualitative leaps in people's consciousness". The difference in approach was aptly captured by Sergent, who pointed out that when the state gives a key to a house for a family, "they are tremendously grateful, but the home does not produce new values, new world views" (Sergent, interviewed by Pascual Marquina, 2019). Thus, self-managed housing processes are intrinsically political in nature and opposed to hierarchical decision-making that is common with bureaucratic structures in government and political parties.

### **Access to Finance: Communal Banks**

Community councils can receive funds directly from the national, state or city governments or through fundraising and donations. This is facilitated through communal banks, which the councils set up as co-operatives. Such communal banks can be established by a single council or in collaboration with other councils. The national government channelled millions of US dollars annually to the thousands of communal banks that the councils established. In turn, the communal banks provided grants for community projects and have already funded thousands of projects such as street paving, housing for shack dwellers (who can exchange a shack for a flat in a newly built block), medical centres, housing or sewage schemes etc (Pearson, 2008; Jauch, 2009).

Community councils and communal banks as a direct expression of grassroots democracy seem to frequently clash with the formal political structures like city councils, mayors and governors. Although they co-operate with each other on several infrastructural projects, there is a tension regarding power and status. Funding for the community councils comes at the expense of city budgets and Chavez' vision was to develop the community councils as the most important motor of the Bolivarian revolution. They facilitate a process of people regaining control over their lives and are an alternative rather than an appendix to the old local government institutions. Thus, the community councils and communal banks are the seeds for Venezuela's "Socialism of the 21<sup>st</sup> century". They are meant to become the primary locus of government power and are part of a movement to replace the old government structures (Albert, 2008).

### **International Solidarity**

The harsh economic sanctions imposed on Venezuela forced the country to rely largely on its own resources but the housing missions also benefited from international support from and trade with countries such as Belarus, Brazil, China, Cuba, Spain, Iran, Portugal, Russia and Turkey. As part of its commitment to Latin American solidarity, Venezuela in turn assisted housing initiatives in Bolivia, Cuba, Dominica, Ecuador, Guatemala, Haiti, Nicaragua, and the Dominican Republic (Bolivarian Republic of Venezuela, 2020).

### **Challenges**

The opposition parties in Venezuela's National Assembly which often represent corporate and elite interests opposed the housing missions and introduced the Housing Privatisation Law in an attempt to privatise housing across the country. However, in 2016 the

Supreme Court declared the law unconstitutional based on the enshrined right to public housing as set out in the Venezuelan Constitution (Holldack, 2016).

There were also different views on the housing missions within the "Chavismo movement" (which emerged around the ideas of "Socialism of the 21st Century" as espoused by former President Chavez). The question of centralised delivery through private contractors *versus* community self-organisation and the use of social enterprises (like workers-owned companies) was at the heart of the debates. In 2019, various community-based organisation, known as "popular movements", marched to the National Constituent Assembly and demanded a legally binding quota of 50% of the newly constructed houses to be undertaken through community housing initiatives. Their demands included to expand the housing process beyond just housing delivery. They called for access to land under social property and for direct access to the means of production. The community organisations demanded a new law to recognise them as builders as they believed that "through self-management, organising and planning, we can address all the issues of the community". Self-management thus was understood not merely as a means for housing delivery but rather as a general principle of organising a new society (Vaz, 2019).

## **Results**

By the end of 2018, 2.5 million new homes had been constructed and government announced a new target of 5 million homes by the end of 2025. The standard houses and flats built under the missions consisted of 3 bedrooms, 2 bathrooms, a dining room and a general area. The new and renovated homes benefitted 11.7 million people, equivalent to 38% of the country's population. Overall, the number of adequate homes across the country increased by 37% and were spread across 334 municipalities (TelesSUR, 2 January 2019; Pearson, 2014; Bolivarian Republic of Venezuela, 2020).

These achievements of the Vivienda Venezuela Great Mission between 2011 and 2019 were enabled by an unprecedented investment of \$US 86 billion by the State. Despite the economic difficulties in the past few years, caused by the fall in the oil price and the brutal economic sanctions imposed against Venezuela, the State maintained its commitment to provide decent housing to every family. This included access to gas, electricity, potable water and sewage services (Bolivarian Republic of Venezuela, 2020).

The housing missions targeted poor and marginalised households and about 40% of the beneficiaries were young people. Other social groups who benefitted included indigenous peoples (2%), military personnel (2.45%), peasants (8.40%), workers (21.21%), and education sector workers (4.10%). Furthermore, 438,110 immigrant families benefitted from the housing missions with 308,255 new homes allocated to migrants from neighbouring Colombia (Bolivarian Republic of Venezuela, 2020).

## **Conclusion**

Although global media houses portray developments in Venezuela in a very negative light, there is no doubt, that the achievements of the country's missions, including housing, are impressive. Available figures indicate that a large portion of the population directly benefitted from the housing missions and that the constitutional right to decent housing is being realised in practical terms. The poor were protected from the arbitrariness of the housing market through protection against eviction and the provision of decent shelter, subsidised loans and title deeds to urban land. This ended the commodification of housing to some extent and paved

the way for the recognition of housing as a human right as set out in the Venezuelan constitution.

There are various lessons that can be drawn from Venezuela's experiences. Firstly, the social justice aspect that underpinned the housing programmes meant that the focus was not merely on the number of newly created homes alone, but also on the participatory processes that constituted the housing missions. The direct participation of communities was perhaps the most crucial aspect in terms of a transformative political agenda. Venezuela's housing missions were not just about creating new homes but also about creating a new society through solidarity and cooperation within communities.

Secondly, the state played a facilitative role and supported these grassroots initiatives with funding mostly derived from Venezuela's oil revenue. Resources could be accessed directly by the community councils which set up the communal banks which provided subsidised housing loans. This meant that the market mechanisms that underpin the commodification of housing were disabled to ensure decent housing as a human right.

Thirdly, the question of efficiency of housing delivery was not measured only in terms of the speed of housing construction but also in terms of transformative processes that accompanied the housing missions. This is an ongoing struggle with community-based organisations pushing for greater emphasis on self-management of housing and economic production.

With falling oil prices and the brutal economic sanctions imposed by the USA and some of its allies against Venezuela, it will be increasingly difficult to sustain the funding model based on oil revenue. It is certainly no coincidence that the Western countries driving the sanctions have a vested interest to see Venezuela's transformative programmes fail. The proposal by Venezuela's opposition to privatise housing is an example of ongoing attempts to undermine such transformative processes. Venezuela certainly faces very challenging years ahead to defend and broaden its emancipatory achievements but its successes - despite vicious sanctions - provide an inspiration for housing struggles elsewhere.

## References

Albert, M. (2008). *Interviewed by Adam Gill*. Retrieved from [www.zcommunications.org/znet/viewArticle/19681](http://www.zcommunications.org/znet/viewArticle/19681)

Bolivarian Republic of Venezuela (2020). *The Great Mission Housing Venezuela (GMVV)*. Caracas: Government of the Bolivarian Republic of Venezuela.

Correo del Orinoco International, 26 June 2011. *Second stage of state housing mission underway in Venezuela*. Retrieved from [www.venezuelanalysis.com/news/6299](http://www.venezuelanalysis.com/news/6299)

Chavez, H. (2008). *Annual message before the National Assembly*, 11 January 2008.

Holldack, J. (2016). *Inside Venezuela's housing mission "dignified housing for the people" – Tiuna City*. Retrieved from [www.venezuelanalysis.com/images/11972](http://www.venezuelanalysis.com/images/11972)

Jauch, H. and Shindondola, H. (2008). *Venezuela and the struggle for social justice: an alternative to globalisation*. Windhoek: LaRRI.

Jauch, H. (2009). Democracy from below: Venezuela's community councils and banks. *South African Labour Bulletin* 33 (1), April/May 2009.

Blough, L. (2012): *President Chavez deepening the revolution with housing mission*. Retrieved from [www.venezuelanalysis.com/analysis/7267](http://www.venezuelanalysis.com/analysis/7267)

Lopez Maya, M. (2007). Venezuela today: A Participative and Protagonistic Democracy. *Social Register 2008. Global Flashpoints: Reactions to Imperialism and Neoliberalism*. London: Merlin Press.

McIlroy, J. (2008). *Venezuela: Building popular power through communal councils*. Retrieved from [www.dsp.or.au/links/node/321](http://www.dsp.or.au/links/node/321)

Pascual Marquina, C. (2019). *Grassroots democracy and the social production of housing: a conversation with Rigel Sergeant*. Retrieved from [www.venezuelanalysis.com/analysis/1475](http://www.venezuelanalysis.com/analysis/1475)

Pearson, T. (2014). *Community volunteers aid in housing construction in Venezuela, registered communes reach 600*. Retrieved from [www.venezuelanalysis.com/news/10650](http://www.venezuelanalysis.com/news/10650)

TeleSUR, 2 January 2019. *Venezuelan Housing Mission Passes 'Milestone' with 2.5M Homes*. Retrieved from [www.venezuelanalysis.com/news/14198](http://www.venezuelanalysis.com/news/14198)

Vaz, R. (2019). *Venezuela: Popular movements mobilise to demand housing self-management*. Retrieved from [www.venezuelanalysis.com/news/1455](http://www.venezuelanalysis.com/news/1455)