

Understanding Venezuela

Francisco Domínguez

Francisco Domínguez charts the progress of the
Bolivarian revolution.

How to understand Venezuela? At one extreme one finds interpretations of Chavez's Bolivarian Revolution as just another 'socialistic' experiment, doomed to fail unless significantly more radical measures are taken. In this view, what has been unleashed in Venezuela has the potential for full-blooded socialism, since, rather than being the culmination of a series of government reforms from above, the revolution can be seen as radicalisation from below: Chavez, pendulum-like, radicalises when he feels the pressure from the masses. In this argument, however, he is not prepared to transcend capitalism, because of his belief that there is still an important role for the national bourgeoisie.¹ At the other extreme, and in the view of most of the British (and world) media, Chavez is seen as just another Latin American *caudillo* who, by the cunning use of oil money, is turning himself into a totalitarian dictator.² Neither of these interpretations is accurate. This article seeks to explore why they are wrong, by looking at the dynamics of the Bolivarian Revolution in its concrete unfolding.

The expansion of democracy

There has never before been so much democracy in Venezuela. Under Chavez, millions of hitherto excluded people have been brought into active political

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participation. The figures for electoral registration and participation are eloquent testimony of this: the turnout of 74.97 per cent for the December 2006 presidential election (at which Chavez stood for re-election) was the highest since 1988. However, there has been a big increase in the absolute numbers of people voting, as well as the percentage: in 1988 only 7.2 million people voted - four million fewer than at the 2006 election - and this in part reflects the previous exclusion of large numbers of people from Venezuela's electoral process. Furthermore, since 1998 electoral campaigns on the *chavista* side have been characterised by huge mobilisations, and the self activity of the people in their millions; and this activity has not been confined to going on rallies and marches, but has also involved organisation in thousands of electoral (and many other) committees at the grassroots level, throughout the nation. These committees involve millions who had never before been politically active and, crucially, there has been a mass participation in Venezuelan politics by women of humble social background.

The mass of the poor have also been brought into political participation by being made central to the running of the social missions in areas such as health, education and food distribution. The provision of these services has greatly empowered the poor, especially through the provision of health services: the reduction and/or eradication of illness has had the effect of releasing women from the burden of looking after the sick - something which typifies poverty - thereby producing extra time for them.

This reality is not just a matter of political expediency, or of rallying the faithful behind Hugo Chavez; it is part of an ethos that has been systematised and enshrined in the Bolivarian Constitution, which was approved by 85 per cent in the 1999 referendum. The Constitution not only commits the government to uphold an impressive number of social, economic and human rights, including specific rights for women, indigenous peoples and other hitherto oppressed and/or excluded groups; it also makes the pursuance of neo-liberal policies unconstitutional, including a constitutional prohibition on privatising the country's natural wealth, especially its oil. It also enshrines the right of citizens to make elected officials, including the president of the republic, accountable and recallable.³ There is no doubt that the Venezuelan constitution is one of the most democratic in the world.

The literacy programme has also empowered a large proportion of the poor who were previously illiterate. About 1.5 million people were taken out of illiteracy

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in eighteen months, and thereby taken out of the forced exclusion in which they had been confined by decades of neglect. The education missions also offer them the possibility of developing their education further, by completing the primary, secondary and higher education levels, totally free of charge. Given that social exclusion has affected women relatively more than men, the chief beneficiaries of this have been women.

The massive expansion of cooperatives is another manifestation of the democratisation of Venezuelan society. In 1998 there were about 1000 cooperatives; currently there are about 180,000. Here again, women have been the chief beneficiaries, because cooperatives provide a flexible source of employment and income, thereby creating the conditions for women's financial autonomy. Additionally, the establishment of the Bank for Women has democratised society further. At least 60,000 women have used low interest loans from the Bank to set up production cooperatives.

After centuries of machismo and sexism many problems still remain for women in Venezuela, including the major problem of domestic violence, and these are also addressed through the Institute for Women, under the energetic leadership of Maria Leon. The Institute for Women has successfully promoted legislation criminalising domestic violence, and has vigorously campaigned for equality in other areas, including challenging sexism in the media, and promoting the right to abortion. Over 17,000 *Puntos de Encuentro* - self-organised women's groups - have been established. Campaigning on some of these issues can be difficult: although it is difficult to measure, opposition to abortion and divorce is quite widespread in Venezuela, and not only among men.

After Chavez's re-election in December 2006, the government took measures to deepen the democratisation of Venezuelan politics through what it calls an 'explosion of popular power'. The specific law on this entails the establishment of Communal Councils - bodies of 200-400 families in the urban areas, at least 20 families in each rural council, and at least 10 families in each indigenous council. Their function is to monitor and watch over the functioning of local authorities as well as to elect specific committees to deal with local issues (health, education, recreation, land, safety, etc). The aim here is to transfer political power from the state to the communities at the grassroots level. Chavez recently reported to the nation that there were already 25,000 such councils in

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the country as a whole, with the intention to reach 50,000 by the end of 2007. Thus far the councils have received US\$2.5 billion for local projects; and about 300 communal banks have been set up. More resources are also being made available for the over 6000 projects that the councils have embarked upon.

This 'explosion of popular power' is in line with article 2 of the constitution; Communal Power (*Poder Comunal*) is just the beginning of a long-term objective to transform the social bases on which the Venezuelan state rests. The issue of developing alternative mechanisms of people's power has been a major weakness in just about every revolution thus far. The problem seems to lie not so much in setting them up but in institutionalising them in such a way that they continue to fulfil the task originally assigned to them. Venezuela has tried already to experiment with the Bolivarian Circles, but these simply disappeared because they took on the task of organising the social missions in the barrios.

Under the constitution the opposition enjoys total freedom to operate politically. Their political parties, both those associated with the old regime - COPEI (Christian Democracy), ADECO (Social Democracy) and MAS (neo-liberal, formerly socialists) - and the right-wing parties that have emerged since Chavez came to office (of which the largest is PRIMERO JUSTICIA, UN NUEVO RUMBO) organise freely, publish newspapers, appear without restriction of any kind whatsoever on TV and radio, organise marches, rallies, meetings and gatherings, and openly criticise just about everything the Chavez government does or does not do. Their real difficulty is that they do not enjoy popular support. At the December 2006 election Chavez was re-elected with 63 per cent of the vote (a higher percentage than at any previous election), while the opposition got a paltry 36 per cent (a smaller percentage than in the 2004 recall referendum).⁴ The parties of the Venezuelan oligarchy have lost most of any political appeal they might once have had. In the election the government won convincingly in every single one of the 24 states in Venezuela. Its victory in many of them was indeed overwhelming: Amacuro Delta, 77.98 per cent, Amazon 77.81 per cent, Portuguesa 77.05 per cent, Sucre 73.70 per cent, Cojedes 73.33 per cent, and in the municipality of Rio Negro 96.4 per cent. The opposition won only in Miami!

The media is largely privately owned, however, and it is virulently opposed to Chavez and his government. It has been estimated that 95 per cent of the Venezuelan media opposes the President. The five privately owned major television channels until recently controlled at least 90 per cent of the TV market; and the vast

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majority of the country's newspaper companies and radio stations are held in private hands. Earlier in 2007 there was controversy when the government did not renew the TV broadcast licence of RCTV, replacing the air space it previously occupied with a new type of television in Venezuela, public service broadcasting.⁵ The new station, TVES, is intended to function as the aggregate efforts of independent producers.

The government has pointed out that the emergence of TVES is part of the process of democratisation of Venezuelan media. But the government's detractors, nationally and internationally, have presented the move as confirmation of its authoritarian intent. However, contrary to what the media have said, RCTV has not been closed down, since it can still broadcast through cable, satellite and internet; it is merely that its territorial airspace has been reallocated. It would be surprising if the overall democratisation process that is underway did not touch this vital sector of Venezuelan politics and society, since the Venezuelan media has traditionally been highly monopolistic, and owned by sections of the oligarchy. Furthermore, it is a matter of record that the Venezuelan TV channels, and RCTV in particular, actively orchestrated, helped organise and vigorously supported the attempted overthrow of the democratically elected government of Venezuela in April 2002.

Another measure that has potentially a broad democratising effect has been Chavez's call for the formation of the *Partido Socialista Unido de Venezuela*, PSUV. Yet this also has been presented as yet another step along the road to totalitarianism. Far from being the single party-state in the making that some suggest, the PSUV is being set up from the grassroots upwards, and with little regard for any vested bureaucratic interests that may have developed since 1998. Chavez has called for the formation of a single party of those who support the revolution, but people do not have to join the PSUV if they do not wish to do so. He did, however, openly call on the parties of his coalition to dissolve and join the efforts to build the new mass party. He addressed this call very specifically to three parties: PODEMOS, PPT and PCV (Communist Party of Venezuela). Between them these parties obtained about 20 per cent of the total *chavista* vote at the 2006 presidential election. The MVR, the party of the president, has already dissolved, but sections of PODEMOS, PPT and PCV have thus far resisted the calls for dissolution. However, all three have been losing cadre at every level (local, regional, national), with former members publicly declaring for the PSUV. Furthermore, in the first three months of national registration of PSUV candidate members, the new party has recruited 5.8 million individuals, which makes it the largest and, in its method of

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emerging, the most democratic party of the nation's history - before it even formally exists. The rise of the PSUV in no way affects the operation and existence of the parties and organisations of the opposition. The issue is whether the PSUV will generate enough cadre to take the revolution forward in the context of a political process that suffers from a shortage of such cadre. The extent to which the PSUV is able to address this shortcoming remains to be seen.

In Venezuela indigenous people now enjoy special rights and, regardless of their demographic weight (which is pretty small: 400,000 out of a total population of 28 million), have entitlement to their own parliamentary representation. The cultural identity of indigenous people is also being actively promoted by the Venezuelan state, through the Guaicaipuro Mission. And the Ministry of Culture is also celebrating the African roots of many people in Venezuela, through consciousness-raising events of national scope. Currently, the level of consciousness in Venezuela on the indigenous issue is significantly greater than on the issue of race discrimination; more needs to be done for the nation as whole to acquire such consciousness, but great advances have already been made.

A number of preliminary conclusions are in order here. Firstly, Venezuela's state and society are being democratised out of all recognition. The totalitarianism-in-the-making interpretation therefore contradicts the factual reality of Venezuela. The social, political and cultural bases of the state are being turned upside down. The lower classes have been empowered in a shift of political power that has no precedent in the region. Thus the suggestion that the Bolivarian Revolution will not transcend capitalism unless pushed forward by the revolutionary mass of the people is plainly inaccurate. In fact, all of the progress in the social, cultural and political fields has come about because of the impulse given by Chavez himself, and his government; the government has not been under mass pressure to enact all these changes. The depiction of the Chavez regime as one seeking to contain the revolutionary impetus of a mass movement within the parameters of capitalism is therefore simply wrong. Furthermore, it is unimaginable that such structural reforms could have been carried out within the confines and logic of a capitalist state.

Left-wing critics of the Chavez regime have frequently focused on economic issues, pointing out, for instance, that the government has not sufficiently expropriated the Venezuelan capitalist class. Conversely, right-wing opponents, much more correctly in my view, have concentrated on politics. It is an

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understanding of Venezuela's political dynamics that reveals the true nature of the Bolivarian revolution. However, this in no way resolves the inherent contradiction that exists between the political nature of the revolution and the current bases of the country's economy. We now go on to examine these issues.

The dynamics of asserting national sovereignty

Since 1998, the Chavez government has taken step after step consistent with the objective of asserting Venezuela's national sovereignty vis-a-vis multinational capital, the IMF and World Bank, and moving steadily away from, and against, the Washington Consensus. The government has wrested control of the state oil company, PDVSA, from out of the claws of the local oligarchy and the voracious multinational oil companies. Before 2004 these companies were paying royalties of only 1 per cent on their earnings, but this was then increased to 16.6 per cent. In October 2006 royalties were further increased, to 50 per cent. These measures have, together, brought an accumulated US\$5.8 billion extra revenues to the state.

The 1999 constitution binds the government to an anti-neo-liberal economic policy, and it is therefore no surprise that since its enactment the Venezuelan government has been reversing the policies of the old regime, which had led, through comprehensive privatisation programmes, to the handing over of the country's national wealth and industry to multinational companies, mostly from the US.

Since the Chavez re-election in December 2006, the government has carried out a number of re-nationalisations, thus further reversing the neo-liberal policies that had previously dominated Venezuela. First the telecommunications company, Compania Nacional Telefonos de Venezuela (CANTV), owned by Verizon Communications, was nationalised. This was followed by Electricidad de Caracas (EDC), a Virginia-based AES Corporation. These moves ended the country's dependence on multinational companies in the strategic fields of telecommunications and electricity generation. In May 2007, it was the turn of the oil industry: the state's share in the Orinoco River basin oil projects (believed to hold the world's largest oil reserves) became dominant, in an area where big oil companies such as Chevron, BP Amoco, ConocoPhillips and Exxon Mobil all operate. This has effectively brought to an end multinational economic hegemony over Venezuela's oil.

In a similar vein, the 'autonomy' of the Venezuelan Central Bank - a sacrosanct

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dogma of the neo-liberal ideological arsenal - has also come to an end. That is, it will be the Venezuelan authorities who will now determine the country's economic policies, and not the World Bank or IMF, whose control through 'autonomous' central banks has been standard practice in most of the region. Furthermore, legislation has been passed to reverse existing laws that allowed 100 per cent private ownership of natural gas projects.

Nor has the agricultural sector been immune to Chavez's alternative economic policies. By 2004 about 2,000,000 has of land had been redistributed, to about 100,000 peasant families, most of it formerly unused, state-owned land. And since 2005 a further 1,300,000 has of privately held land have been expropriated and given to peasant families. Between 2003 and 2006, according to the Instituto Nacional de Tierras, 73,557 land property titles were issued to peasant families, involving 3,229,835 has of redistributed land. Land distribution is not just a matter of social justice; it is also an absolute economic imperative, for Venezuela imports about 70 per cent of the food it consumes, and yet it has plenty of rich agricultural land. (Agriculture accounts for only 6 per cent of the country's GDP, the smallest percentage in Latin America.)

Recently Chavez announced plans for state-induced industrialisation, and he also raised the spectre of nationalising the banks, the steel industry and all private monopolies that do not cooperate with the plans. The expropriatory vigour of the Chavez government can thus be seen to be quite strong; and any analysis that suggests otherwise is simply mistaken - the result of either defective information or doctrinaire blinkers.

The government has also indicated that Venezuela will withdraw from the IMF and World Bank. Thus every decision fits within an overall strategy to break with the logic not only of neo-liberalism but also world capitalism. And Venezuela has, in practice, already severed the links with the IMF and the World Bank by paying off its external debt in full. (We must remind ourselves here that in April 2002, just hours after Venezuela's democratically elected government had been overthrown in a military coup, the IMF stated publicly that it was, 'ready to assist the new administration in whatever manner they find suitable'.⁶)

Additionally, Venezuela has ended any US military presence in their territory; it has ceased to be linked to the US regional military structures (US Southern Command); it does not send military officers to be trained in the US School of the

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Americas (which has trained so many of the military dictators of the continent); it does not participate in joint military exercises with US forces; and it has steered a totally independent foreign policy from that of the US - something unthinkable only a decade ago.

In short, the Bolivarian revolution, in seeking to assert the national sovereignty of Venezuela and its democratic rights, is being compelled to adopt an anti-imperialist and anti-capitalist course.

Social progress

Can a government continue to improve the standard of living of the poor, the immense majority of the population, while at the same time staying within the limits of capitalism? Capitalism has been able to achieve this difficult task, but only in a very few citadels (the US and Europe). It has not been possible to do this anywhere in the colonial and neo-colonial periphery. Venezuela is currently achieving phenomenal improvements for its population, though it is starting from a very low level, and is greatly assisted by its huge amounts of oil. Can the social progress achieved under Chavez thus far be defined, broadly speaking, as redistributionist? Or does it also have a dynamic that goes beyond the narrow confines of ordinary welfarism and redistribution?

The Chavez government has instituted a free healthcare programme, greatly assisted by 20,000 Cuban doctors; and it has re-nationalised the hospitals and clinics that were privatised after the 1970s. It has also begun the establishment of a Latin American Medical School (ELAM) in Caracas, which will train doctors from all over Latin America. A similar process is taking place in the field of education, as outlined at the beginning of this article. The minimum wage has been increased by 20 per cent, and a reduction in working hours has also been announced. There have also been improvements in state pensions, and a number of measures to improve women's lives.

Food subsidies have been channelled through Mercial Mission, a chain of government-owned, community-run supermarkets, which sells food up to 60 per cent cheaper than in the commercial chains. This programme was prompted by the oil-lockout organised by the opposition in 2002-2003, which was supported by a shutdown of privately-owned food distribution networks. Many people, especially

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the poor, suffered severe hardship during these stoppages and the government was determined that it would never happen again. By July 2005 there were 25,000 outlets, benefiting more than 12 million poor Venezuelans.

There has also been a massive programme of infrastructure works (two new lines in the Caracas metro, new metros in the cities of Valencia and Maracaibo, three new bridges over the Orinoco river, thousands of new houses, sewerage systems, new hospitals, schools, universities, health clinics, surgeries and thousands of miles of motorways). These have contributed to a rapid decline of unemployment, to 8.6 per cent at the end of 2006.

From an economic point of view, however, the Venezuelan bourgeoisie has not been expropriated - though it has lost control over a great deal of what happens with the economy, and has no influence whatsoever over economic policy. Some sections of banking have made unusually large profits because of the oil-driven economic bonanza, and the financial activities of Venezuela in world markets - any bond issued by the Venezuela state begins to increase in value even before it appears in the stock exchanges. Confusingly, no section of the Venezuelan elite has been impoverished.

Does this set of policies add up to more than a social democratic approach - albeit a very vigorous one, and in today's world a rare one? In my view, when taken together, the set of policies aimed at asserting Venezuela's sovereignty, and those orientated to redressing decades of social exclusion, amount to much, much more than simple redistribution. Keynes would have been horrified had he seen the reach and depth of Bolivarian policies in Venezuela. Although some sections of left talk about the rise of a corrupt Bolivarian bureaucracy, enriching itself at the expense of the state, the truth is that this is confined to a few individuals, who do not amount to a new capitalist class.⁷

A recent *Economist* take on this matter (9.8.07) refers to the rise of a 'Boligarchy', which includes bankers and other intermediaries who have greatly benefited from some government policies. Its argument is that the Chavez brand of socialism is already failing in Venezuela (as any socialist brand is bound to do), and that any move to make socialism more than a slogan will attract fierce resistance from the Boligarchy. In spite of the doctrinaire nature of some of its analysis, the *Economist* has a relevant point in terms of the dynamics of the revolution. Although it has made huge strides in dismantling crucial aspects of traditional elite/bourgeois power in Venezuela, there are

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further showdowns on the horizon. This anomaly - the coexistence of a revolutionary government with a Boligarchy - is due to Venezuela's peculiar set of circumstances. However, the showdown, when and if it takes place, will be between a capitalist class that is severely weakened at the political and economic level (despite the temporary extra profits in banking and retail) and a mass movement whose own power, capacity for mobilisation, self-confidence and self-organisation has phenomenally grown in the last eight years. It is in this empowering of the masses that we can see a divergence from traditional social democracy.

Politics and economics: the state and revolution

It is by focusing on politics not economics that the true nature of Venezuela's Bolivarian Revolution is revealed. Given the huge and sustained windfall that has befallen Venezuela, it is very likely that the underlying contradictions can be sustained for an unusually long period - as compared, say, to what happened in Nicaragua in the 1980s or Cuba in the 1960s. The fact that the US is seriously bogged down in Iraq and Afghanistan has also somewhat increased the Venezuelans' room for manoeuvre (though Chavez has still faced intense US hostility, a temporarily successful coup d'etat, a devastating oil lockout, a US-orchestrated and US-financed campaign to unseat him through a recall referendum, and several serious efforts from Colombia to overthrow the government or at least assassinate its leader).

The Iraq factor may be a relative one, but there is little doubt that that, together with the gigantic oil revenues, it has furnished Chavez with substantial leeway. If the key contradiction in any socialist transformation, especially in a peripheral economy, is between the existing social relations of production and the emerging forms of political power, Venezuela has at least had some political space, and the material conditions, to ride it, and to choose the best moment to attempt resolve it. Imagine for a second a Venezuela without oil. The country would have been severely blockaded by the US and the international bodies it controls; its population would have been further impoverished; credit for even the most modest of social programmes would have dried up and been made subject to drastic conditions; terrorist attacks designed to cause maximum economic devastation would have been unleashed; bands of counterrevolutionaries would have been let loose on the civilian population; and all this carried out as part of a well orchestrated international

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campaign aimed at total surrender. *Chavismo* would have been stopped on its tracks. As things stand, however, there has been time to set in train the transformation of the Venezuelan state apparatus.

We can here only sketch the broad outlines of the transformation the Venezuela state has undergone. As a result of the ultimate failure of the April 2002 coup, the oligarchy lost political control over the army, which in effect purged itself, as key generals and high officers associated with the coup fled to Miami or Bogota. But this did not take place in a political vacuum. Chavez had begun the transformation of the state much earlier, with the 1999 constitution and the replacement of the old parliament by the current National Assembly. He had also had a showdown with pro-oligarchy sections of the judiciary, resulting in their resounding defeat, with most of them being sacked. Another part of the context was the almost total discrediting of the traditional parties of the oligarchy, whose support had seriously collapsed (this has continued, since these parties hardly exist today). Nevertheless the victory against the coup was a qualitative turning point. The oil lockout allowed the *chavista* camp to win control of PDVSA, which up to then had been run as the exclusive preserve of the oligarchy, and this in turn was to prove a further key turning point. By the time of the recall referendum in August 2004, Chavez could face down a much weaker oligarchy.⁸

Since then it has been downhill all the way for the former Venezuelan elite. Following the advice of their mentors in the US State Department, they foolishly boycotted the 2005 parliamentary elections, thereby giving 100 per cent control over the National Assembly to Bloque del Cambio, the *chavista* coalition. Then they lost the 2006 presidential election, and since then have been pretty powerless to raise even a modicum of serious opposition to Chavez's increasingly socialist direction; apart from a brief spate of street demonstrations on the occasion of the non-renewal of the licence of RCTV they have become passive observers, incapable of articulating a coherent alternative that could inspire their demoralised and ever-decreasing supporters.

Although the process is by no means complete, the Venezuelan state has undergone so many qualitative changes that it has already ceased to be a normal capitalist state apparatus; nor can it be seen as one led temporarily by a socialist government (such as with Allende, for instance). The state now serves totally different interests and tasks from those it set out to fulfil back in 1958, when it was 'modernised'. The

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development of tens of thousands of communal councils and the rise of the PSUV are likely to be last nails in the coffin of a corpse that needed burying.

Notes

1. See for instance, Chris Harman, 'Venezuela, Hugo Chavez and permanent revolution', *Socialist Worker*, January 2007; Lee Sustar, 'Where is Venezuela going?', *International Socialist Review* 54, July-August 2007.
2. See, for example, the recent article by Alice O'Keeffe, 'Chavez: From hero to tyrant', *New Statesman*, 12.7.07.
3. In 2004, the Venezuelan opposition made use of this constitutional provision to try and oust Hugo Chavez by collecting signatures and forcing the government to hold such a referendum. Chavez won by a large margin (59 per cent to 40 per cent). No other country in the world has such a democratic mechanism in its constitution.
4. In the 1998 presidential election Chavez received 3,673,685 votes; in the 2000 presidential election 3,757,773 votes; in the 2004 recall referendum 5,800,2009; and in the 2006 presidential election 7,309,080. For the full results of the 2006 election see the Consejo Nacional Electoral official website: www.cne.gov.ve/divulgacionPresidencial/resultado_nacional.php.
5. See the truth about RCTV - a VIC briefing, www.vicuk.org/index.php?option=com_content&task=view&id=186&Itemid=29.
6. Mark Weisbrot, *Huffington Post*, 'IMF and World Bank Face Declining Authority as Venezuela Announces Withdrawal', 04.5.07 (www.venezuelanalysis.com/articles.php?artno=2031). The Bolivarian government has financially supported key countries in the region to pay off part of their external debt so as to reduce their dependence on these bodies.
7. In this regard see speech by Jorge Martin, International Secretary of Hands off Venezuela: video.google.com/videoplay?docid=6772629158564267431&q=Jorge+Martin+RAN&total=2&start=0&num=10&so=0&type=search&plindex=0.
8. This is significant: in Chile in the early 1970s, Salvador Allende had frontally pitched against his government an opposition majority in parliament, the judiciary and other state bodies - and crucially, the armed forces.