

# **Venezuela at the crossroads**

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The recent events that have shaken Venezuela reflect not only the level of interference that the USA maintains in the region or the pervasive coup-mongering trend in the Venezuelan elite which knows by heart the manual of the Chilean coup strategy. It primarily reflects the latent tensions in the Venezuelan model which should start to work themselves out from below, through struggle. Today more than ever we need critiques to be the essential tool of revolutionaries, rather than the attitude of passive approval of everything the Bolivarian leadership does.

## **The genesis of Bolivarianism**

An event that marked the recent history of Venezuela was the Caracazo, that gigantic, spontaneous popular mobilization the structural adjustment measures decreed by the Social-Democratic government of Carlos Andrés Pérez in 1989, which was drowned in the blood of between 500 and 2,000 Venezuelans. It is surprising to note that to date there are no reliable figures on the number of dead, which to some extent reflects their status as “nobodies”, “disposable”, “marginal”. After earning a reputation for his coup attempt in 1992 — in direct response to a government widely seen as illegitimate by the working classes — the retired officer Hugo Chávez Frías stood in the 1999 elections, an outsider in the circles of power which, during the so-called *Punto Fijo* period, divided up bureaucratic quotas between two parties. His populist, direct speeches, his denunciation of a *status quo* increasingly tired out by the oil crisis which eroded the corrupt networks of clientelism, immediately captured the fascination of the majority, alienated by the political-economic system.

Although his first redistributive measures were timid, Chávez immediately alienated the elite because for the first time in the history of the republic they were displaced from the circles of power. This abrupt change was ratified in 1999 by the constituent assembly, where the old parties ended up disappearing. The new Constitution, which even the Right led today by Capriles lays claim to, has established certain social guarantees and rights that have benefited sectors previously excluded from access to health or education, counter to the neoliberal trends that dominate throughout the world. Principles of participatory forms of democracy are also experimented with through the institutionalization of *Poder Ciudadano* (Citizen Power). From the point of view of guarantees, this Constitution is almost unique in recognizing the right of civil disobedience in cases where the government violates the Constitution.

The years that followed the Constitution were turning points in the leftist turn of the Chavista political project; at each attempt to remove him from power, the masses at the grassroots of the Bolivarian project responded with increased demands. Some of these measures included the April 2002 coup and then came the bosses’ lockout from December 2002 to February 2003, both decisively defeated by popular mobilization and support from the Army for the process. The lockout, which was centred on a shutdown of oil production, saw workers self-manage sectors of that industry so as to keep the economy running. In this process, the rentier capitalist class became worn out and important areas of it were ousted from a significant centre of power when Chávez fired 19,000 technicians, directors and middle managers. The Bolivarian project thus took control of oil revenues and set about a series of social programmes called “missions”, through which the newly conquered social rights were extended to the most marginalized areas of the country. But even in this process, the experience of self-management came to an end and albeit with new faces, there was a return to the same labour dynamics as before.

But it was only after the victory in the recall referendum of 2004 and his overwhelming victory in the presidential elections of December 2006, that he dared publicly to describe his project as “Socialism of the 21<sup>st</sup> Century”.

## **Socialism of the 21<sup>st</sup> Century**

Chávez now defined the five motors of the construction of socialism: the nationalization of telecommunications and electricity; control of 60% of *Petróleos de Venezuela S.A.* (PDVSA, state-owned oil and gas company) of the multinational oil operations; constitutional reform to declare Venezuela a Bolivarian, Socialist republic; political education and ideological struggle to overcome capitalist prejudice, a new system of territorial administration of the country in line with the people’s needs; and the development of organisms of community power. It was intended with these measures to move from developmentalism to *poder popular* (people’s power).

The first measures to promote people’s power, such as urban land committees, invariably came from above, while the main emphasis continued to be redistribution through the missions, which were skillfully created by-passing the structures of the State’s administrative bureaucracy, mixing social mobilization with Army participation. These bodies provided perhaps the most spectacular achievements of the Bolivarian project, such as the virtual elimination of illiteracy.

Other initiatives yielded more mixed results due to distortions caused by the oil-rentier economy and Dutch Disease, together with the persistence of the clientelist, bloated State. Land reform is a good case in point. Venezuela imports 70% of its foodstuffs, 12% of its population is rural and 5% of landowners in 1997 controlled 80% of the land. Since 2005, various farmers have received land and migration from urban areas to rural ones has been stimulated; however, it has not been easy to achieve the goal of food sovereignty because the distortion of the oil economy makes food production more expensive than that of Venezuela’s neighbours. Paradoxically, Mercal, the subsidized stores, sell most of the imported food because its cheaper price. And to the slow expansion of food production (lower than demand), the problem of sabotage and stockpiling must be added.

Workers’ control too is contradictory. The first expropriations by Chávez came about up to 2005, when some companies went under the control of the workers, alone or together with the State. But radicalized workers who were demanding the abandoning of old-style management patterns, consideration of not only profit but the need and sustainability as productive criteria or an end to the division between manual and intellectual workers, found their bitterest enemies in the Labour Ministry itself, while Chávez distanced himself from the “radicals” until in 2009 his interest in them was reborn with the need to fight against the “corrupt”. Many companies were left isolated in the swindle that was “socialism in one factory”, while sectors of the left denounced this adventurism, opting for purely statist schemes. But beyond the existing industries, the dream of economic diversification remained elusive: the economy continued to be dominated by oil revenues and the creation of initiatives such as cooperatives fell into a vicious circle – the exchange rate distorted by the rentier economy did not help competitiveness in the market in accordance with the capitalist laws in force in Venezuela and the region, and the subsidies and support for these diversification initiatives depended on oil revenues, which reinforced the structural weakness of the productive economy.

## Communal State?

An important aspect of how the Bolivarian project understood people's power is the development of community councils, which would be the basis of what Chávez called the transition from the Bourgeois State to the Communal State. Inspired by the participatory experience of Porto Alegre, these councils are community mechanisms for the development and implementation of community projects. But they faced opposition from local *caciques* (political bosses), State agencies and even the banking system which was supposed to fund these projects. Clientelistic structures of traditional politics and bureaucrats were wary of communal experiences that became too independent.

Although poverty has been reduced and malnutrition and illiteracy have been eradicated, the question of power continues to be the driving aspect on which not only the furthering of the “process” depends but also the maintenance of what has been achieved so far in this decade through social experiments. Despite the interaction of initiatives from below with those from above, the contradictions between the State and the communities remains the defining element of the political dynamics of the process. Particularly because the State, starting with the removal of the old *Punto-Fijistas* from power, has become the niche of the traditional ruling class, while those who have newly arrived into State circles have quickly acquired the corrupt, vertical and clientelistic practices that have been a feature of it for decades. From these niches they boycott change and get rich, while wearing their nice little red shirts. Most of the time, Chavism has granted privileges to the obedient bureaucrats, corrupt as they are, and has turned a blind eye to the kickbacks that they take. Closing one's eyes to this strengthens the Right, even though it means silencing the popular sectors that have denounced this. The worst thing about a clique is not being a part of it. So goes a well-known saying in Colombia and Venezuela.

The absence of collective leadership, *caudillismo* (strongman politics) and verticality, represented in the logic of the State, have been the main enemies of this process of social change. This was evidenced at the death of the “comandante” in March 2013.

## The current situation: go on with the “process” or end it?

After the local elections in December, which the rentier Right used as a kind of referendum and which the Chavists came out of with flying colours, the latest devaluation has given an opportunity to those sectors to take back the streets after a decade of keeping their heads down. Those who have profited with the flight of capital through the diversion of oil revenues worth millions into private accounts abroad by means of the Commission for the Administration of Currency Exchange (CADIVI) have sounded the alarm with the announcement that this system is to be replaced by a new one (National Centre for Foreign Trade — CENCOEX), and squeal about inflation and shortages that have been created largely by them. Let us not forget that in this economic war more than 50,000 tons of stockpiled food staples have been requisitioned need since early 2013, while entrepreneurs of all sorts have been speculating with international trade, as is the case with household appliances, with profit rates of 1,000%.

The problem is not that they are raising their heads — it is that their privileges have not been touched and from their strongholds they still have the resources and organization to defend their absolute privilege. The problem is that the popular sectors who want to increase their power,

their control and their autonomy are contained, even repressed, while the usual suspects see their privileges threatened but not touched, in a situation that will eventually have to be sorted out. The problem is that control of the bank for foreign trade has not been taken away from financial capitalism, that there is no popular control over trade, nor sanctions for the hoarding that threatens the people with hunger. The problem, in the words of Roland Denis, is this:

*“model of rentier, parasitic State capitalism, which under its policies of control, concentration of power and replacement of social control by technocratic or bureaucratic functionaries; it has not only made the rich richer, despite the charity and the social justice policies, but it has crushed the productive forces, the creators of a workers’ society and one of small, private and cooperative producers (...) It reduces the productive middle classes to despair, it drives increasingly unsatisfied consumer demand crazy, it makes all too evident its inability to respond via the State economy (whether they import or produce, State enterprises are being bankrupted because of this useless mentality which is bent on destroying social productivity). It is reactivating the impoverishment curve through inflation and increasing unemployment, because of economic non-productivity, thus diminishing the labour value day by day, regardless of the nominal wage”<sup>1</sup>.*

There are only two ways to deal with the current situation: one is through repression of those who have mobilized while calling the organizers of the protests to dialogue. That is the path Maduro has taken so far. The other is to unleash the force of the people and further the social transformations in a socialist, libertarian perspective to remove the parasitic rentier elite that is bleeding the country and will not be happy until it sees the more imaginary than real threat of the abolition of that privilege definitively dissipate.

Apart from the immediate measures (such as harmonizing the price of petrol, curbing the flight of capital, speculation and hoarding), it is essential to understand the real nature of the social contradictions facing the “process”. It is not enough to recognize that it is not perfect or that it naturally has contradictions. These contradictions and limitations must be identified, discussed, critiqued and corrected. We cannot just close ranks around them, justify them, nor even less so make a virtue of them and close our eyes to the impeccable “leadership” of the leaders.

The people today cannot be a passive agent nor nothing more than government shock troops: they must take back their capacity for political action, for acting themselves, with their own agenda, because socialism will not be built by the State. Decentralization, the autonomous development of the organs of people’s power and social control is an essential task in the present moment. There must be a transfer of power from the State apparatus to the popular movements and their organization. The old power class survives in the State and the newcomers are developing the same bad habits. It will not be from there that the egalitarian society will be built, since by definition the State actively reproduces inequality and asymmetry in power. As journalist Iain Bruce puts it, analyzing the Bolivarian process, “*how do you get around the existing apparatus, when you first came to power through it (...)? (...) it has also become increasingly clear that a number of those inhabiting the old edifice (...) are very happy with their new home and are quietly inclined to thwart anyone who suggests it should be torn down and replaced with a wholly different kind of construction*”<sup>2</sup>.

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<sup>1</sup> “Desactivar el Fascismo”, 22 February 2014

<sup>2</sup> Iain Bruce, “The Real Venezuela”, 2008, p. 184

Today, the discussion cannot be reduced to smashing coup tendencies. We also have to crush inertia, bureaucratism and the cult of the State. They mutually reinforce each other. We must struggle for a socialist, libertarian alternative, because half-victories are nothing more than eventual defeats.

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