

# The Unexpected Revolution

## The Venezuelan People Confront Neo-Liberalism

Carlos Torres, Marta Harnecker, Jonah Gindin, nchamah miller,  
Nicolas Lopez, David Raby, Marcela Maspero, and Greg Albo



**Socialist Project**  
Socialist Interventions Pamphlet Series

## **Socialist Interventions Pamphlet Series**

This pamphlet series is meant to encourage principled debate amongst the left and the working class to advance a viable socialist movement in Canada. Democratic debate is encouraged within and beyond the Socialist Project.

1. Gindin, Sam. (2004) *The Auto Industry: Concretizing Working Class Solidarity: Internationalism Beyond Slogans.*
2. Panitch, Leo. (2005) *Whose Violence? Imperial State Security and the Global Justice Movement.*
3. Torres, Carlos., et al. (2005) *The Unexpected Revolution: The Venezuelan People Confront NeoLiberalism.*

To learn more about the Socialist Project, see our website at  
[www.socialistproject.ca](http://www.socialistproject.ca)

### **About the Socialist Project**

The Socialist Project does not propose an easy politics for defeating capitalism or claim a ready alternative to take its place. We oppose capitalism out of necessity and support the resistance of others out of solidarity. This resistance creates spaces of hope, and an activist hope is the first step to discovering a new socialist politics. Through the struggles of that politics – struggles informed by collective analysis and reflection – alternatives to capitalism will emerge. Such anti-capitalist struggles, we believe, must develop a viable working class politics, and be informed by democratic struggles against racial, sexist and homophobic oppressions, and in support of the national self-determination of the many peoples of the world. In Canada and the world today, there is an imperative for the Left to begin a sustained process of reflection, struggle and organizational re-groupment and experimentation. Neither capitalism nor neoliberalism will fade from the political landscape based on the momentum of their own contradictions and without the Left developing new political capacities. We encourage those who share this assessment to meet, debate and begin to make a contribution to a renewed socialist project in your union, school and community. For more information on the Socialist Project check our web-site at [www.socialistproject.ca](http://www.socialistproject.ca) or e-mail us at [socialistproject@hotmail.com](mailto:socialistproject@hotmail.com).

# The Unexpected Revolution

## The Venezuelan People Confront Neo-Liberalism

Introduction.	Carlos Torres .....	4
Why Chavez?	Carlos Torres .....	7
Venezuela's Opposition Prepared to Reject Arbitrator and to Produce Chaos	Marta Harnecker .....	13
Venezuela Post-Referendum: New challenges	Marta Harnecker .....	17
Possible Faces of Venezuelan Democracy	Jonah Gindin .....	31
Venezuela: The Constitution vs The Media	nchamah miller .....	37
Bolivarian Circles and Democratization in Venezuela	Nicolas Lopez .....	41
The Greening of Venezuela	David Raby .....	47
A Speech In Toronto	Marcela Maspero .....	51
Venezuela Under Chavez: The Bolivarian Revolution Against Neoliberalism	Greg Albo .....	60

## **Venezuela: The Awakening of the People**

*Carlos Torres*

In Latin America, there have been many peoples and countries with an abundance of deep, radical political traditions, whose struggles regularly fill the headlines of international newspapers. The left from around the world often – in the past and even today – looks to these countries as models to follow and/or support. But there are also countries in Latin America without these radical political traditions. Countries like Venezuela used to be known for their vacation resorts, such as the Margarita Islands, or in derogatory ways as Venezuela Saudita (Saudi Venezuela); or for the handful of radical leftists that tried to organize an insurgent guerrilla movement in the mountains of Venezuela in the 1960s, although this was a marginal undertaking. The multiple attempts to economically develop Latin America in a more egalitarian or democratic direction have almost always failed in this region of the world because of foreign intervention, poorly committed leaderships, coup d'états, or a combination of all three factors.

Economic suffocation from domestic elites or, in some cases, the lack of natural resources, conspired against countries seeking increased autonomy and independence. In every case, the hands of international financial institutions and European or North American interests have managed to contain political and social processes that would end in real democratic transformation of society. With the exception of Cuba (although it is also constrained), Latin America still faces today the forces of neoliberalism promoted by international corporations and implemented through the complicity of local elites. Neoliberalism in its most authoritarian version has sometimes successfully implemented its policies, as in the case of Chile; in others, neoliberalism has failed to such an extent that it has created crises of poverty and governance, and with as yet unknown financial consequences, as most recently in Argentina.

It seems, however, that a new era of political revolt in Latin America also began to develop after the Zapatista insurrection in Chiapas, Mexico in 1994. Since then, Latin America has experienced a transformation. From the 1980s, neoliberal governments and policies often allowed the corporate seizure of economic assets such as natural resources and the privatization of state owned businesses and services for a pittance. And neoliberalism contributed to what is now commonly referred to as the 'lost decades' of development in Latin America as per capita incomes declined and informal sector work grew to encompass half of the officially recorded workforce, and 70 per cent or more of new employment growth. People were often forced into retreat, without necessarily resisting neoliberal programmes, after so many political defeats. But with the Zapatistas in mind, the peoples of Latin America began to respond to the neoliberal offensive since the mid-90s. With the spark of Chiapas, new social movements and popular organizations embarked in an open and renewed defiance of neoliberalism both

at the national and regional levels.

A reinvigorated movement is emerging in the Americas. It is much different than that of the anti-capitalist and socialist movements of the 1970s and the 1980s. It is unarmed and does not necessarily aim at taking immediately power from the state. Building power at the community realm and ‘invading’ domains of the traditional state is often the strategy of the new ‘social’ and ‘indigenous’ lefts. This has been one key aspect of a resurgence of the Latin American left.

The World Social Forum, which began its activities in Porto Alegre, Brazil has, for example, played a strong role in influencing local and regional politics in the Americas. And Brazil, as a place of new political developments, has greatly contributed to the reemergence of the Latin American left, due to the election of metalworker and labour leader, Lula, as President and the notable

A reinvigorated movement is emerging in the Americas that is much different from the anti-capitalist and socialist movements of the past.

attainments of the Landless Rural Workers Movement (MST). The election of other centre-left governments in Chile, Argentina, and Uruguay – and the often sharp debates over their political direc-

tions and policies – has continued to reflect and contribute to a new political mobilization.

The intervention of the United States into the affairs of the region has, moreover, generated a predisposition against its foreign policies, revitalizing anti-imperialist feelings and responses to the US desire to deepen the old colonial approach to the region. The attempt to force the implementation of the Free Trade Area of the Americas has generated, for example, a movement and process of resistance to economic treaties that would worsen peoples’ lives, dependency, and colonialism.

Another central aspect of a resurgent Latin American left has been the unexpected Bolivarian Revolution in Venezuela. In a conjuncture of a blatant neoliberal desire to make society conform to its model at whatever the cost and a new popular resistance to this effort, Venezuela has become a new, dynamic part of the intense and creative Latin American political traditions. By looking at the Bolivarian Democratic Revolution led by President Hugo Chávez, we can measure and reflect on the extent to which the political blindness of neoliberals has propelled the people of the Americas to seek new venues and new organizational structures and political instruments.

In this set of conditions and a new political conjuncture, Venezuela in the last ten years has begun to play not just an unexpected, but in many respects a leading, role in resisting both US intervention and neoliberal policies. Venezuela

under Chavez is trying to imagine and place into existence a pattern of endogenous and autonomous development distant from neoliberalism and US dependence. Moreover, the Bolivarian Revolution is actually creating the conditions for attempting to develop a new model of both democracy and development. And it is a project not just for Venezuela as there is envisioned a new project of integration for Latin America as a whole.

In the following pages, readers will find a series of essays that will provide them with a general background to Venezuela's political process through to recent developments. As well, the prospects for the Bolivarian Revolution and its contribution to re-imagining the left and the importance of the greater political revolt taking place in Latin America are assessed. These developments have, of course, implications for our attempts in Canada and North America to re-create a new politics of the left as well.

Carlos Torres is with the Centre for Social Justice in Toronto



Photo: Jonah Gindin

Looking-in from the shanty towns that surround Venezuela's capital.

## Why Chavéz? The Bolivarian Revolution and Latin America

*Carlos Torres*

### **The Emergence of Chavéz and the Bolivarian Project**

In order to have a better understanding of the current Bolivarian Democratic Revolution, we need to review Venezuela's history. This country used to look like many others in the region: in other words, a small elite running private and state enterprises in the name of the people, supported by a parliamentary system that, in the best case, would rotate power from one party elite to the other every few years. Based on this criteria Venezuela was, as it was often said by liberal writers in North America, one of the longest standing democracies in Latin America.

Venezuela was, however, a very peculiar democratic capitalist country: 80 percent of the population lived in poverty. As an oil-producer (the third largest in the world, nationalized in 1973 under the state oil company, PDVSA), its CEOs often made a salary 30 times that of the President. PDVSA's budget was 150 percent larger than the state budget, but was not necessarily controlled by the state. Its information and computer system was located in United States in the hands of a CIA front firm; in other words, the brain of PDVSA was controlled by foreign interests and its profit distributed among political elites, its bureaucracy and private contractors. Massive amounts of the profits earned were kept circulating outside Venezuela, to be converted into private accounts in North America and Europe; and little of the revenues of the oil sector even made it into state coffers. Such was the corruption that characterized Venezuelan democracy and private market.

As we know, Venezuela's main export since the 1950s has been oil, mostly oriented to the USA market and intertwined with US corporations and their economic interests. As the ruling elite and their political parties ran the country (the Christian Social and Democratic Alliance parties and to the 'bourgeoisie d'état' that used to control and appropriate the profits of oil commercialization), most of the imports were luxury goods and food. The vast Venezuelan lands remained in the hands of absentee landholders and a few ranchers for rearing cattle and personal amusement.

This system of growing social disparity worsened in the 1980s, when the price of oil fell and debt interest increased. The Venezuelan attempt at import substitution industrialization, with its dependence on oils and its failure to address the land and income distribution that could influence domestic demand patterns, went into further crisis. Social expenditures were cut affecting education, health and other social programs and subsidies. The already marginal welfare state ultimately collapsed in the 1980s. In 1988 a Social Democrat, Carlos Andrés Pérez, was elected to rescue a system in crisis and to restore social programmes.

But by 1989, the great neoliberal turnaround of Pérez started, bringing forth further unemployment, poverty, marginality, crime and violence in big cities such as Caracas. Again, the World Bank and the IMF advisers were on the scene to “strongly suggest” their infamous structural reforms of liberalizing international capital flows, cutting state expenditures and subsidies, and privatizing state assets.

Venezuela’s State Office of Statistics and Information reported at the time that 8 million people, roughly 40 percent of Venezuelans, were living in poverty or extreme poverty. This figure represented about a 50 percent increase from the year that Pérez was elected! (Pérez would later gain even additional notoriety, being indicted in Venezuela for corruption and promoting violence



against the Chávez government from the confines of Miami to escape justice.) In 1989 in protest against structural adjustment policies that were unexpectedly implemented without debate and that were the precise opposite of the policies that Perez was elected upon, people spontaneously took to the streets. More than a thousand were killed by the state police. Some sources claim that the death toll was three thousand. From that point on, the entire Venezuelan political system was discredited as instability became the norm: riots, strikes, voter apathy, coup attempts and so on.

Venezuela was a country in which the ruling elite, international interests and a corporatist labour movement joined with management to come to an agreement to run the country along common lines, and share the oil revenues, with little in the way of an overall societal project of development to incorporate all social sectors. It was said, and it was in good part true, that the social elites of Venezuela used to do their shopping in Miami four times a year, and made Caracas the leading centre for plastic surgery in the world. The working poor, peasants, indigenous peoples and marginalized that were not linked to the oil sector, however, did not play a role in politics or in the affairs of state in Venezuela. Moreover, they were ostracized, living in the mountain barrios surrounding the urban centers, and on the margins of the countryside. They were illiterate, un-skilled, uneducated, unhealthy, and abandoned. In other words they did not count in the old Venezuela. Besides the 40 percent of the population that was poor, another 40 percent had to fight continually to avoid falling into poverty. From the 1980s on, Venezuela – like much of Latin America – was in a never-ending spiral of social restructuring, a ‘permanent process of social decomposition.’

In this context of political turmoil, an unknown paratrooper colonel named Hugo Chávez Frias, along with a group of officers and some civilians attempted a coup d’etat in February 1992. Their aim was to stop the corruption and social

massacre, and to put an end to neoliberal policies. The press and political analysts characterized them as middle-level populist officers that did not have a clear proposal. The coup attempt failed and Chávez and the others were jailed (a second coup attempt later in the year met the same fate, and also represented the depth of revulsion at the old political system).

That was the beginning of a long journey in which a military man began his political career by being jailed. Upon his release, Chávez traveled across Venezuela and created a new political movement that has become known today as the Fifth Republic Movement.

The political and economic context for Chávez and the Bolivarians bears emphasis, as it explains both why the political opposition has remained so vociferous and dogmatic yet has not been able to regain support. The old political system and parties completely discredited; a deeply corrupted political system with democracy only prevailing for the privileged few taking part in the social pact dividing the spoils of the system since the 1950s; a sharply polarized income

Venezuela was a country in which the political elite, international interests and a corporatist labour movement ran the country.

and class structure, with race and class intertwining and reinforcing social antagonisms; sharp and immediate resistance to IMF structural adjustment policies by the poor; the

complete lack of legitimacy and moral credibility of business elites and the international financial agencies given how the ruling groups had abused oil revenues with impunity; traditional economic and political elites only forwarding neoliberal policies that could only accentuate and not address the social division; and an independent military force that in great numbers was appalled at the corruption they were asked to defend, while also being forced to put the populations down, in the name of governments losing general legitimacy.

These social structures and processes – since they were not simply random events or policy mistakes – is what allowed the presidential election to be divided between a ‘patriotic pole’ led by the Bolivarian Revolutionary Movement, and a ‘pole of national destruction’ of the old parties. This is what Chávez called the fight for power in Venezuela heading into his successful Presidential election of December 1998, with himself taking a clear majority of 56 per cent of the popular movement, and his Fifth Republican Movement gaining a massive plurality. The Bolivarian Revolution – with the constituent assembly to draft a new constitution for the founding of a new republic that Chávez had campaigned on immediately on the agenda – was now underway.

### **Latin America and the Bolivarian Revolution**

By observing what is taking place in Latin America we might be able to

conclude that the political rebellion developing in the region has its roots in the extreme level of Latin America dependence on foreign powers, especially the US, and the new, additional social polarizations produced by neoliberalism. If we look at what is taking place in the Americas, it is pertinent to assert that this rebellion is far from slowing down. Moreover, and in contrast to what has happened in other regions of the globe, in the Americas we have witnessed important processes of mobilization emerging from non-traditional partisan politics and social movements.

These mobilizations are clearly focusing on neoliberal policies and are being disseminated throughout the region, apart from traditional or partisan political cultures. The pattern is clear: in 1984 the MST (the organized movement of the landless) claim for land in Brazil; in 1994 the Zapatista movement in



Mexico; the Seattle rebellion in 1999; Quebec City in 2001; and the more recent mobilization and struggles of indigenous communities in the Andean countries and the southern cone. Venezuela is another variation of this theme, as the Bolivarians also do not emerge from traditional parties or patterns of mobilization, although there is much more clearly than the rest a struggle over state power in Venezuela. The left, progressive

and democratic formations must learn from and absorb these kinds of movements and organizations in order to become a counter social force to imperial and neoliberal interests in the region. These social forces and processes are important to the Bolivarian Revolution and the building of a long-term anti-neoliberal bloc in Venezuela and Latin America that can shift the correlation of political forces.

There are other factors in the new political terrain that need to be accounted for as well. The progressive and the democratic left must understand and deal with the fact that political parties can become a liability in a revolutionary process if they cannot adapt to the radical transformations happening around the world. Transformations in capitalism also have affected the political and social realms. And, members of the armed forces, as part of society, are not necessarily marginal to politics and may play an important political role as long as they respect democratic and popular interests and principles. These are all important to rethinking social struggle in Latin America, and the nature of the new alliances that must be struck or accounted for. These, too, have all been central to the social bloc that Chavez has sought to form in Venezuela since 1998.

The formation of the anti-neoliberal social bloc in Venezuela under Chavez's leadership is now set against the traditional ruling groups of the old regime, who still retain many instruments of power and economic assets. A situation of dual power exists. The present context in Venezuela is such that a 'bal-

ance of fear prevails.’ The opposition has few options in its efforts to topple Chávez; and the government is not willing to crush the opposition, for fear of opening the doors to foreign intervention. The political setting in Venezuela is thus becoming more contentious for several reasons.

First, President Hugo Chávez has been elected with an average of 60 percent of the votes in every election. A referendum gave him overwhelming support of almost 90 percent in 1999 to form a constituent assembly to re-write the political constitution of the state, and make it more democratic and participatory. The latest electoral events through 2004 confirmed solid support for the President and his followers, with the fall 2004 state elections giving Chavistas 22 of 24 states and the mayorship of Caracas. Venezuela is witnessing the most remarkable awakening of a people behind a process of social transformation. Second, Venezuela has an army that supports and complies with the Bolivarian Constitution. The armed forces have distanced themselves from the US School of the Americas and American training programs. A durable civic-military

The left must understand that political parties can become a liability in a revolutionary process if they can't adapt to radical global changes.

alliance has formed in politics, the re-building of poor districts, and in the structures of the military itself as old corrupt officers have been purged after the failed coup of 1992.

Third, Venezuela oil wealth gives it the economic might to pursue independent policies and internal development, and use this leverage to encourage regional economic agreements and south-south economic trade. This has been the basis for important bilateral trade deals with Cuba, Brazil, Argentina and China. Others are in the making. Fourth, the struggle taking place in Venezuela today can be seen as a power struggle in which all aspects of civil society and state structures are put into question. This struggle has formed a conscious class struggle between the ruling elites and the people. The mobilization of the poor in the barrios and new union structures evolving clearly indicate that people are becoming quite ‘conscious’ of the stakes involved. Fifth, the Free Trade Area of the Americas and other free trade agreements are practically off the agenda as the problems of neoliberalism continue. It also has in part to do with Chávez’s newly promoted ALBA as an alternative form of integration for the Americas, apart from US-led neoliberal trade integration.

Finally, the influence and support that President Chávez and the Bolivarian revolution have developed through the Americas has resulted in an increasing resistance against the US empire both politically and economically. This is occurring at the institutional level of governments and parliaments, and at the grass-roots level in social movements and Indigenous people’s movements across the region.

### **The Canadian and International Left and the Bolivarian Revolution**

Since Venezuela is dealing with major issues and confronting greater powers, there are things the Canadian and international left can do to support the Bolivarian Revolution, since it has proven that it is a genuine and democratic process focusing on people's needs and participation. The first is to promote information sources beyond CNN in the USA, the *Globe and Mail* in Canada, and the panoply of mainstream media. The distortions and manipulations presented by mass media need to be balanced by a real examination of the current situation in Venezuela. There is a need for a defense of alternative views and media on the revolution that has been unfolding.

In the progressive left and among labour activists, there is the need to inform and debate the importance for Canadian unions to act independently regarding Venezuela. There is the very real danger that the AFL-CIO in the US will continue to support the old, discredited opposition unions, and the foreign policy direction of the US state. The Canadian union movement needs to be wary of this danger, and take its own political course. It is also important for the larger solidarity and democratic sectors to examine the Venezuelan process itself and assess its significance as a contribution to people's participation in the social and political realm and the fight against neoliberalism. The intellectual and academic community can also play an important role by studying, learning and disseminating independent assessments of the creative, democratic and peaceful revolution in Venezuela, as well as its contradictions, limits and failings. Although the Bolivarian Revolution might look like a hybrid political experiment, the majority of people are benefiting from it. In that sense, solidarity, friendship and frank assessments of the process is becoming a political duty.

It is important to understand that the current US campaign against Venezuela is an attack against national independence, sovereignty and self-determination of the peoples of Venezuela. Foreign intervention – which remains very much a strategy of US foreign policies for the Americas – has openly occurred in the cases of Guatemala, Nicaragua, Chile and Cuba, just to name few cases. It is a duty of every democrat, indeed socialists in particular, to defend the democratic sovereign rights of peoples to choose alternate paths of development and forms of democratic political organization freed from outside political interference and de-stabilization. The American state, the Western powers, and Canadian state as well, must be held to account for any untoward actions that do not allow the Bolivarian Revolution in Venezuela to chart its own course of development. That is the task of any responsible democrat and internationalist today.

## Venezuela's Opposition Is Prepared to Reject the Arbiter and to Produce Chaos

*Marta Harnecker*

Translation by Vartkes Martin Saadjan and Gregory Wilpert  
24 February 2004

Editor's Note: We reprint this article here to convey the social forces that came together in the conflict and turmoil of failed coup, oil sector shutdown and presidential referendum from 2002-4 in Venezuela. President Chavez and the government went on to win the Presidential referendum. But these social forces remain an important dimension of the struggles that continue today.

In the face of the increasing possibility that the valid signatures will not be sufficient to continue the referendum process, the leaders of the anti-Chavez opposition, advised by their external allies, have openly announced their disposition not to recognize the verdict of the National Electoral Council (CNE). They have gone so far as to threaten to boycott the institutional life of the country if the referendum is not carried out. What they are looking for is to create a chaotic situation that justifies foreign interference. They are willing to give up their mother country in order to recover their lost power.

In this context the simultaneous declarations of the opposition, along with high officials of the U.S. government, beginning with Bush himself,<sup>1</sup> are symptomatic and very worrisome.<sup>2</sup> One should not forget that the fourth document of Santa Fe, which guides Bush's foreign policy, indicates that the main enemies of the United States in Latin America are the "axis Cuba, Venezuela and the Colombian guerrilla."<sup>3</sup>

Since opposition leaders know that they cannot count on a sufficient internal correlation of forces to democratically remove Chavez from government, their future depends on the international support they can obtain. Their great allies, the transnational corporations of information, make an effort to spread doubt about the neutrality of the electoral arbiter and try to convince the world that the authors of fraud are not the anti-Chavez forces, but the government, in conspiracy with the National Electoral Council.

As is known, after having failed in their coup d'etat attempt against Chavez and in their attempt to paralyze the country economically, so as to force him to leave government, most of the opposition chooses to proceed with the recall referendum process against the president of the Republic.

The new rules of the political game, established in the Constitution of 1999, permit a recall referendum. The National Electoral Council, made up of

five members elected by two thirds of the National Assembly, is the organization in charge of the referendum process.<sup>4</sup>

Since Chavista deputies have a slim majority in the National Assembly, the opposition delayed the appointment of the members of the CNE for many months. In order to break this impasse, the government had to resort to the Supreme Court of Justice, the same one that acquitted the military coup participants of April 2002. No one can accuse the Supreme Court of being biased in favor of the government.

The National Electoral Council was finally made up of two members who are close to the opposition, two members who are close to the government and a fifth member who also is president of the CNE, Francisco Carrasquero, who was not only considered by all political actors to be a neutral person, but who received the public support of recognized members of the opposition. At last it

Allied with media corporations and the American empire, Chavez's opposition tried to convince the world that NEC was fraudulent.

seemed that a resolution was found. The governing organization for recall referenda had to elaborate the norms that would govern this unprecedented process. Even while knowing the fraud-filled tradition

of the traditional parties and so as not to ruin the process, Chavistas had to accept outrageous things, such as the possibility that traveling lists would be allowed at signature collection tables; that is to say, the possibility of collecting signatures outside the designated location of the table.

The regulation, in addition, did not force the locations to submit the actual lists at the end of the day, but only legal documents that certified the number of lists and signatures collected in them. The signature collection proceeded without any major incidents. Hundreds of thousands of people appeared to place their signatures in front of observers from both sides during the four days that the process lasted, reflecting before the world the civic spirit of the Venezuelan people.

Even though a group of international observers, among which were several parliamentarians from Europe and Latin America and personalities from diverse areas (journalists, judges, university professors,<sup>5</sup> leaders of social movements<sup>6</sup>), publicly denounced that they noticed irregularities, it was not possible to detect the hidden manipulations of opposition people who were educated in decades of fraudulent conduct.

The incompetence and lack of monitoring of many witnesses who are sympathizers of the government, along with the skill of the opposition, which knew how to take advantage of the weaknesses the electoral regulations with impunity, created the conditions for the accomplishment of significant fraud.

Fearing not having obtained the required signatures, everything seems to prove that the opposition's political cadres took advantage of the opportunity to keep the lists in their hands and were sent out to reproduce and to fill over a hundred thousand of these with fraudulent signatures, betting that the National Electoral Council would not be rigorous in its analysis of the lists and that the technological delay of the Venezuelan identification system would make it practically impossible to check the signatures one by one. They were so sure of this that they did not even take care to change the handwriting for each new signer that they added.

Secure of having convinced the National Electoral Council of the legitimacy of the submitted signatures, the opposition began to conduct a national and international media campaign to make the world believe that Chavez would not accept the results of the democratic consultation. The categorical declarations of the president and of the political actors that support him to respect the verdict of the arbiter ruined this campaign. Exhausting these resources and statements that the CNE would not accept intimidations or pressure, the opposition has now directed its attacks against the arbiter itself.

The same people, who for months prevented the appointment of the CNE and then for 30 days delayed the delivery of their signatures, now accuse the CNE of slowing down the process due to its supposed technical excesses. They argue that if the referendum process is prolonged for several more weeks, even if they manage to realize the referendum and to win it, there would be no presidential elections and Chavistas will continue in government. According to the new Constitution, if the president is revoked after four years of his mandate, which will be in August, the vice president must assume the presidency for the rest of the presidential period. They say they are worried about the established periods, when in fact what they are worried that with time the magnitude of the fraud will be discovered. From this comes their effort to try to prevent a meticulous revision of the signatures at all costs.

Meanwhile, the CNE has not let itself to be intimidated and has continued to act consequently in its functions. In the face of the overwhelming accusations of fraud raised by Chavez and his followers, the CNE has been forced to meticulously check all of the submitted lists, which has delayed the process beyond the predicted date.

Every day more signatures appear that correspond to dead people, to foreigners, to minors or to identification numbers that belong to people who have not signed. According to an announcement of the president of the CNE, in an interview with the TV Channel 8 (the state TV), the CNE has until now detected around 150 thousand lists where the signatures appear suspicious. Data that accompanied the signatures (name, address, identification number) were filled out by the same hand, contrary to the instructions that said each person should write

his or her own data by hand (except in the case of serious impediment) and that unclear fingerprints will force the revision of around one million 400 thousand signatures. In less than one week, on Sunday, February 29, the National Electoral Council will officially announce what everyone knows: that the valid signatures are not sufficient to proceed with the recall referendum and that from there a process of revision of the doubtful signatures must begin by the signers themselves to see if it is possible to accumulate the necessary signatures.

Conscious that opposition leaders will not recognize their defeat and will not scruple in the use of any tool to prevent the progress of the revolutionary Bolivarian process, the people of Venezuela are preparing themselves to defend the process. They are fortifying their organizations and are preparing for a great mobilization of the entire country in Caracas for the 29<sup>th</sup> of February. In moments such as this, in which the opposition is not alone, in which it can count on the support of the more reactionary international political and media forces, international solidarity is more necessary than ever. In this sense, the recent declaration by the World Parliamentary Forum, in Mumbai, India, this past January, in which deputies from all continents expressed “their most firm support for the social transformation process in Venezuela” and rejected “any type of foreign interference,” has been very important.

It is time to activate the Bolivarian Circles around the world and to create new ones wherever they are not present. It is necessary to include Venezuela in the great world-wide mobilization against war and intervention, planned for March 20. Let us march towards the US embassies in different countries this first day of March.

## Endnotes

<sup>1</sup> On this subject, see: *Declaraciones de los Estados Unidos sobre el proceso revocatorio*, Mónica Saiz, 23 February 2004.

<sup>2</sup> Investigation conducted by Izquierda Unida, about the participation of Spain and the United States in the coup d'état in Venezuela, <http://www.izquierda-unida.es/Actualidad/docu/2002/informegolpevenezuela.htm>.

<sup>3</sup> Hugo Chavez Frias, *Extracts of the 17 February 2004 speech in the Presentation of the Strategic Plan of Purchases of the State, III Round of businesses, Caracas.*

<sup>4</sup> On this process see: Francisco Palaces, *Breve sinopsis informativa del proceso de referendo revocatorio en Venezuela*, unpublished document, 23 february 2004.

<sup>5</sup> See: *Informe del Grupo de Observadores Internacionales sobre proceso de recolección de firmas, 30 de noviembre 2003* (Signed by a group of 52 intellectuals, deputies, social leaders, journalists, and other people, of 35 countries of the world).

<sup>6</sup> See: *Pronunciamiento sobre el proceso de recolección de firmas en la República bolivariana de Venezuela*. Politics of the Bolivarian Congress of the People, Caracas, 30 november 2003.

## Venezuela Post-Referendum: New challenges\*

*Marta Harnecker*

With Chavez's victory in August 15th's referendum, the Venezuelan opposition suffered its third great defeat in its attempt to end the government of President Chávez. A never-before-seen recall referendum ratified his government with a margin of 2 million votes before the attentive look of hundred of international observers that ratified its results unanimously. In a part of the world where democracy have been discredited because of the failure to solve the problem of poverty, it was (as one observer, Eduardo Galeano, said) 'an injection of optimism'.

This victory belonged not to a man but to a project— a project to create a humanist and solidarity country both in the national and international sphere. A victory for a project intended as an alternative to voracious and destructive neoliberalism; a victory for a model of endogenous development and of social economy. It was the victory, too, of the Bolivarian Constitution of Venezuela, the only constitution in the world that permits such a recall referendum for the president.

But it was, mainly, a victory of the people, of popular organizations, of people of the neighborhoods but also of people of the middle classes who responded to the call of the President to be organized in the voting places, taking the initiative without waiting for the organisation of the electoral campaign. A new stage of the Bolivarian revolutionary process has begun. The opposition has been defeated in this battle, but the war has not yet been won. Before discussing this new stage and the challenges facing the revolution, it is important to put these in the context of the stages that have gone before.

### **Social and Economic Context**

Venezuela, the fifth largest oil producer in the world, has been historically a very unequal society. An oligarchy enjoyed an extraordinarily high standard of living, while 80% lived in poverty. With the adoption on the part of Carlos Andrés Pérez of a package of neoliberal reforms in February of 1989, a popular explosion occurred. The poor came down from the hills, they attacked supermarkets. The armed forces restored order by firing on the people, killing thousands. Some poor people began to wake up.

It was clear that the neoliberal measures brought growing poverty. Masses of peasants emigrated to the cities, real wages dropped substantially, the informal sector ballooned. The economic crisis brought with it a political crisis. Corruption reigned. Skepticism about politics and the politicians grew, and apathy was everywhere. There appeared to be no way out.

This is the context in which Hugo Chavez gained 56% of the vote in the presidential elections of December 6 1998. The people, tired of the corruption and more and more skeptical about the traditional ways of politics, bet on a candidate that represented something new.

The former lieutenant colonel had become known in the country as leader of the movement of military Bolivarianos MBR 200, who attempted on February 4 1992 to overthrow president Carlos Andrés Pérez for being corrupt and a traitor to the constitution.<sup>1</sup> When freed from jail two years later, he had begun to travel the country trying to convince the people of the necessity for a deep institutional change to take Venezuela out of its chaos, corruption and inefficiency and to carry out the social-economic transformations that the country so much required.<sup>2</sup>

After having discarded the insurreccional road, he decided to gain power by the institutional route. So, a quarter century after Allende's defeat in Chile, another Latin American ruler decided to try to carry out deep social economic transformations in his country by the peaceful road. But this time it was a peaceful road with arms (he had the support of the great majority of the military institution), and this time changing the rules of the game in the institutional sphere was a fundamental premise— two absent elements in the Chilean process.

### **First Stage: To Create the Institutional Conditions for Social and Economic Transformation**

Chavez initiates his government amidst the most absolute international isolation. Neoliberalism was imposed as the only model. The socialist bulwark on which previous Latin American revolutionary efforts counted had disappeared. Their main opponent: the United States had become the first world military power without any counterbalance.

What was he to do in this conjuncture? He dedicated his government's first year to trying to change the negative international correlation of forces (in particular, by strengthening OPEC)<sup>3</sup> and to consolidate the internal correlation of forces. He creates a plan of social emergency to assist the most destitute sectors (Project Bolívar 2000) and adopted educational measures favorable to this sector: he restored free student education and promoted the creation of Bolivarian schools (full day schools and with two meals for the student). Worried about the ideological preparation of the people he began his weekly radio program, which permitted him from this point on to speak directly to the people about the nature of the revolution (after it became a radio-television program.)

At the same time, he was creating the institutional conditions that would allow him then to advance in the necessary socio-economic transformation. But, in turn, the oligarchical opposition worked to neutralize the new leader and to co-opt him. Defeated electorally, it still had enormous influence: financial economic

power, control of the management of the state petroleum industry (PDVSA); a crushing majority in the organs of legislative and judicial power and in the local governments (governors and mayors); almost monopoly control of the media; the support not only of the business federation, but also of the most powerful central union (CTV); the allegiance of some generals of high rank and of the hierarchy of the Catholic Church closely related with the managerial elites. Add to this the close links of the oligarchy to Washington.

Internally, the government's first priority was to change the rules of the institutional game, that is to say, to concentrate on the convening of a constituent assembly to develop a new constitution and, then, to gain the approval of that new Bolivarian Constitution. This anti-neoliberal constitution overwhelmingly approved by the people set out a new model of participatory democracy and a new economic model, cooperative and self-managing, profoundly based on a humanist and solidaristic logic.

Chavez initiated his government amidst the most absolute international isolation, when neoliberalism was imposed as the only model.

The next step was to change the correlation of forces in the institutions of the State. July 30 brought the mega elections (for president, governors, mayors, deputies to the National As-

sembly) with very favorable results for the government.<sup>4</sup> Thanks to these electoral results, Chavism now dominated the institutional apparatuses and the opposition, deeply divided, had little influence in the National Assembly. With the crisis of the traditional parties, the mass media became the true party of the opposition.

The third step was to introduce the revolutionary legislation that would put meat in the constitution, materializing it. But the legislative process went excessively slow (due to the inexperience of Chavist deputies and the interference of the opposition). Ultimately, the President used the facilities granted him under the constitution (wide special powers of attorney to legislate, the 'Qualifying Law') on December 10, 2001 to enact forty nine laws, among them the Law of the land, the fisheries Law, the Law of hydrocarbons, the Law of micro credits and the Law of cooperatives. This package of laws demonstrated his determination to take the revolutionary process forward. The oligarchy, affected for the first time in its economic interests, now lost hope that it could co-opt him as it traditionally had done with other politicians.

Foreseeing the offensive that the opposition would begin and always thinking about how to improve the internal correlation of forces, Chávez launched the "Circles Bolivarianos." He called upon people to organize in groups from 7 to 11 people to diffuse the Constitution and to carry out some concrete task: to re-

spond to the necessities of the neighborhood, to form a cooperative, to get a loan in the bank, etc. Without popular participation, he understood, the revolution would be without fuel.

### **Second Stage: The Great Opposition Offensive and the Efforts of the Government to Survive**

The opposition did not wait to let Chávez carry out his intention to advance the process. It began to take the first steps of a great offensive to finish his mandate. To the big street demonstrations it organized, it attempted a general strike on the day that the 49 laws were proclaimed.

What was the correlation of forces in that moment? It was much less favorable than in the previous stage. His key political organizer, Miquilena (in that moment Minister of the Interior, who had been the principal political cadre of Chávez at the beginning of the process, is removed by Chávez after indicating his opposition to proceeding with the 49 laws and converted himself into one of the principal opposition figures. This loss of his political general was a severe blow for the President, since his departure was imitated by many of his followers. So, the government lost that overwhelming majority in the National Assembly and it lost control of the judiciary. Many high magistrates linked to Miquilena moved openly to an anti-government position, uniting with those who clearly shared the political positions of the opposition. Many deputies abandoned the Chavista bloc. The mobilizations against the government increased in this period and the opposition acquired each time more and more confidence in itself.

The events of April 11 and the subsequent days are sufficiently well-known and do not need discussion. The failure of the military coup of April 2002 (more than 80% of the generals with operational control remained loyal to Chávez and the Constitution) constituted the first great defeat of the opposition and a true gift for Chávez.

These circumstances exposed the actors, and the people acquired a much greater political understanding (seeing who had revealed themselves within the military and among political cadres); they created a favorable terrain in order to advance in the purification of the military; they divided the opposition; they led sectors of middle classes who before were against the process to begin to reflect when seeing the chaos which could accompany the driving out of Chávez.

But, especially, the popular organization grew quickly. Bolivarian circles multiplied throughout the country, adopting more varied forms. New organizations emerged — urban land committees, specific middle class groups like doctors, teachers, lawyers, etc. Further, union leaders of different branches of the production, critical of the complicity of the CTV, accelerated their work to build an autonomous union force oriented to support the process; the different left parties that continued supporting Chávez, but with very critical attitudes, decided to

build a common front in support of the government. Lastly, in the international sphere, a process that had not been very well understood and valued by the left and the progressive forces of the world now attracted their sympathies. The violently counter-revolutionary attitude of the opposition could not be explained but for the existence in that country of a true revolutionary process. A world opinion contrary to that intended by the coup now existed.

However, the crushing victory whose main protagonists were the people joined with the Armed Forces, didn't produce an offensive on the part of the government as many expected. Chávez considered it necessary first to measure his forces. Although the coup had been defeated and the constitution had been reestablished, he was not clear in that moment as to how much support could be counted on to continue advancing in the revolutionary process. So, the first thing done was to consolidate his forces to protect against a possible new coup d'état. In particular, he dedicated himself to purifying the military institutions. Further, he

After the failed military coup of April 2002, popular organization grew quickly to build a common front in support of the Chavez government.

named ministers more acceptable to the business community in the economic sphere, and restored the previous opposition directors of PDVSA. He accepted the revision of some of the

Qualifying Laws and the establishment of a roundtable for dialogue with the opponents of the process.

With the freeing of the principals of the coup by the judicial system, emboldened by these apparent signs of weakness of the government, the opposition began to regroup its forces and after various destabilizing actions decided finally on the economic coup. December 2, 2002 they called for a national general strike. Their objective was to paralyze the country, forcing Chávez to resign. In particular, they tried to stop the production and distribution of petroleum.<sup>5</sup> And, where they didn't achieve this, they chose sabotage. They expected Chavez would be gone before Christmas.

However, with the firm leadership of President Chávez and the exemplary behavior of the oil workers and, in general, of the rest of the workers and the domestic popular sectors that overcame the hardships of those days, the second great defeat was suffered by the opposition. The country didn't stop. Chávez didn't give in. And now, the petroleum industry really came under the control of the Venezuelan State. This was the second gift of the opposition. Through their subversive attitude and sabotage, around 18 thousand managerial cadres of upper and middle levels, who in fact controlled the company, created the legal conditions to be dismissed.

Most importantly, each new attack of the opposition was increasing the consciousness and protagonism of the people. They not only multiplied the Circles Bolivarianos, the urban land committees, the assemblies of citizens, among other things; but new forms of popular organization arose: the motorcycle couriers, the groups that took charge of reopening the schools that the opposition wanted to paralyze; agrarian and fishing circles for the defense of their rights and the respective laws promulgated by the Executive; groups in the defense of consumers that promoted the boycott of the opposition mass media; groups that protected the gas stations and the appropriate distribution of the gas, that escorted these trucks, that protected the facilities of the oil company from possible sabotage by the opposition, that surrounded Miraflores Palacio and mobilized in its defense against any threat of the anti-Chavistas; circles that worked to help the neediest in these difficult times created by the economic coup. The Positive Middle Class movement in support of the government's decisions was born in these circumstances.

With this wide popular support and the active participation of the armed force in recovering ships and protecting the production centers and distribution of food and fuel, on February 7, 2003 slightly more than 2 months after the beginning of the oil strike, the President was able to announce the failure of the new attempt at destabilization.

### **Third Stage: The Arduous Referendum Process**

Under the intermediation of the Carter Center, the "Group of Friends" (countries including the US) and the OAS which were pressing for a dialogue between representatives of the government and the opposition, there emerged finally (29 May) an agreement to look for a peaceful exit to the crisis. Both sides accepted use of the legal instrument granted in the constitution to solve the conflict: the recall referendum. Given the existence of many polls that showed a growing loss of popularity of Chávez: among middle classes and the political cadres that had supported him initially, and among popular sectors that saw that their lives had not changed with the revolution in spite of all the promises given, the opposition was confident that it would be able to remove Chávez through a referendum.

But, with the failure of the economic coup and the beginning of recovery of the economy (especially the recovery of oil production) the government began to alter the correlation of internal forces. In April of 2003 Chávez announced that he had resumed the offensive. From that moment he began to create several campaigns (called missions) in support of the most abandoned social sectors: clinics in the popular neighborhoods,<sup>6</sup> literacy campaigns,<sup>7</sup> of middle and higher education; opening of the Bolivarian University to those students that had never been able to register;<sup>8</sup> sale of nutritious products at much lower prices than in com-

mercial enterprises<sup>9</sup> — all programs warmly welcomed by the population and that won new followers to the process.

The gathering of signatures at the end of November was carried out in two stages:: first, for deputies of the opposition and, second, for Chavist deputies and the President. So many irregularities occurred in the second process that the President denounced the existence of a mega fraud. There began in this way a difficult process of analysis of signature sheets and collected signatures.

Finally the Electoral Council (CNE) concluded that, in addition to those signatures entirely rejected, more than 800 thousand doubtful signatures of the opposition needed to be verified and that they should go to a ‘repair’ process on May 28-30.

On June 3, the CNE announced that the opposition had obtained a sufficient number of enough signatures to go to referendum— they needed the equivalent of 20% of those that had voted in the last presidential election and had achieved

Chavez accepted the CNE's announcement of a referendum; he then turned this potential political setback into a new political strategy.

(barely) that goal. What was to be done in this situation? Many Chavistas were convinced that there had been an enormous fraud and that the opposition in fact had not reached the required sig-

natures. They considered that Chávez should not recognize the results. This was what the opposition (which believed the images of Chavez spread by its mass media) also expected: that Chávez would thus be revealed before national and international opinion as an antidemocrat when rejecting the democratic procedure set out in the constitution. But, the President, against all these forecasts, accepted the results of the CNE and masterfully turned the partial reversal suffered in the repair process into an overwhelming victory.

With the optimism that characterizes him, which he has always been able to transmit to his followers, he called upon them to face the electoral war as a battle that should be prepared with great seriousness. He estimated correctly that the electoral confrontation would be very hard because it would not be enough to win with a narrow margin, it was necessary to win with a very overwhelming advantage to leave no doubt of its results. And he understood that that goal could only be reached if it was possible to commit all supporters of the process in the conquest of the greatest possible number of votes.

The great challenge was how to achieve that objective without having a political instrument capable of channeling militantly all the popular support. Unfortunately, the Command Ayacucho, the electoral front of Chavist parties and movements created in October of the preceding year to carry on the referendum

and other electoral processes, had functioned poorly in the collection process and repair of signatures and in the selection of the candidates for mayor in the next electoral process. Sectarianism, clientalism, personalism, inefficiency, inability to correctly evaluate the situation, , the lack of transparency, had discredited the Comando Ayacucho among the people and thus disabled it from playing a leadership role in the battle that approached. Only the President could take on this role, and he did this by communicating directly with his most committed supporters. He immediately introduced the idea of creating small nuclei of militants or electoral patrols throughout the country. Units formed by 10 political or social activists (militants) whose main task was to work to reach 10 more people each, trying to commit them to vote against the recall, that is to say, the vote for the NO, of the biggest quantity possible of those people. Each patrol, therefore, would be responsible for working with 100 people.

At the same time that he called upon the people to organize at the base, the President designates a national leadership for the electoral campaign. Their composition is interesting, besides several minister and very few political cadres, in its majority they were cadres that had not participated in previous political instances: artists, academics, social communicators. These new faces, not polluted with the past, gave an image of prestige and freshness to the campaign.

And although the state and municipal directors of the campaign in many cases were carriers of the same bad habits that had plagued the Comando Ayacucho and thus constituted the weak point of the structure, happily they had little influence in the work at the base and in the results of the campaign.

What was critical is that, despite problems in many areas with the organisations for electoral areas, the Units of Electoral Battle (UBEs), people at the base proceeded to organize in patrols for a sovereign decision in favor of the President and they carried out their task with the dedication and the love of those who know that in their efforts rested their leader's future and that of the revolutionary process.

Although many of these patrols didn't satisfy the characteristics described by Chávez — they were not constituted with political or social activists, but with simple sympathizers of the process that would vote for the NO; they didn't work the assigned electoral listing but, rather, decided to organize street by street or building by building; they were not constituted in dwelling places but in work places — there is no doubt that here was created the most significant organization form through which the Venezuelan revolutionary process has lived. It allowed hundred of thousands of sympathizers of the process to incorporate themselves to carry out a concrete political task independently of the existence or not of party leadership in their geographical area.

Very many people emotionally committed to the process but until then inactive took the step into their first organizational and political experience. Thou-

sands of anonymous beings put their grain of sand. And so, too, did the political leaders who were able to put aside their sectoral and personal projects and who decided to work closely linked to the base in pursuit of a single objective: that the NO would win.

The Venezuelan people have emerged strengthened from this living practical experience. They have grown in self-esteem and have grown as human beings. Everything planned in the future cannot forget this fact. This victory, more than an electoral, quantitative victory, is a moral, qualitative victory.

#### **Fourth Stage: Consolidation and Deepening of the Revolution**

The electoral victory of Chávez in the referendum of August 15th is the third great defeat suffered by the opposition; it means an enormous backing to the Venezuelan revolutionary process and it outlines the necessity to continue advancing in its consolidation transforming it in something irreversible.

Which is the correlation of forces at this time and how is it possible to change it? The government has been left clearly strengthened both nationally as well as internationally. With very few exceptions, no one can deny the democratic character of the Bolivarian process and the great popular support behind Chávez. The media warriors are without ammunition. The opposition has been exposed; it has lost a lot of credibility (their analyses were revealed to be illusory, and they have demonstrated how separated they are from reality and the people)

The internal split between the fractions of the opposition has intensified along many dimensions, and this will have political ramifications for some time. While in these circumstances the assassination of Chavez may appear to the more extreme opposition members as the only option, it is an extremely risky option. Its predictable result will be the bloodiest slaughter on the continent since the conquest and its ultimate results would be unpredictable.

All this cannot make us forget, however, the existence of those near 4 million people who voted to revoke the mandate of Chavez. One of the current government's big future challenges is in fact how to win for the process a significant part of those people (who are clearly not all members of the oligarchy!) as well as of those that stayed in their homes because of a lack of motivation to go to the electoral process. Nor can the government forget the expectations that the victory has created in those 6 million people that voted for the NO.

The challenges to face in this new stage are varied: political, economic, institutional and communications. The Bolivarian revolutionary process must provide for a qualitative leap in the protagonistic participation of the people. The President's strongest idea: "poverty cannot be eliminated if we do not give power to the people" needs to be materialized in organizational forms and concrete participation and must be embodied in people. For this, it will be necessary to perfect the instruments of civic participation set out in the constitution not put into

practice because of the polarized situation: to nurture the Parochial Meetings with the best popular activists, to push for the realization of the local planning councils and social accounting. And in the measure in that new leaderships arise and some of the old ones consolidate, it is necessary to advance in the direction of more collective way of proceeding.. Fidel is right when he says that Chávez cannot continue being the mayor of all Venezuela and the President himself has absolute clarity in this respect.

Further, it is necessary to make an effort to overcome the inherited baggage of the IV Republic in the political sphere. All the organizational experience and popular participation accumulated in the recent electoral campaign must not be lost. The patrols and the UBEs should make a balance of their work and it would be advisable that this is discussed in local assemblies. Where the UBEs have not worked well, it would be necessary to look for forms to bring together the patrols in the most efficient way. All the cumulative experience and the re-

Everyone who loves Venezuela should have a space in the revolutionary project without having to be a member of the Chavist party.

lections that are made around this experience should constitute very valuable contributions to elaborate the proposal of a great political front that brings together all the militants that identify with

the Bolivarian project. It would be necessary to transform the electoral patrols into social patrols and to invite all the interested people of each community to analyze and to discuss social problems with them. Everyone who feels himself to be a patriot, everyone who loves Venezuela should have a space in the revolutionary project without having to be a member of a Chavist party. It is necessary to ensure that everyone feels useful. There is much to do in this country and the more people who can be organized and mobilized, the quicker they will be able to advance. The radicalism of work in the process doesn't depend on the radicalism of discourse but on the capacity to mobilize and to involve actively in the project the widest sectors of the people.

What kind of political organization could emerge from the referendum experience? It is essential, I believe, to overcome the organic dispersion of the immense existing militant potential in the country by creating a space for all those people that don't militate in a certain political or social organization. The new political instrument should be much more than the sum of parties and popular social organizations; should avoid reproducing the dispute over positions at the leadership levels; those who organize at the base should be represented at every level in proportion to the work at the base that they have carried out; unite all the patriotic forces without exclusion around a unique program; to have a

privileged relationship with the social movements; to have a broadly respected leadership; to be endowed with clear rules of the game that specify the rights and duties of all its members and where there exist mechanisms for control of the leaders by the base; to conceive its growth primarily as the construction of force from below and not simply by way of political agreements; and, lastly, to stimulate the emergence of an authentic leadership.

It is necessary to also advance in the construction of a unitary instrument of the workers. There is still too much dispersion. The old methods continue to be used. It seems indispensable to go to a discussion about the new type of trade unionism that is required to face the radical changes that the working class has suffered in the last decades and to reflect on the role of Venezuelan workers in the revolutionary process through which the country is living.

It is also necessary to advance in the development of the alternative economic model and, for this, state initiative is essential. For that reason it is necessary to consolidate big government enterprises in the strategic areas: petroleum, electricity, telecommunications, finances, distribution of food, transport—enterprises governed not by the logic of the dollar, but by a humanist and solidaristic logic and where the workers play an important part in their administration assuring the application of this logic. At the same time, it is necessary to expand on a grand scale the popular economy through cooperatives and associations of the most diverse types that allow the protagonistic participation of workers in the process and in these ways to transform the relations of production.

Activity in both spheres is fundamental because they move in the direction of solving the problem of unemployment and disguised unemployment in the informal sector— one of the most serious affecting the poor. In this respect, the project of Mission Vuelvan Caras, a combination of state initiative and cooperatives to foster endogenous development (both by creating development nuclei oriented to internal requirements and also by preparing technically and integrally the work force to face these tasks) is critical. This mission needs to be consolidated and expanded if the problems of the economy are to be resolved. Precisely because one of the highest priority tasks is to solve the problem of unemployment quickly, it is necessary to encourage also the reactivation of the private sector willing to collaborate with the endogenous development project proposed by the government and to foster the development of mixed companies in this same sense.

This endogenous development project will only be able to be realized all its potentialities if at the same time a Latin American integration is achieved as an alternative to the one that the US government is trying to impose, an alternative integration that is governed by another logic, by the humanist and solidaristic logic that characterizes the Bolivarian project.. Thus, another of the important economic tasks of this new stage is the push for ALBA (Chavez's alternative to the FTAA).

Further, it is necessary to improve the correlation of forces in the institutional sphere. In this sense the next elections of governors and mayors at the end of October and, even more, the council elections and parochial meetings and elections of deputies to the National Assembly that will take place next year are very important. If a clear majority is not achieved in those institutions, pacts with sectors of the opposition will be necessary to allow them to function.

Clearly, it is necessary to advance in the transformation of the State, to overcome the baggage of the IV Republic. As Alí Rodríguez (President of PDVSA) said in April of this year: “we have a revolutionary government but we don’t still have a revolutionary state”; this explains why those “missions” have had to be carried outside the structures of the corresponding ministries. It is essential now that these have space in a new model of the State. For this, it is necessary to restructure ministries and to create new ones.

The essential thing is that these institutions stop being bureaucratic mazes of offices in the big cities and be brought down to where people live and work, and where people can exercise social control of public administration. Transparency is absolutely fundamental. People need

The challenge is to develop the capacities of the people so that they may participate in the political life of their country.

to be informed about the resources which are available and where they go in order to be able to exercise that control; it is the only way to overcome the scourge of the corruption, another of the high-priority tasks of this new stage that begins.

Lastly, the communicational challenge, one of the biggest that the government faces is the one of reaching the hearts and minds of those millions of Venezuelans that up to now have not identified with the Bolivarian project. A lot of people, especially of the middle classes (eg. professionals) have been deceived by the media; they reject a Bolivarian project that is not the project of Chávez but a totally deformed cartoon of that project. They have been convinced that Chavez is a dictator that wants to ‘Cubanize’ Venezuela, that wants to destroy private property, that wants the middle classes to disappear, that doesn’t respect union freedoms, that attacks journalists and is responsible for the situation of violence in the country. All are absolutely false accusations. That which these people, many of the four million who voted to recall Chavez, reject is not the project of Chavez but a totally deformed cartoon of that project produced by the opposition mass media. How to make all the people understand what Chavez’s project is one of the biggest challenges that the government faces in order to create a sufficiently favorable correlation of forces to allow the process to advance.

It will be essential that the government find a way to ensure that the

distortions of the opposition media no longer substitute for reality for so many Venezuelans. The opposition media must be instruments of information and not of disinformation. With the international support produced by the referendum result, the government should defend with much force the right of the people to be correctly informed. There is no democracy without equally informed people. All the media, including those of the State, should undergo a profound transformation process. Technically, the State media must be improved quickly so they can reach all the country and can work more efficiently. The alternative community media, which reflect the concerns and interests of their communities must be reinforced. Finally, development of the project of a television station for the South as soon as possible is crucial — both to communicate the true picture of Venezuela elsewhere in Latin America but also to provide an alternative source of international news for Venezuelans.

Consider these four challenges in this current stage which we have described— political, economic, institutional, and communications. They have a common element. They are not a call for an immediate end to capitalism. Rather, each has to do with developing the capacities of the people for a more conscious and protagonistic participation in the life of their country— politically, economically, through the state and ideologically. Only this development will advance the Bolivarian revolutionary process in a sure way and will make the transformation irreversible.

## Endnotes

\* I thank those who have read this paper and suggested ideas. I specially thank my comrade, Michael Lebowitz, to whom I owe important ideas, and assistance with the translation here.

<sup>1</sup> These military people decided to act against Carlos Andrés Pérez after he used them against the people in the popular revolt motivated by hunger and the poverty, February 27 1989, in what is called the Caracazo.

<sup>2</sup> Marta Harnecker, *The Left on the threshold of the XXI Century: Making the Impossible, Possible*, published in Spanish by Siglo XXI Editores, 3a.ed. 2000, pp. 70-4. Zed Books will publish the first and third part of this book.

<sup>3</sup> In this sense Venezuela has fostered South American and Caribbean integration processes; privileged the relationship with their partners of the Organization of Oil-exporting countries (OPEC); and moved closer to other poles of world power as India, Russia and China. At the same time, the bonds with the forums of emergent nations, as the Group of the 15 of cooperation Sur-Sur and the Group of the 77, have increased.

<sup>4</sup> It is symptomatic that Chávez has been accused at the international level

of being a dictator when he has been the leader with the most popular consultations carried out in the world in so short period of time. There has been eight if we count the recent recall referendum: Elections for President of the Republic (Dec 1998); referendum for creation of the Constituent Assembly (25 April 1999); election of the constituents (25 July 1999); approval of the new constitution (15 Dec 1999); president mega-elections, deputies, governors and mayors (July 30 2000); councilmen's elections and members of the parochial meetings (3 December 2000); union elections (August-October 2001); presidential recall referendum (15 Aug 2004).

<sup>5</sup> Through their technical knowledge and absolute control of the information of the company, the senior executives of PDVSA modified the access codes, interrupted production processes, and damaged some facilities to the point of possible explosions if the new highly qualified personnel had not discovered that they had altered the system of control of the temperature of some refinery. Lastly, when oil production although diminished continued ahead, they opted to block the transfer of the raw materials to refineries.

<sup>6</sup> The medical clinics in Caracas were inaugurated on June 7, 2003.

<sup>7</sup> The Mission Robinson began on July 1 2003.

<sup>8</sup> On July 29, 2003 in Caracas the University Bolivariana of Venezuela was inaugurated.

<sup>9</sup> The government created popular markets called MERCAL.

Marta Harnecker is a Chilean writer now living in Caracas and advising the Venezuelan government



Petroleos de Venezuela, the State-owned oil refinery

## Possible Faces of Venezuelan Democracy

*Jonah Gindin*

In the eastside Caracas *barrio* of Petare, an elderly former guerrilla addresses his neighbours: “In the 1960s and 70s when we were fighting the government,” notes Renardo Tovar, “we had to create our own media of communication: clandestine newspapers, radio, *barrio*-newsletters. Now that we are part of the process and supported by the process, we have lost our creativity. We depend on existing media—*Ultimas Noticias*, *Radio Nacional*, *Canal 8*<sup>1</sup>—when the need is still great to create our own.”

An infamous epicentre of rebellion and politicization, Petare residents played a leading role in the *caracazo*—the popular uprising against the neoliberal policies of then President Carlos Andres Perez in February 1989. On April 12<sup>th</sup>, 2002, hours after a coup had (temporarily) toppled Chávez’ government, Petare residents stormed the state television station, bringing it back on the air to inform the country of the coup, rallying Chávez’ supporters to successfully demand his return.

Renardo Tovar is participating in a ‘popular assembly’, bringing community activists and social movement militants together to debate the ‘deepening of the revolution.’ Since Chávez’ declaration that the referendum victory inaugurates a new stage in the Bolivarian project, communities across the country have begun debating what “the revolution within the revolution” actually means.

After a year and a half thaw, popular power is once again stimulating popular consciousness in Venezuela. Since the campaign for recalling Chávez got under-way after the failed oil lock-out of 2002-03 the opposition shifted strategy from extra-legal attacks on Chávez (the 2002 coup, the lockout) to legal ones (the referendum). But with their defeat last August, the immediate threat to the Bolivarian revolution has—temporarily—been averted. As a result, Venezuela’s revolution has entered a new stage. Chávez calls it ‘deepening the revolution,’ but it is more than just his initiatives for ‘deepening’ at the level of the state. This new stage is characterized by a dialectical shift from the defensive politics that subordinated everything else to the defence of the revolution, to a return to the creative dialogue that Chávez’ *proceso* initially represented.

At this moment, as the splintered collection of anti-chavists represented by the Democratic Coordinator (CD)—unable to come to grips with their defeat—continues their self-immolation, dialogue and dissent have returned to debates within *chavismo*. The collective imagination that has been largely stagnant since the 2002 attempted-coup is once again finding spaces for expression. It is a moment for ‘deepening’, but it is also a moment for reflection and, above all, for criticism.

### **Between a Friend and a Principle**

With the upcoming regional elections as a further catalyst, communities are once-again demanding national forums for the articulation of community interests, and community-based struggles. Thus, a series of popular assemblies held in communities across the country to frame their position with respect to the regional elections: local-selected candidates (primaries) or conditional support for candidates selected from above? And thus a lively debate that is slowly emerging on the future of the Electoral Battle Units (UBEs) initially created as part of the chavista referendum campaign.

In response to increasing mobilization demanding primaries for regional candidates, Chávez' position has been a surprise to many. Last month, he declared "We have already announced the candidates, and these are the candidates. Those who don't want unity can join the *escualidos* (opposition)." Yet since these candidates were all appointed by a national committee dominated by the

The collective imagination that has been largely stagnant since the 2002 attempted coup is once again finding a space for expression.

governing party, the 5<sup>th</sup> Republic Movement (MVR), the result has been fierce opposition in many communities who are demanding the government act in accordance with its participatory

rhetoric. While many in the interior continue to press for primaries, Caracas seems to have come to a consensus. Recognizing the time constraints with the October 31<sup>st</sup> date of the regional elections looming, three of Caracas largest working-class districts have chosen conditions over primaries.

Yet the anger that this contradiction in the governments position has sparked remains. As the April 13<sup>th</sup> Movement, spawned during the mobilization on April 13<sup>th</sup> 2002 that resulted in the reversal of the coup against Chávez, argues: "We either make revolution, or we face destruction by the counterrevolution...this is the ethical dilemma cited by Chávez when he makes us chose between a friend and a principal."

### **Rhetoric and Practice: Local Autonomy, Community-based Power**

In a series of independently organized popular assemblies held in El Valle, Petare, and Catia the focus was on declaring publicly and collectively the changes that they expect to see after chavista victory in their states and municipalities, no matter the candidate. To this end community members participating in the popular assemblies drew up manifestos that were subsequently sent to candidates at the municipal and state levels, and to Chávez.

In a manifesto published by various independent media outlets via

internet, the Left Revolutionary Option (OIR) declared: whoever the candidates are, “the upcoming regional elections cannot be a new electoral event, nor a media-show without content or political perspectives...On the contrary, they must be a continuation of the struggle against imperialism and against the Venezuelan oligarchy. They must be an opportunity to debate ideas, suggestions, programs, and concrete plans of action that provide answers to the most urgent needs of the workers and the people.”

Manifestos drafted by these popular assemblies include provisions for the improvement of a diverse range of community rights and services. One focus for all three assemblies was the idea of local public planning councils. Last spring the organic law of Local Public Planning Councils was passed, yet these potentially key institutions of participatory democracy so close to the heart of the Bolivarian project have yet to be implemented.

Subordinated to facing the direct threat to the revolution that the referendum represented, the local public planning councils have returned to the forefront of the debate in many communities. They represent a Venezuelan version of the participatory budget experimented with in Porto Alegre, Brazil. According to Conexion-Social (Social-Connection), a nation-wide forum for community activists and social movements, the public planning council law is plagued by difficulties. Yet their implementation is the first step in addressing and eventually rectifying these potential problems.

According to Pedro Infante, director of the National Coordination of Popular Organizations, the law was changed before being passed in the National Assembly. “Deputies to the National Assembly often do not consult their base on the laws they pass. But we as organized communities are not pressuring them sufficiently to do so. We are organized, but we are dispersed.”

Last weekend in *23 de Enero*<sup>2</sup>, another vibrant center of revolutionary activity, neighbours and activists held a ‘popular assembly’ with the express aim of defining their community’s autonomy. Not content to wait for the national government to fix the existing legislation for local power structures, community-members took the initiative and explicitly stated the need for the creation of a self-sufficient local governing body inexorably rooted in, and directly accessible and accountable to, the community.

### **Small Steps: Internal Limits and Contradictions**

Despite the continuing—and in fact increased—dynamism of Venezuela’s experiment in revolution, the process remains a gradual one, and it is one plagued by difficulties stemming from within as well as without. Whatever the external limitations imposed upon a third world Latin American country—even an oil country—internal limitations represent as much of a potential barrier to the development of the Bolivarian project.

Venezuela's opposition succeeded in temporarily subverting the democratic project of the Bolivarian revolution by forcing the last one and a half years to be dominated by exercises in representative democracy. But the strength of the Bolivarian project has been its articulation of an alternative model of democracy. This has been one of the few areas in which Venezuela has been able to advance on its own. Lacking a regional movement dedicated to opposing neoliberalism it is difficult for Venezuela to do so alone, without isolating itself in an artificial, and likely short-lived socialist bubble.<sup>3</sup>

Depending as it does on oil wealth, Venezuela has the advantage of a certain autonomy from global capital in the sense that it does not depend as heavily on foreign lending institutions and can finance its development projects independently. Yet this autonomy is also the firmest guarantee of Venezuela's continuing integration into the global economy. Oil wealth is of no use to the Bolivarian revolution if it cannot be sold on the world market. As a recent article in the

*Economist* commented:

The strength of the Bolivarian project has been its articulation of a model of democracy that is opposed to neoliberalism.

“Chávez...has a grandiose scheme, called Petroamérica, for a Latin American energy conglomerate based on an alliance of state oil companies. Argentina's presi-

dent, Néstor Kirchner, has shown interest. Brazil is less keen. But, for now, the Bolivarian revolution rests firmly on the shoulders of the foreign oil giants.” Even south-south trade relations pursued by Chávez have not effected significantly Venezuela's dependence on the US market.

Compounding these difficulties, and intricately related to them, is the hesitancy of the V Republic to shed the vestiges of the IV Republic once and for all.<sup>4</sup> After 6 years of ‘revolution’ and a new constitution, the Venezuelan state has too much in common with the very un-revolutionary Venezuelan state that kept the country mired in the corrupt selective distribution of oil wealth from 1958-1998.

Politically the transition from representative to participatory democracy has proceeded at a painfully slow rate. Economically, the government has often proven reluctant to act in accordance with its own revolutionary rhetoric. The few currently-existing examples of co-management in Venezuelan factories have so far failed to concretely improve the lot of the workers in question, and examples of self-management do not yet exist. Culturally the revolution has seen some impressive advances, though largely limited to education.

Yet even the promise of the educational *misiones*, providing free and accessible education from basic literacy to university, raises questions of

sustainability. Opposition critiques that Chávez is able to maintain the *misiones* solely due to record-breaking oil prices is probably exaggerated, but it represents a very real concern. Former Minister of Higher Education Hector Navarro has called for the ‘municipalization’ of higher education as a means of institutionalizing the universal right to higher education. Yet this would require a concurrent ‘municipalization’ of state resources and power structures, something that has yet to happen to a significant degree.

What has kept the revolutionary process going despite these barriers is the genuine cooperation between Chávez’ leadership and the Venezuelan people, represented by political mobilization. “Compared to Venezuela’s past,” notes Infante, “the Bolivarian project’s politicization of the people is clear. Whereas previously, social exclusion was a government policy, now social *inclusion* is a constitutional right.”

### **Practice and Ideology**

In a recent press release Chávez referred to the philosophical responsibilities of the current juncture. “As Victor Hugo pointed out in *Les Misérables*,” he noted “we had abolished the *ancién* regime in effect, but we had not been able to abolish it in our ideas.” We must “transform the *ancién* regime not only in actions, but in ideas,” continued Chávez. “If we don’t, it will come back to haunt us, against our children tomorrow and will once again install the old ideas of egotism, individualism, the exploitation of some by others, the degeneration of man, as Víctor Hugo said, the degradation of women and the atrophy of children for want of knowledge.”

As the only community-based organizations that bring together chavista activists from all sectors of Bolivarian society, the UBEs have a unique potential to evolve into a national forum capable of providing a voice for community interests that act not only as a consultative body, but as an active partner in government. Currently Chávez has no adequate mechanism for consulting the nation on state decisions. The National Assembly is seen as inefficient and ineffective by many Venezuelans. Regular referendums on specific issues would be too impractical, and would run the risk of desensitizing the population to electoral politics. If a national forum existed with representatives from community UBEs, who were elected, and who were completely accountable to their base (perhaps through a system of constant reporting and dialogue, buttressed by short rotating terms) it would provide a body with which Chávez could be forced to consult regularly, and effectively.

Yet so far the UBEs have been a tool of the governing party, the MVR. They do not have any democratic structure, created as they were specifically to facilitate the ‘No’ (against the recall) campaign leading up to the referendum. The future of the UBEs will likely be decided by the communities across the

country in which the UBEs are mobilizing and from which they draw their membership. And these communities have made their distaste for appointments from above abundantly clear.

As Chilean writer and activist Marta Harnecker notes in an internal document ‘Ideas for a National Front’, such a front “should not be a political organization decreed from above without taking into consideration the base. In many cases, the leaders of the Bolivarian forces have been designated by the President and are not the real leaders of their respective sectors, distancing the base and forcing them to find other forms of organization.”

If the UBEs are to remain relevant, and especially if they are to be converted into *Social Battle Units* (UBSs), forming the base for a nation-wide participatory forum, it will be due to the initiatives of the base. As Harnecker notes, “It should be an organization in which exist mechanisms of control of its leaders by the base.” And the primary focus of this base after the regional elections will be concrete advances in participatory structures such as the local planning councils. Whether the government facilitates this project or tries to block it will be a crucial test of their willingness to put rhetoric into practice and to dilute their own power in the interests of further empowering the Venezuelan people. Back in Petare, William Yaguaran, an army reservist who teaches history in Caracas’ poor *barrios*, refers to the importance of “peoples’ participation in constructing their own histories.” If the history of the Bolivarian revolution is to be written by the Venezuelan people, it must continue to be what ex-minister of Higher Education Hector Navarro describes as “a process of learning to do, and learning by doing—a process of building learning, by doing learning.”

## Endnotes

<sup>1</sup> *Ultimas Noticias* is Venezuela’s largest circulating daily newspaper, and perhaps the only one that manages to maintain some semblance of political balance in its coverage; *Radio Nacional* is the official government radio station; Channel 8 (*Venezolana de Television*—VTV) is the state television channel.

<sup>2</sup> The neighbourhood is named after January 23<sup>rd</sup>, 1958—the date that Venezuelan dictator Peréz Jiménez was overthrown. Built during Jiménez’ dictatorship, its original name was *Urbanizacion 2 de Diciembre*.

<sup>3</sup> The importance of Venezuela as a source of oil for the US market is what would ensure such a socialist-bubbles short life.

<sup>4</sup> The Fourth Republic refers to the period between 1961 and 1999, before Chavez became president. The Fifth Republic, refers to the period after 1999, when the new constitution was approved.

Jonah Gindin is a Canadian journalist based in Caracas and writing for [venezuelanalysis.com](http://venezuelanalysis.com)

## Venezuela: The Constitution Versus the Media

*nchamah miller*

Why is Chavez so popular? From the commencement of his political career, well before becoming President, Chavez stirred Venezuela towards a change of the rules of the political game. He intended to eradicate entrenched class privileges, masked through the ideological liberal discourse of representative democracy and which hid the actual inaccessibility of the majority of the population, blocked from access to representation, via the exclusionary nomination processes for candidates in political parties. Chavez early on went to the heart of the matter and came to power on a platform that argued that in order to effect any political change in Venezuela the first political instrument that required change was its Constitution.

This Constitution passed into Law at the beginning of Chavez's presidency in 1999 through a referendum. While it retained representative democracy, it included new mechanisms to integrate social forms of direct participatory democracy. It preserved the three branches of government — the legislative, judicial and executive bodies. In other words, Chavez retained the traditional infrastructure of the nation-state. However, to counter the tremendous authority concentrated in this form of centralized government, Chavez added the instruments necessary to create a new source of power emanating from direct local governance. For example, Article 62 of the new Bolivarian Constitution creates in the people a body of political power through which they are given a mandate to participate in the formation, execution and control of public enterprise, as the means through which citizens obtain inclusion in society as protagonists and active participants of civil society. This form of participatory democracy through the consensus mechanisms it creates in grassroots organizations turned the exercise of political power in Venezuelan society upside down yet it retains the problem that economic power still is separated through the market economy.

Venezuela, the only country that includes this provision in their Constitution, grants the right of recall of the President, or any other elected representative and the right of referral to referendum of any matter considered of sufficient importance at any of the three levels of government — municipal regional or national consultation through national referendums. Paradoxically, the opposition to Chavez used this article to start the process of reparos against him, with the hope of organizing his destitution, but of course the referendum of August 15th of 2004 vindicated Chavez and the constitutional reforms initiated by him.

Venezuela's Bolivarian Constitution has 9 Articles dedicated to the rights of indigenous peoples: to date the only Constitution of its kind worldwide. As an example, indigenous languages are official languages, very importantly the Indigenous. In addition, the Constitution recognizes all Afro Venezuelans as a

founding nation.

President Chavez, when on TV, constantly points to a small blue book, which is the text of the new Constitution of the fifth republic of Venezuela. It is available at almost every corner in Caracas for as cheap as 1 cent. In this way the Constitution has not only become a cultural symbol but an integral part of everyday political discourse.

### **The Media Barons and the War Against the Fifth Bolivarian Republic**

At the time of the counter coup in Venezuela in April of 2002 the mediatic launched a war against the Fifth Bolivarian Republic, i.e. the Presidency of Chavez. (The mediatic is a term coined in Europe, and is used in Venezuela to designate the alliance comprised of the press, radio, TV and the internet that work in block combination as an instrument of ideological control of the dominant elites using strategic communications technology.) In Venezuela the intended prizes of the

During the counter coup in 2002, the mediatic (an alliance of press, radio, TV and internet) waged an ideological war against Chavez.

mediatic war is regaining private control of Venezuela's currently most prized resource, petroleum, and PDVSA the national petroleum corporation and the strategizing against the Chavez re-

gime. The attacks against Chavez usually take the form of misinformation or vilification. For example, during the two tense days of the coup of 2002 the mediatic purposefully misinformed with respect to the condition of the Government with news bulletins stating that Chavez had resigned when in fact he was being held incommunicado on an island with foreign planes ready to whisk him off Venezuelan soil.

After the counter-coup, with the reinstatement of Chavez the Mediatic, with the intention of provoking civil revolt, used practices of dubbing and intercutting images: they televised inflammatory images of Chavistas firing willfully into the crowds despite the fact that in reality the Chavistas were assailed by anti-Chavista roof top snipers that targeted them (approximately 40 protesters were massacred in this manner). Progressive media on site captured footage that contradicts the mediatic version. The documentary "The Revolution Will Not Be Televised" gives a full account of these events.

What are the strategies of the mediatic war with respect to President Chavez and the Fifth Republic? The mediatic does not cover the implementation of any of the social programs taking place in Venezuela today. Unless people view channel 8 (the Government channel) they never hear of plans for identity, adult education, literacy, medical help or others. All they will hear of is "an invasion of

Cubans”. Conspicuously, the mediatic never refers to the work of the medical volunteers Cubans who through community programs help the poor acquire the necessary skills, health, and education so that they can partake of the life of citizenship. Every time President Chavez takes to the air in the program *Alo Presidente*, as soon as this program ends the mediatic snipes back through a program called *Alo Citizen*. It is obvious that the private media intends its coverage as a prime form of parody. Remember, Chavez did not go to private school and does not have the diction or mannerisms, which go with the culture of money. In the same way that in England class position is coded into language so it is in Latin America: Venezuela’s President constantly is snubbed by the mediatic elites because he has refused to adopt their mores, and this in fact endears him more to the people.

A prime example of the conflicts of the mediatic and PDVSA, the state oil corporation occurred in December 2002 when in an act of desperation after the failed coup attempt against Chavez, the elites with the collaboration of their foreign counter parts engineered a general strike, spurred daily by the mediatic, in which all oil production in Venezuela closed down. Once it became evident that the general strike and the mediatic ploy would not be successful the technocrats who ran the show at PDVSA, in order not to be charged with treason, resigned from their jobs collectively. Hundreds of their minions followed suit in an effort to close down the economy. They went to the extent of erasing all codes of computerized access to the system in the full confidence that they would close down the system; force the privatization of PDVSA and the lock-out of the Government.

However, they were trumped by a very few loyal workers that remained on site and some workers who were brought back from retirement and with the help of the military production was fully restored. As a consequence to this disruption, that could have paralyzed the country and derailed the revolution, the slogan of the new workers union at PDVSA is that the workers that walked off will never return. The technocrats have taken their cause in a last ditch attempt to foreign sympathizers who have informed Chavez these employees must be reinstated, the fact is that it is the new workers, the grassroots who insist this will never happen not as long as Venezuela remains a participatory democracy. Having lost that major battle, the opposition then contested the right of the current administration to use the revenues from the sale of crude for social programs.

However, the Supreme Court turned the access to these funds over to the current Government. What does this show? For all the millions of dollars spent on “the mediatic battle” its main strategy of misinformation and vilification has been ineffectual. The latest ploy was to discredit the results of the August referendum: to no avail since the Carter Centre and the OAS confirmed the legitimacy of the ballot count.

In addition, the results of the October 31st 2004 State and municipal elections have consolidated Chavez's position within Venezuela and internationally, with respect not only to Latin America, the oil cartel, but as the prime site of resistance through the power of participatory democratic citizenship. The mediatic has not been successful in undermining what is now termed the Bolivarian revolution. In effect, Chavez has opened the space for a new political identity for all Venezuelans, apart from that projected by the mass media barons.

**Conclusion**

Still, Venezuela is just the beginning of a long struggle of reclamation of the national patrimony in natural resources, as well as the development of a participatory citizenship. The Constitution and the Chavista leaders have facilitated this process, despite the mass media barrage against the government. The Bolivarian Constitution of Venezuela is the first political instrument that has bridged the gap between representative and participatory democratic institutions. But other political organizations will also have to be developed in order to facilitate the process and maintain the balance between the old representative democratic centralized institutions and the new evolving localized direct participatory popular power institutions. This is part of the next stage of the Bolivarian revolution in Venezuela.

nchamah miller is with the Circulo Bolivariano Manuelita Saenz in Toronto



An image from the Venezuelan March for Sovereignty, March 2005

## **Bolivarian Circles and Democratization in Venezuela**

*Nicolas Lopez*

The Bolivarian Circles in Venezuela were created in 2001 out of the need to shape an option of ‘humanism and solidarity’ toward the future. They are examples of organizational units guided by revolutionary principles, agents of change in the face of immense challenges presented by the very destructive impact of capitalism and globalization. In middle-income dependent economies, the national state and society has become subordinated to the power of multinational corporate interests; as domestic capital has been internationalized, the national capacity to formulate and execute policies has been further re-organized and diminished. Payment of onerous levels of foreign debt to international financial institutions and foreign banks continues to hinder the financial capacity to fulfill the urgent needs of the majority of the population. This perpetuation of social

The Bolivarian Circles were created in 2001 out of the need to develop a new future-oriented humanism and ethos of solidarity.

inequality has been widespread, particularly in Latin America (and Venezuela has seen perhaps the worst spiral of poverty), where neo-liberal economic policies are well

into their third decade of implementation. But ‘the failures of the market’ have generated throughout the region a widespread rejection of these policies, and even of the capitalist system.

The prolonged period since the 1980s in Latin America of both corrupt, dysfunctional states unwilling to implement social programmes and stagnant economies led to sharply polarized social structures. This social devastation caused by the impact of the markets’ dynamics is clearly visible in the massive unemployment, feelings of hopelessness, and increase of organized and unorganized crime. Due to the abandonment of social needs and the weakness of the state, there have been different approaches to challenge neoliberal policies, particularly from social movements, but also political parties of the left, which in many cases had lost credibility and have struggled to re-establish since the collapse of the Soviet Union in 1989.

Early in the revolutionary process in Venezuela after the Hugo Chavez Presidential victory of 1998, the leadership realized social transformation would not be sustainable unless wide mechanisms, channels of expression of popular participation were generated as means to achieve “popular sovereignty” through a participatory model of democracy, as laid out in the Bolivarian Constitution, which was submitted to a national referendum on 15 December 1999. It is for

this reason also that the Bolivarian Circles were created and formally introduced in December 17<sup>th</sup>, 2001 as grassroots social organizations aiming at national reconstruction and resistance to capitalist hegemony, “strengthening the revolution and defending the Constitution”. The initiative revived earlier attempts at developing grassroots support in civil society by the Chavez-led MBR-200 (Revolutionary Bolivarian Movement 200) years before the Fifth Republic officially came into being with the 1999 Constitution. It was to be a first step toward deeper changes via establishing “an organic expression of a socio-political base” of the new political movement.

### **Democracy and Transforming the Neoliberal Economic Model**

However, it is necessary to consider the enormous task of transforming the neoliberal economic model and replacing it with more egalitarian socioeconomic relations (what is generally referred to as endogenous development in Venezuela) in a hostile external climate. It is worth looking at what the outline for the long-term government plans for economic development are first step toward replacing existing relations. The *General Guidelines of the National Social and Economic Development Plan 2001-2007* defines the economic project as follows:

The foundations for a new productive model will be laid during the 2001-2007 period. This economic model shall generate self-sustained growth and promote the diversification of production ... within a context of macroeconomic stability, which will allow a deep and diverse reinsertion into international trade. (Lineas Generales del Plan de Desarrollo Economico y Social de la Nacion 2001-2007, Government of Venezuela, Planning and Development Ministry, at [www.mpd.gov.ve](http://www.mpd.gov.ve).)

Achieving this goal depends on the political capacity of the leaders of the transformative process to propel the formation of a new social structure. The Venezuelan Government proposes that the socioeconomic transformation begins by effectively making social rights available to the totality of the population, persistently waging a war on social inequity and exclusion, improving citizens’ formation and education and increasing access to housing and public health services. These particular changes in society, and a *sui generis* process like the “Bolivarian Revolution” oriented toward a more equal and just society, requires that the people, and not the state or the party, be its main protagonists. This, in turn, demands the construction of new models of political participation.

One of the most important innovations introduced by the Constitution of 1999 was stipulating the right to popular self-determination as a necessity for the survival of the nation. Social justice was also made a guiding principle. Self-determination and social justice are seen as essential needs of any society that wants to preserve its cultural identity and establish sustainable socioeconomic

development for future generations. They are not political extras, only to be pursued once market processes have restored profits or government fiscal balances corrected.

### **Participatory Democracy and Citizens Involvement**

The 1999 Constitution established ‘participatory democracy’ as a central process and instrument for social transformation. This inspired the birth of the Bolivarian Circles, initially gathering support of at least 700,000 citizens organized into Circles. The failed coup attempting to topple President Chavez in April 11-12 2002, and a strike in the state-owned oil company in late 2002, further stimulated their proliferation. This led to a peak number of some 250,000 Circles (each of 7 to 11 members) across rural and urban Venezuela in 2003. The permanent challenges presented by a very heated political process have made clear that a new grassroots social structure should be consolidated before a political model inclusive of all citizens can be fully developed. The Bolivarian Circles and the Venezuelan social movements have been integral to sustaining the Bolivarian Revolutionary process despite the many efforts to destabilize and discredit, by legal and illegal means including with foreign assistance, the government.

So far, the innovative political model has been implemented through mechanisms that have made participation more effective. They have moved beyond electoral processes, which always have the result of winning candidates representing the interests of portions of the population, and only extend political involvement to voting. For example, direct voting, including use of referenda and recall of elected officials, have been extended. Recall allows the option to vote out any elected official half-way through their period in power, as with the August 15<sup>th</sup>, 2004 Presidential recall referendum. One of the main goals of the new democratic model is to develop a profound ethical sense of responsibility within elected members of government, making them accountable for their actions as officials to the public over their entire term in office.

Another new political structure designed to guarantee the protection of the needs of the citizens is the Local Councils for Public Planning. This provides people with the opportunity to take part in the planning and execution of government projects. Decision-making on local matters is partly transferred to organized communities. This measure has the intent in matters of government spending in local communities, to have those directly affected make choices over implementation, and even to have the power to veto a decision. It is intended that citizens’ assemblies evolve from simple units of organization into functioning community governments. The Bolivarian Constitutional mandate for co-government might be fulfilled as officials become accountable to organized communities. This would be the expression of what is commonly referred to as ‘direct

democracy', resting alongside the 'representative democracy' of the national parliaments and regional assemblies.

The Bolivarian Revolution has seen empowering the population through an inclusive democratic model as part of the steps toward challenging the capitalist economic system and its social relations. This is a long and complex process that proposes the adding to the vertical representation of electoral democracy with horizontal structures for political participation, what the Bolivarians have called a 'protagonist and participatory democracy'. It seeks a renewed different kind of state and a wide social base so that the political process is forming active citizens who are 'agents of change'. This process seeks to generate a 'self-conscious participation and organization' among the people. This is part of constructing new state and new social relations which are not subordinate and dependent upon the blind forces of the market. The Bolivarian Circles have played a key role in changing the mental attitude of ordinary citizens so that they may invent, create and generate ideas. This is fundamental to the Bolivarian revolutionary project, a will to engage in 'reflexive action' in local communities.

### **Power to the People: Bolivarian Circles and Active Citizenship**

One of the main challenges of the revolutionary process underway in Venezuela is the construction of a citizenry conscious of its participatory responsibilities. Such an active citizenship is required to (1) democratize knowledge, (2) recover collective self-esteem and capacities for governance, and (3) widen the awareness and exercise of rights.

Such a project for active citizenship needs to make use of integrated spaces for discussion, and processes for shared decision-making. This project needs to be supported by sufficient information; real access to participation to and power that is guaranteed; co-responsibility in defined areas of decision-making; and rights and duties in participation and administration. Some of these notions are in the Bolivarian Constitution of Venezuela, and many of these ideas have been part of the social missions that have been established in education and health in various neighbourhoods. Much more needs to be done in terms of the overall central state, and expanding the governance and administrative capacities of an active citizenship. The Bolivarian Circles (as well as the later formed Electoral Battle Units) have contributed to this conception of citizenship in defense of the revolutionary process in Venezuela.

Structurally, Bolivarian Circles put in place an organized social and political movement that is crucial to defending the Constitution and the office of the President. They are, in the first instance, a survival mechanism for social stability in a hostile political environment nationally and internationally. As well, the Circles have mobilized around very concrete tasks, geared towards meeting the needs of the community, such as demanding social services, education and im-

proved policing. A year into their introduction, an ideological role developed. The Circles' developed a capacity of becoming a bridge toward a new socio-economic structure in educating citizens about the Constitution but also of transmitting and conveying new demands and issues as the struggle unfolds. They follow Simon Bolivar's – "the liberator" – ideas, but also those of his tutor Simon Rodriguez and that Ezequiel Zamora, commander of the army of the poor during

The goal of the Bolivarian Revolution is to deepen the level of democratic involvement of Venezuelans and also, to extend popular power.

the Federal war. Developing a cleared ideological basis through education and concrete struggle gives a stronger political direction to the movement. It also provides for a deeper involvement of

the Bolivarian Circles at the local level, for the purpose of mobilizing around immediate tasks and for helping determine the process of struggle over social needs.

The *praxis* of organized communities and the Bolivarian Circles can be seen along two dimensions: one dimension is development of autonomous self-management processes that have been evolving as the struggle in Venezuela has unfolded, and a second is participation in general public matters from which the majority of the population had been traditionally excluded prior to the Bolivarian Fifth Republic. The development of these dimensions is crucial to the exercise of popular power, the capacity to govern and helping to articulate the interests, needs and demands of the community.

Bolivarian Circles are organized around the Constitutional duty of participation and social organization. It is geared toward the needs of families, collectives and communities. In the immediate terms they are identifying the social need to generate productive work, supply basic necessities, guarantee food security for the community, provide health and education facilities, and sustain community health and literacy programmes. Different collective organizations are being experimented with to these ends, such as cooperatives, micro-enterprises, civil associations, and family operated businesses, all of which have access to financing from new government credit institutions.

The Bolivarian Revolution in Venezuela has the goal of deepening the level of democratic involvement and popular political participation. It seeks to extend in new ways popular power. The future sustainability of the process depends on the effective building of the capacities and power of the people and a transformed state. The Bolivarian Circles have been one organizational response to defend the revolution and to develop these popular capacities. President Chavez himself has said: "If we want to put an end to poverty, let us give power to the

poor!” The Bolivarian project may set as its purpose to challenge neoliberalism as a failed economic model. But it will not accomplish this if the old institutions remain and the principles and logic of the new society it aims to become are not nourished. How could social justice and a more equal distribution of wealth and development be guaranteed by a discredited state and without a mass base of support and active citizenship? This is the importance of the democratization processes in Venezuela when coupled with the project of endogenous development. The emergence of new social relations of democracy and production depend upon such organizational experimentation and struggle.

Nicolas Lopez is with the Circulo Bolivariano Manuelita Saenz in Toronto



The Simon Bolivar Plaza



Venezuelans fill Bolivarian Avenue to celebrate the Day of Dignity, April 2003

## **The Greening of Venezuela**

*David Raby*

With all the hullabaloo about Chávez' alleged authoritarianism, opposition strikes and demonstrations, and the 15 August recall referendum, you could be forgiven for thinking that nothing constructive is being done in Venezuela and that the nation's energies are entirely absorbed by political mud-slinging. Indeed, that's just what the corporate media would like you to think.

But go to alternative websites like Znet, Venezuelanalysis.com or Rebelión, and you'll find reports on literacy campaigns, health clinics in poor neighbourhoods staffed by Cuban doctors, community-based housing programmes and agrarian reform. Venezuela is undergoing a social transformation the likes of which have not been seen in Latin America since the early years of the Sandinista revolution in Nicaragua.

### **Agrarian cooperatives**

In the past fifteen months the government has begun to redistribute uncultivated land from private estates or public lands to poor peasants and landless labourers. In a repeat of the agrarian reform programmes carried out decades ago in several Latin American countries, some 2.2 million hectares (5.5 million acres) has already been distributed to 116,000 families organised in cooperatives.

This alone would be remarkable in today's globalised world, where the very idea of cooperative or collective agriculture has been dismissed as outdated and inefficient, and countries like Mexico have dismantled long-established rural cooperatives and opened their agricultural sectors to the unfettered play of the free market and the consequent domination of private agribusiness.

But the Venezuelan agrarian reform goes beyond satisfying peasant land hunger and alleviating poverty. It is based as far as possible on organic practices and is intended as the foundation stone of an entirely new social and economic model, oriented towards self-sufficiency, sustainability and "endogenous development".

### **Fighting bureaucracy**

Chaguaramal is a newly-cultivated strip of land surrounded by tropical forest and isolated poverty-stricken communities, a few kilometres inland from the Caribbean. Here 144 families have so far benefited from the creation of a SARAO or Self-Organised Rural Association. The Ministry of Planning and Development first provided land, funds and equipment, and people from nearby villages began to organise the new community on a cooperative basis.

But at first the Ministry delegated implementation of the project to a bureaucratic public corporation, CORPOCENTRO, which imposed technical de-

cisions without consultation. Only in August 2003, when the INTI (National Land Institute) took over responsibility for projects of this type, did Chaguaramal take on the characteristics of community self-organisation as originally intended. “We listen to the communities, we open our doors to them so that they can bring to life their own projects and dreams”, says Silvia Vidal, the INTI official now responsible for the SARAOS.

The new settlement (*asentamiento*) consists of attractive houses built by the residents themselves with materials and technical assistance provided by the State, with carefully cultivated gardens, a school, a health centre and a child care centre. A variety of crops are being produced as well as livestock and fish, and we were treated to a delicious fish barbecue. We saw how the community prepares its

own compost and is already recycling most of its waste.

The government has begun to redistribute uncultivated land from private estates and public land to poor peasants and landless labourers.

“I’m a member of the SARAOS, I joined on 15 April 2002”, says Gelipsa Rojas. “My area of work is worm composting, which

will give us organic fertiliser...so as not to use chemical fertilisers...

“At first [under CORPOCENTRO] they only paid attention to the men, we women stayed at home and only did housework. When the INTI arrived, things changed. There is still machismo but we are gradually getting rid of it. This worm-compost project is run only by women. Now the men help with the housework, we’re both responsible for it...”

Chaguaramal is in Miranda State, with a Governor ferociously opposed to Chávez and the revolutionary process, and so everything achieved in the new settlement has been done despite systematic obstructionism by the State government. In a neighbouring hamlet called Buenos Aires which was not initially included in the project, opposition politicians turned people against the cooperative, saying that it would do nothing for them and would be run on principles of “Cuban slavery”. But now several families from Buenos Aires have been incorporated into the SARAOS and everyone can see its benefits.

### Developing the interior

Hundreds of kilometres away, over the coastal mountains and in the *llanos*, the sweltering tropical plains of the interior, we visited a major development project which reflects the Chávez government’s aim of moving people and resources away from the coastal cities. The “Ezequiel Zamora” Agro-Industrial Sugar Complex (CAAEZ) is centred around a state-of-the-art sugar mill now under construction with Cuban technicians and Brazilian equipment, a reflection

of the desire for Latin American collaboration. The complex and its associated agricultural cooperatives will produce not only sugar but rice, yucca and other crops in order to promote agricultural self-sufficiency (Venezuela, chronically dependent on oil, imports 70% of its food despite having abundant fertile land).

As long ago as 1975 this area was designated as ideal for sugar production - cane yields here are several times higher than in Cuba or Brazil - and a first-class irrigation system was built but then abandoned due to corruption under previous governments. Then in the 1990s a Costa Rican investor offered to go into partnership with local farmers, making loans for them to produce cane and promising to build a mill, only to abandon the project and take the funds, leaving them in the lurch - "I was one of those who sowed cane and waited nine years for the first harvest, and was unable to harvest the cane because of that gentleman..." declared Francisco, a member of one of the associated cooperatives, bitterly denouncing this example of flight capital.

But now the CAAEZ project is well advanced: a huge undertaking which will eventually employ 15,000 workers, it comprises the sugar mill and other industrial plants as well as the agricultural area. Here too organic methods will be favoured: among other things, sugar-cane bagasse will be composted and supplied to mixed-farming cooperatives. All of the new social programmes are also being implemented here, such as the literacy programme (the Robinson Mission) and the "Into the Neighbourhoods" Mission with its health clinics staffed by Cuban doctors.

### **The greening of Caracas**

But the greening of Venezuela is not limited to the countryside: in the heart of Caracas, just behind the Hilton Hotel, an abandoned strip of land has been turned into an *organopónico*, an organic market garden for the intensive production of lettuces, tomatoes and an impressive variety of crops for the urban market. Unemployed people from nearby shanty-towns are given work here and trained as agricultural specialists.

Urban agricultural plots like this are springing up in cities across Venezuela and further contributing to the aim of self-sufficiency. When the project began it was ridiculed by the *escuálido* opposition, who said it was impossible to produce food here, or that it would be uneconomic. But now people from wealthy neighbourhoods themselves buy the produce when they can get it (which is not easy since demand is so high).

### **A New Socio-economic Model**

Agrarian reform, cooperative enterprise, organic agriculture, use of local resources - these are all features of an entirely new socio-economic model for Venezuela. The model is summed up in a programme called the "Vuelvan Caras"

Mission (a term derived from the battle-cry of a 19<sup>th</sup>-century rebel leader), which attempts to coordinate all the other programmes and “missions”: it provides government assistance in the form of technical advice and funds derived from oil income, for agricultural, industrial and commercial cooperatives, generating employment and training. It encourages local initiative, self-sufficiency, sustainability and “endogenous development”, development from within and from below, with popular participation. The leading role of women, blacks and indigenous people is also explicitly promoted.

This new model will take years to develop, but it is already under way and being promoted with great enthusiasm. It does not exclude possible nationalisation of some major industries, but it points in a direction which challenges both globalised capitalism and state socialism of the traditional variety. It is also the foundation of the Bolivarian Alternative for the Americas (ALBA in its Spanish acronym), which Venezuela is proposing as a progressive alternative to the ALCA (the US-sponsored Free Trade Area of the Americas). This is why Washington hates Chávez: not because of his revolutionary rhetoric, not because of any threat to “democracy”, but because the Venezuelan process offers a real alternative to US plans for the hemisphere - and it is this which Venezuela, and the world, would stand to lose if Chávez were to be defeated in the recall referendum.

David Raby is a retired University of Toronto professor now based at the University of Liverpool.



An image from the Venezuelan March for Sovereignty, March 2005

## Speech Given in Toronto, November 28, 2004

Marcela Maspero

As a Venezuelan worker, it is an honour for me to be here with this group of Canadian workers, especially at this quite historic moment, when it's very important for us in Venezuela to have the understanding and solidarity of workers around the world. In my presentation this evening, I would like to talk a bit about the background, about how the union movement was before the government of President Chavez, the current political situation, and some of the political issues we were facing leading up to the birth of the U.N.T., and how things stand now.

It is very important for us in Venezuela to have the understanding and solidarity of workers from around the world.

The largest trade union central for many years in Venezuela was the Confederacion de Trabajadores de Venezuela, the Confederation of Venezuelan

Workers,(CTV), and it fought many important battles, especially during the years of the dictatorship. Over the years, it started to lose credibility, however, because of positions it took, which were very pro-government and because of its many agreements with management and the government, which were reached behind the backs of the workers. The CTV saw the need to democratize itself and renew its credibility which led to an approved vote in 1995 undertaken by all rank-and-file members. This was agreed to at a convention and that was how I managed, in that last phase, to get onto the executive board of the CTV. But we were very disappointed when we joined the new executive to find out that the whole idea of democracy and renovation was not really going to materialize.

When we look at why the CTV began to lose credibility, in addition to all the agreements that were made behind the backs of workers with government and business, there was also a sense of the privilege that those labour officials had, and especially those labour officials who were involved in some of the financial institutions that were supposed to be benefiting workers, such as the Workers' Bank. Lately that institution was the source of a major scandal and a number of the leaders, the members of the board of the Workers' Bank of Venezuela, had warrants out for their arrest and a lot of those financial institutions ended up not actually meeting the needs of rank and file workers although the people who sat on the boards of these financial institutions, supposedly represented workers. They actually were there to only line their own pockets.

For us, the democratization of the CTV did not happen as was planned

and I can speak from my experience as a member of a private sector union. When we tried to form a group of people to make up a slate to run against the current leadership, we found out that the CTV was very powerful and many of the people who dared to form an opposition slate were either fired by their companies or brought up on charges by the union itself.

The political moment was one when the International Monetary Fund was wielding a big stick in Venezuela and our government was basically on its knees doing whatever the large international financial institutions wanted . I'm referring to the period of the last Presidency, the one before President Chavez. During that period, the CTV and the Federation of Chambers of Commerce, formed what they called a "tri-partite movement" with the government and this is one issue the International Labour Organization (ILO) talks a lot about a "tri-partism". We really reject their view of what trade unions should be doing in terms of forming agreements. What happened was, that the top leaders of our labour movement, joined up with the Chamber of Commerce and the government, to hatch a plan to completely transform the social benefits and the whole regime of unemployment benefits and fringe benefits that workers had enjoyed. It was supposed to be based on improving benefits, based upon seniority and a living wage package, social security for everyone.

People had a lot of hopes during this period. But it didn't turn out that way at all and the failure of this so-called "agreement" to improve the lives of Venezuelans led to an even greater loss of credibility for the CTV and again there was a very low expectation on the part of workers that their union organization would do anything positive for them.

This led to the national elections in December, 1998, in which people felt betrayed by the traditional political parties; they felt betrayed by the government that was in power and workers in particular felt betrayed by the CTV. There was really a lack of credibility in all the major institutions of our country and it was at that moment people started listening to Hugo Chavez who was a candidate for the Presidency and who talked of building a better society. I actually believe people voted for Chavez without any direction from their trade unions about how to vote or any particular ideological orientation, but rather they were seeking solutions to their problems and what Chavez was promising at that point was to clean up the corrupt institutions, to bring in a new constitution and to change the way government operated.

When he assumed power, his first major programme was to set up a national constituent assembly to develop the new constitution. This was something that began in the middle of 1999 as a process which involved large numbers of people and the resulting constitution was a document that definitely did improve the social and labour rights of people. It was also a real switch from a kind of representative democracy as had been structured before, to something that we

could now call participatory democracy. The new constitution included a number of clauses that were very new, such as a requirement for social oversight of all state agencies and a co-responsibility, which involved evaluation of all government policies by the people.

The trade union centrals and the political parties participated in the constituent assembly. The goal was to bring the top decision makers together, to reach some agreement about the legal instruments that would re-structure trade unions from that point forward, especially with respect to a legislative bill that was called “The Union Democratization Act”. This Act had a number of elements, a number of which the ILO has complained about as being too “interventionist”, but I would like to say that the very contentious measures that were in the union democratization bill, were written partially by the trade-unionists themselves. My organization participated in the writing of those rules and we felt that was the way we wanted to do it. One of the important elements of this law was that unions would produce their financial statement, their accountability statements, and present them to a national body, where they would show where they got their money and where their money was going.

The people who had participated in this high-level discussion were the top leaders of the CTV. These were people who historically had enjoyed some of the highest level of privileges of anybody in Venezuela. Some of these trade-union leaders are richer than some business owners and the government functionaries who had lined their own pockets. These are people not without their own financial interests. And this led to a lot of confusion.

However, the government implemented a rather large outreach programme. All the trade union centrals participated in the discussion about how the new law would be structured to ensure there would be trade union democracy, or at least a move towards a more democratic trade union movement and the top leaders were involved, although I was not, as I was an alternate at that point.

An agreement was reached to have a referendum on the unions. This proposal was also questioned by the ILO, because this was a referendum that was to be put not only to members of trade unions, but before all the Venezuelan people who would be able to vote on whether the trade unions should go through the democratization process and re-confirmation of their leaderships. After the CTV reached an agreement that this was the process they would undergo, they then got rid of all their current leaders and put in place some boards to go through this democratization process. This was not the way it was supposed to be, but it was a decision that they made internally and not one that was imposed by the government. Rank-and-file votes took place in all the work-places; all the labour centrals were involved in them, except for two which did not participate.

After these agreements were accepted, all the unions had to run their elections and present their results to a national electoral council, which had the power of oversight over all the trade union votes in the country. Each union set up its own electoral council to internally oversee its own votes and to establish their own rules. The CTV unions participated in this, as did the General Confederation of Labour (CGT).

These union elections led to a renewal of leadership. All I can tell you is that there were some unions that had had the same secretary general for forty years. And they never had had local elections where the rank-and-file could vote, so this was a real democratizing process. There was participation, there was real participatory democracy and that process changed workers and of course the leaders

of the federations did change during the process.

Union elections led to a renewal of leadership, which was a real democratizing process given that some unions had the same secretary for more than forty years.

Sadly, the CTV then took an unfortunate route. Although they may have held elections wherever they had a base, forty-eight percent of the reports of their election results

were never filed with the national electoral council and this cast a shadow of doubt over the whole process about whether it had been fair and about who had actually won these elections. When they presented their slate of their new board of directors, the new executive of the CTV, President Chavez was put in a difficult position. He said, "I don't know if these people have won or didn't win. I can't sign off on this because you haven't presented the papers that you were supposed to present on completion of the elections." So there was a new leadership of the CTV; it was renewed in some way, but it didn't match what the election results had been and it wasn't done according to the rules that they themselves had agreed to and this led to more loss of credibility for the CTV.

At the same time there were organizations within the CTV, different currents within the CTV, that were very much in favour of deeper changes, more transformation of the way the labour movement operated in our country. I, for instance, participated as a member of an organization called the Bolivarian Labour Forces, we were members of the CTV, and before the elections within the CTV, we had major discussions about whether we should participate in these elections. Many of us felt it was good to challenge from within and it was good to carry out a fight that would cause an internal debate. We felt we should go forward with this and if it would change the CTV from inside, it would avoid further fracturing of the labour movement, which we felt would be very good. We had four labour centrals at the time, of which the CTV was the largest. The activists believed in

working inside the CTV.

Around this time, the National Assembly was discussing forty-nine pieces of enabling legislation that would really change the way government operated and we wanted to be part of that. For instance, one of the forty-nine pieces of legislation was the Fisheries Act that had special provisions for those inshore fishers who were casting nets close to the shore and it protected their rights to have a livelihood.

Another one was the land-reform act that was commonly and erroneously known, although it was not, as an “appropriation act”, something of which internationally we have been accused. We have a country where there are a lot of people who are hungry and there is a lot of land that is not being farmed. And the purpose of the Land Act was to ensure that any land that was not in use and could be farmed, would be farmed. And the land that was not in use could be turned over to peasants so that they would farm the land and develop food security for our country.

There was a lot of social context in these pieces of legislation. There was a micro-financing law for example; there was also a law on the public service. There were some things about the Act when it was first presented with which we didn't agree. We had a big debate about it; changes were made to it and we were much more satisfied with the resulting legislation. However, the CTV on the other hand, took the position that this was the exactly wrong direction for the country to go in and together with the Federation of the Chambers of Commerce, called a strike in December of 2001. I don't know, but this may be the only strike in the world where the people showed up for work, were sent home and were paid their salary to be on strike against their companies.

Things started to really heat up in the streets. There was a lot of opposition from those people who had the most privilege to the fact that we had land reform and poor people had access to credit. A lot of people, who traditionally held positions of privilege, didn't like the way things were turning out. And in 2002, these people who didn't like the new direction of the government, got together and led a coup against President Chavez. This was also a work stoppage. Many of the presidents of the various trade union federations, in the electrical sector, in the oil sector, in the public sector and private sector unions, were against the work stoppage that led up to the coup. We could see that the only purpose of it was to overthrow President Chavez. There were no worker demands behind this work stoppage at all, it was really just meant to paralyze the country and throw the President out.

This time when the work stopped, nobody got paid. But what did happen was that President Chavez was thrown out of office and for forty-eight hours he was not able to govern the country. The people came out on the streets in a massive way without any particular programme except that we wanted our presi-

dent back. With one stroke of the pen, the interim government wiped out the new constitution and all the very important changes that we had worked so hard for and had built a consensus around, the idea of having the people's involvement in determining policy. This was a big mobilizing issue during the forty-eight hours when the interim government took over from President Chavez. The representative national assembly and even the Supreme Court were wiped out by these people, so when President Chavez came back, some people thought there should be some very hard measures taken against those people who plotted the coup. But what happened instead, was that President Chavez called for a round table and a national dialogue.

I was fortunate to be one of the workers' representatives at that national

With one stroke of the pen, the interim government wiped out the new constitution and the democratic changes we had worked so hard for.

table. There were four worker representatives. I was still with the CTV at that time and there were representatives from a number of sectors, including the media, university workers, business leaders;

the whole purpose was to develop some kind of consensus. This round table dialogue didn't last very long, but when it looked like it was moving towards a consensus that was very progressive, some of the reactionary people who had been involved in this dialogue, started to pull out. Why did they pull out of the process? Because these were the people with privileges who thought that their privileges would be taken away or certainly not guaranteed.

We formed a team internally in the CTV to have a dialogue with our rank-and-file, with small companies and with the government, to talk about how to make the country work better, how to make things more productive. For instance we took part in a discussion around an industrial strategy for the auto sector and we arrived at an agreement between the unions and the business sectors. It was an industrial policy which balanced the need to have jobs with the need to have productivity and to put in place a policy to make sure that our auto assembly plants would stay in the country, and they have, to this day, been able to generate not just bigger sales of automobiles, but also more jobs.

We were lucky that President Chavez was interested in convening the round tables. We had some large meetings, for instance, at the Ford plant and the President actually signed on as a guarantor of the agreement on our Auto Pact that was also signed by the Ministers. It was very important to us that the President was close to these discussions in the various industrial sectors, which also took place in the textile and electrical sectors. At this time, the state electrical company seemed to be on the verge of a major privatization and that well-known

strategy was being used where they try to run down the state-owned company, to make it look really inefficient and claim that it is not working and then turn it over to private hands. When we brought this to the attention of President Chavez, he became the number one opponent of privatization and he said so in all his speeches and he said that he would not only oppose privatization, but he also proposed co-management with the workers to make sure that the state-run electrical company would operating efficiently.

Obviously, the CTV's open role in the coup, led to a lot of friction within the labour movement and in September of 2002, a national meeting of workers took place, lasting two days, in which we put forward the proposal for the organizing of a new trade union central, the UNT. We invited President Chavez to attend. We had a long list of demands we wanted him to hear. That was our founding meeting, December, 2002, which also coincided with the next attack on the Chavez government, a work stoppage and sabotage that began in December and continued to February of 2003. This time our Federations acted from a class perspective and from a worker's perspective and we went right to the plant gates and stood at the gates and we said, "Open these gates; these workers want to work!" And again, it was a work stoppage called by the Chambers of Commerce and the corrupt leadership of the CTV; with no workers' demands whatsoever. Its only purpose was to get rid of President Chavez.

The major target of this work stoppage was the PVDSA, the national petroleum company, the largest in the country, and we said, and the labour movement said it generally, workers want to work and it was the workers — and many of you may know this from the reports — it was the workers who were able to restart the operations at PVDSA.

During that disruption, people sometimes had to line up for twenty-four hours to get gas. This was even true for the state owned trucking companies that were bringing important supplies into the cities from around the country. But the people really pitched in to help, people would share food or whatever they had. We wanted to have our country back.

People outside have said about Venezuela that there is no freedom of expression, that the press is being coerced, that people have no right to information, but I can tell you that over the seventy days of the strike, the President of the CTV and the Federation of the Chambers of Commerce were on the air ten hours a day giving their war reports every five minutes about how well the strike was going and what was happening in this or that place and "to hold on, people of Venezuela, we will win. Keep those stores closed; keep those businesses closed!" And you know, they never ever said it was over. Even when it was over, they never admitted that it was over. And their strike had a huge damaging impact upon the economy of the country.

You may have heard about the 18,000 workers who took their complaints

to the ILO about how they were fired. Well, these weren't just 18,000 ordinary workers. They were the managers. They're the ones who sat across the table from us in collective bargaining, but they were also members of the union. They were the ones who were actively sabotaging the oil company; you don't hear much about the 100,000 people who those same managers fired and who can't get their back-pay nor get their jobs back.

So at this point during this chaos in the country, a lot of trade-unionists were asking: "why should we stay in the CTV?" We then formed the UNT which has a much more horizontal structure. We registered our leadership with the Ministry of Labour, even with some incomplete by-laws, but we are still building on them. But it did allow us to begin to concentrate our struggle. We have had a

Workers support the process to create a Venezuela that has social justice and a participatory approach to democracy.

good start, our principles are laid out, we have our ethics and an analysis of the situation. We have formed twenty-four regional bodies of the UNT. We represent all the major sectors, the private sector,

the electrical, the petroleum, construction sectors and the public sector, in health and a number of other sectors. Some of these unions have come straight over from the CTV to the UNT and others are new unions in the process of being formed now.

Outside our country, some people claim the UNT doesn't really exist and doesn't negotiate contracts. The fact is we have been negotiating on behalf of workers. We have been at the bargaining table in almost all the important sectors. The UNT has developed a position on autonomy; we believe we have to be autonomous of government, even though many of our positions are in favour of the government.

We support the process to create a Venezuela that has social justice, and that has also a participatory approach, but we need to be free of any forces upon us that would distort our responsibility of representing workers and meeting their needs. It doesn't mean that we never protest; we go out all the time on mobilizations and demonstrations against particular government officials who we feel are not doing what they should. It is our right as a trade union to exercise that tool.

We have also opposed some of the measures that have been put forward such as "work flexibility" and privatization in the public sector. We also oppose the rule of the IMF over our country and also those policies that favour imports over the re-development of our domestic industry. We were very, very active in the referendum process that culminated in August. As trade unionists, we felt that was a struggle that did have a worker's agenda. So we were there, not just in

favour of the government, but in favour of the kind of transformation that this government promises to make for workers and is making every day, such as a job security law and increased wages, both of which were opposed by the CTV and the Chambers of Commerce.

The new job security law that we did get, over the protests of the CTV, is not a full guarantee of employment for everyone, for ever and ever, but it makes sure that workers will not be punished when they displease their bosses. It will not be so easy for them to be punished for their politics.

The other thing that our government has done is to foster co-management; I mentioned the exciting example of the electrical sector. In that case, two union leaders were named to the co-management of the electricity system and they have successfully fought off privatization. Similar things are happening in the area of culture.

We have seen, not just an increase in the minimum wage, but also an increase in the social wage and the government has established a number of parallel programmes that ensures access to health and education. Over eighteen million Venezuelans have benefited from programmes which are known as the “missions”, which include getting food at low cost. We think that these are measures that help workers. They are pro-worker measures. They help build a society where there are jobs and it helps to reduce the gap between those rich people who seem to be getting ever and ever richer and the poor people who seem to be getting ever and ever poorer. These processes are more participatory. We believe we need to see less polarization and movement away from an approach of confrontation to an approach of appreciating what everyone can contribute to the process.

In conclusion, I would like to express my thanks to all the organizations that have come together to organize this event, especially Sheila Katz and Steve Benedict from the Canadian Labour Congress who recently visited us in Venezuela and got a chance to understand what we are going through. And now they know who we are and that we are struggling on behalf of workers.

We will be holding a constitutional meeting in February of 2005 which will let all our members decide on the structure of our new UNT. We had to postpone the meeting for a while because it was not convenient for some workers. Before we vote for the UNT we wanted to make sure that everyone had a voice in the structure and constitutional by-laws of the new organization. So again, the workers will decide and we need all of your organizations, both internationally and in our country, to help us we can learn from each other and also to make sure that the unions have support. Thank you very much.

Marcela Maspero is in the leadership of the new UNT central trade union of Venezuela.

**Venezuela under Chavez:  
The Bolivarian Revolution Against Neo-liberalism**  
*Greg Albo*

In spite of so many determined efforts of the past to impose a uniform architecture, there is no blueprint for making a revolution against capitalism. And there is just as clearly no single design for the Left today to break out of the straitjacket of neoliberalism, and re-open possibilities for more democratic and egalitarian social orders. Indeed, as the saying goes, the thing about social revolutions is that they keep coming around in unexpected ways and in unexpected places. Who would have dared predict the eruption that was Seattle in November 1999, when the powers behind neoliberal globalization seemed completely uncontestable?

And who would have then predicted – certainly none of the sages of the global social justice movement who quite consciously moved to the margins the issue of winning state power as another failed blueprint – that Venezuela under Hugo Rafael Chavez Frias would emerge as the key zone insisting that alternatives to neoliberalism must not only be asserted but tried? But this is exactly the importance of Chavez and the Bolivarian revolutionary process, as the Chavistas refer to their struggle, for the Left at this juncture.<sup>1</sup>

**Venezuelan Democracy and the Chavez Presidential Referendum**

The politically-charged context that has become Venezuela revealed all this and more during the August 15<sup>th</sup> Presidential Referendum on President Chavez's tenure in office. Coming to power in 1998 in a unique 'civic-military alliance' – the coalition of forces around his *Movimiento Quinta Republica* (MVR) – after the self-destruction of Venezuela's 'stable democracy' through the 1990s, Chavez pushed for passage of Venezuela's Bolivarian Constitution re-founding the Republic.<sup>2</sup> The new Constitution was a massive departure in the extent to which it deepened democratic proceduralism, indigenous and human rights, and citizen initiatives in a direction completely alien to what liberal democracy has become. The Constitution, moreover, embraced an alternate economic model in its linking of participatory democracy with cooperatives and worker self-management. As such, the Bolivarian Constitution was decidedly anti-neoliberal, going far beyond the Hayekian constitutionalism protecting liberal property rights that has become the normative referent for the 'democratization' advocated by the Western powers over the last two decades.<sup>3</sup> In terms of the issue at hand, the new Constitution allowed, as well, for a presidential recall vote if signatures could be gathered that equaled 20 percent of the voting electorate in the previous Presidential election, an entirely unique process that could not even have been imagined

in Latin America, or anywhere else, before Chavez.

Since 1998, the old conservative and social democratic parties had combined with economic elites in different Opposition configurations (these being the social actors that had shared power and split the proceeds of oil wealth between them since the Punto Fijo Pact of 1958) to attempt to defeat Chavez either through force or at the polls. The ferociousness of the Opposition's ideological hatred (which also masks racial and class hatreds) and mobilization has kept united an otherwise organizationally splintered coalition together through innumerable, indeed almost daily, twists and turns. The strategy to unseat Chavez through a recall campaign was driven by the Opposition's control of the mass media. Although the signature campaign was filled with irregularities, and evidence of illegal external

There is no blueprint for making a revolution against capitalism and there is just as clearly no single design for the Left today to break out of the straight-jacket of neoliberalism.

funding to the Opposition group SUMATE from the US National Endowment for Democracy and other US government offices, the Venezuelan National Electoral Council (CNE) ruled that a recall referendum should go ahead. After initial hesitations (and much posturing by some elements of the hard Left, particularly certain international currents, that the recall should be rejected due to fraud), Chavez declared that the referendum should go ahead: the Opposition had decided the regime was undemocratic and unpopular and the best approach was to beat them shamelessly at their own game.

The political arithmetic in the President's office was coolly calculated: the failed military coup of April 2002 and the subsequent disastrous disruption of the oil sector in 2002-3 by the Opposition over several months, allowed the Chavez government to consolidate in turn control over the military and the state oil company PDVSA; a failure to defeat Chavez in a Referendum would leave the Opposition in further political disarray and advance the social base for the Chavista reform agenda. In other words, from the collapse and disarray of the old Republic in the 1990s that prepared the base for Chavez's campaign for a constituent assembly to found the Bolivarian Constitution, through the failed coup and the oil disruption, Chavez immediately moved to seize the new political space that the Opposition opened up to advance structural institutional reform and to deepen the pro-Chavez, anti-neoliberal political bloc. The plebiscitarian character of the referendum now being advanced by the Opposition polarized the choices starkly in Chavez's favour: are you for the advance of the reforms of the Bolivarian process or with the old and corrupt oligarchs? Nothing could be simpler to sharpen the ideological clarity of the popular base to advance the revolution. It enabled

the Chavistas to focus attention on building beyond the initial Bolivarian Circles created in defence of the revolution and the Constitution into new organizational vehicles to develop new cadres and to link the government and its supporters amongst the working class and the barrios of the poor (particularly in the absence of a mass political party to do the job). This was exactly the project that the national Commando Maisanta leading the political campaign undertook through the overarching 'Electoral Battle Units', that then formed community-based 'Electoral Patrols' for political mobilization during the referendum. Such 'Patrols' had, as well, the potential to be converted – as they fitfully have been in some cases, albeit with no clear structures of accountability – into new 'Social Patrols' to advance the political and planning capacities of local communities and neighbourhoods to push the Bolivarian social agenda after the vote.

The Referendum result itself – announced in the early hours of August 16<sup>th</sup> to great celebration at the Miraflores Presidential Palace – was electrifying and anti-climatic at one and the same time. The Chavez 'No' against removal of the President was resounding at almost 60 percent of the vote and a sweep of 23 of 24 states (including 8 controlled by the Opposition), with 4-5 million more voters than when Chavez was first elected and 71 percent of the potential electorate voting, and adding to the string of electoral victories of Chavez and his followers. So open was the process that the vote was immediately sanctioned by hundreds of international electoral observers ranging from the reticent Organization of American States and the US-based Carter Centre to dozens of NGOs and academic research tanks.<sup>0</sup> Nonetheless, the Opposition signaled its rejection of the results, to what should have been no one's surprise, before the CNE could even report. This act by Opposition members of the CNE before the national television audience was pure theatre. It warned that the play was far from over and that the ruling classes still in place would use their economic and social power to disrupt, discredit and wear down the government as best as they could. This, too, the Referendum results recorded: the insistence of the poor and the Chavista cadres to get on with the job of constructing a 'Bolivarian' Venezuela, and the declaration of the Opposition that much of the ground for construction had yet to be broken.

### **Locating the Chavista Project in the Latin American Crisis**

The particularities of the political-economic conjuncture in Venezuela need, therefore, to be taken stock of in locating the Chavez project. A number of points can simply be noted. First, neoliberalism has consolidated across Latin America over the last two decades, as international debt repayments and economic crisis pushed state after state to abandon postwar models of import substitution development for austerity and outward export strategies to earn foreign

exchange.<sup>5</sup> The results have been anything but satisfying: except in a few cases for a few periods, GDP growth across Latin America has been sluggish since the 1980s, barely exceeding 1 percent per year since 2000, with per capita output often even declining, as it has since 2000. Venezuela's economic decline over this period has been as stark as any: from 1978 to 1990 real GDP fell almost continuously, only systematically recovering with the American boom of the 1990s, but with negative GDP growth rates again returning with the political turmoil of 2002-3 (with the oil industry back to production at historically high world prices, growth is forecast at over 10 percent for 2004).<sup>6</sup> The adoption of export-oriented economic strategies and liberalised capital movements across Latin America make moves toward more 'inward' strategies to meet basic needs singular and fraught

Neoliberalism has been consolidated across Latin America over the last two decades. The results have been anything but satisfying.

with obstacles. The nascent developmental – most often authoritarian – states of the past have, moreover, been gutted of bureaucratic capacities during the long reign of structural adjustment poli-

cies. In Venezuela, the structural adjustment policies came in the political u-turn of the 1989 Carlos Perez government toward neoliberalism, partly at the prompting of the IMF, and after the collapse of the banking sector in the early 1990s the agreements with the IMF in 1994 and 1996. But as the fifth largest oil producer in the world and with global oil prices piercing \$50 US a barrel, Venezuela now has a conjunctural advantage that frees some of these constraints.<sup>7</sup> Notably, Venezuela has been able keep its foreign debt obligations under control, while still accumulating official reserves and often running a government fiscal deficit. The political turmoil of the attempted coup and disruption of oil production, however, caused economic damage in the billions that has yet to be made up.

Second, the processes of social exclusion and polarisation that sharpened in the 1980s across Latin America have continued with faltering per capita incomes and massive informal sector growth, in the order of an astonishing 70-80 percent of new employment, to the present. With ECLA long having declared the 1990s Latin America's second lost decade, it will soon have to do so for a third.<sup>8</sup> Here Venezuela records the same numbing neoliberal patterns of reproduction of social inequality as elsewhere: some 80 percent of the population lives in poverty, while 20 percent enjoy the oligarchic wealth produced by rentier oil revenues; the worst performance in per capita GDP in Latin American recorded from the late 1970s to the present, with peak income levels cut almost in half; the collapse of rural incomes leading to massive migration into the cities, with close to 90 percent of the population now in urban areas, particularly Caracas, one of

the world's growing catalogue of slum cities; 3/4 of new job growth estimated to be in the informal sector, where half of the working population is now siad to work; and recorded unemployment levels (which have quite unclear meaning given the extent of reserve armies of under-employed in the informal economy) hovering between 15 to 20 per cent for some time. The tally of social ills produced by neoliberal models of economic development makes for sober reading. These all impinge on any attempt an alternate direction for the Venezuelan state, although the booming oil sector allows for far more room for redistributinal policies and potential to convert oil revenues into 'endogenous development' than elsewhere.

Finally, confrontation of the Chavez regime with the social forms of power operational today is another marker that need noting. The degree of class mobilization – the pervasive sense of 'class against class' struggle – is etched right into both the urban landscape of Caracas and the countryside, of regimented order and chaos, of private luxury and slum, of neighborhoods against and for Chavez, of huge estates and squatters' shacks. It was clear to all sides in the referendum that what was at stake was not merely a change between this or that government or this or that leader preaching better times one day and austerity the next – the standard fare of bourgeois democracy today – but a real struggle over social and state power. In the immediate sense, this could be seen as a test as to whether the Chavez reform and redistributinal programme would simply continue in the face of neoliberal orthodoxy. But in a deeper pre-figurative sense, the mobilization of the poor and raising their expectations during the referendum places on the agenda the entire character of Chavez's 'participatory and protagonist democracy' project, and a terrain of struggle over social power that remains to be engaged.<sup>9</sup>

### **Challenges for the Bolivarian Revolution**

The challenges that now face Chavez and his Bolivarian revolution are, therefore, many, and quite possibly far more intractable and complex than the political terrain that has so far been the predominant battlefield.<sup>10</sup> Perpetual political campaigning and relative economic and political isolation have more than once exhausted a revolutionary process, and the many forms that this destabilization can take remains a bedrock of American imperialist policy. The strategy of exhaustion has, of course, been applied continually toward Cuba through economic embargo, diplomatic isolation and threat of military intervention; more direct military measures were taken against both the FSLN and FMLN in Nicaragua and El Salvador to exhaust these political movements. The failed military coup and the need for oil exports out of Venezuela has blocked these imperialist modalities for now. But the Opposition will, no doubt, continue to be looked on favourably from abroad to fund 'democracy', and it, in turn, will seek out new

ways to test Chavez's legitimacy.<sup>11</sup> This is, however, limited by the very process of the referendum and further Opposition divisions over future strategy. With these more direct options temporarily closed off, destabilizing and militarizing the border with Colombia cannot be ruled out, with Plan Colombia and paramilitaries being the vehicles to do so. Some of the skirmishes in the Apure region of Venezuela that ended with the killing of oil workers in September 2004, and other reports of Colombian paramilitaries operating in Venezuela earlier in the year, are indications of this tack. Uncertainty and strategic exhaustion are as much the objective as fostering instability at this point, and Chavez will have to be wary of taking the bait in the traps being set.

Economic and political isolation are, therefore, a crucial question for the

The pervasive sense of 'class against class' is etched right into both the urban landscape of Caracas and the countryside.

international balance of forces Venezuela faces. Strengthening the Organization of Petroleum Exporting Countries, and attempts at new ties with China, have been one set of international efforts.

These diplomatic manoeuvres, on the one hand, strengthen the economic capacity of Venezuela and its diplomatic leverage, and, on the other hand, attempt to lessen the degree of dependence on oil exports to the US. Yet, as important as these steps are, they do nothing to create an alternate sphere of influence to the US or an anti-neoliberal agenda contesting the world market. The critical question remains, irrevocably, developments across Latin America. But apart from Cuba, other Latin American states have provided, at best, fleeting political support. Cuba has, moreover, been critical to the material and administrative capacities of the Chavez regime to improve health care (through thousands of doctors implicitly paid for by oil shipments at favourable prices) and also, to a degree, other areas of social policy. Cuba has also provided crucial diplomatic and economic advice, but it is not so clear what the latter amounts to in terms of deepening Venezuelan planning capacities given the economic straits that Cuba itself is in and its difficulty of formulating a post-Soviet development model. The stark reality is the fact that no other Latin American state – and most notably the big powers of Brazil and Argentina with Centre-Left governments – has yet attempted their own departure from neoliberalism. This has meant that external economic conditions for Venezuela apart from the oil sector remain unfavourable: for exports due to fiscal austerity and cheap currency policies across the continent, and for regional efforts to foster internal development and diversification due to neoliberal export-oriented policies insisted upon by IMF conditionalities. Chavez's Bolivarian project of a more politically integrated Latin America has kept him

attuned to continental political initiatives (which regionally still look like little more than conventional neoliberal free trade agreements),<sup>12</sup> and won him a wide audience amongst the poor and Left in Latin America as the only ‘fighter’ and ‘patriot’ in the current panoply of leaders. But the project has little in the way of concrete measures yet to speak of that would support and generalize an alternate economic model. Oil export dependence on the U.S. market thus remains the central parameter in all economic and political calculations.

With the international correlation of forces still yielding a highly restrictive set of constraints, the formation of transformative capacities at the national level necessarily remains central to advancing the Bolivarian process. The economic planning capacities of a Venezuelan Bolivarian state are, however, barely developed if not completely negligible. This is in part a longer term structural legacy of the oil ‘rentier state’. The corruption and economic direction of the *ancien regime* left a severely incapacitated and corrupt state bureaucracy, that seeks primarily to defend the old order rather than break from it. This bureaucracy was in no way ‘smashed’, in the sense of fundamentally re-oriented in its institutional norms, procedures and modalities. The impact of the turn to neoliberalism in the 1980s has been, moreover, to further disorganize central coordinative mechanisms while doing virtually nothing about bureaucratic cultural norms. The central bank’s independent capacity to impose monetary discipline, and the debt management policies of economic ministries, were, however, strengthened. Although not in any way marking a direct revolt on the Chavez government, these are crucial embedded institutional and policy orientations inside the Venezuelan state. They have yet to be seriously tackled.

These economic apparatuses only provide, in any case, a certain domestic stability in managing domestic capital markets and external exchanges, given the fiscal capacity provided by booming oil exports and potential for an inflationary spiral. Utilization of the economic surplus to diversify economically is another matter. The oil company PDVSA appears to have re-established most of its operational capacities under the new Chavista management, and has more than a few projects and suitors to pursue.<sup>13</sup> Here the critical question is still one of gaining control of oil revenues and improving national technological capacities apart from foreign capital, which involves deepening the shift from current neoliberal property rights regimes with respect to foreign capital in opposition to the pervasive direction in the world market under the WTO trading regime (and apart from Cuba, the direction of the entire rest of the hemisphere). In sectors where the means of production require enormous capital outlays (heavy industry, telecommunications, electricity, transportation, food distribution), a strategic orientation has not clearly consolidated, and enterprise governance structures and central coordination planning for investment – some of which need to be regional strategies with other Latin American countries as, for example, in steel and auto

assembly – remain only loosely defined. More has been done to develop initiatives in the ‘popular economy’ through cooperatives, laws on micro-credit, new efforts to foster producer and craft associations, land reforms and small agricultural production. But these also require central administrative capacities to provide resources, infrastructure, technical support and a long period of stable financing to bear fruit. State and local capacities to convert the economic surplus into an alternate economic policy agenda remain nascent and underdeveloped. Perpetual political campaigning by the Chavez movement to thwart Opposition challenges has necessarily taken precedence over building central coordinative capacities.

The limits of economic policy capacity captures what is the paramount

While Chavez forces control the Presidency, Congress, the military, and state oil, other state apparatuses are still not fully accountable.

characteristic of the Venezuelan state and the challenge for deepening the processes of democratization: the state apparatuses remain only partly under Chavista control in that the existing bureaucracy is

poorly integrated with the central government, and often forms a ‘passive’ opposition to the Chavista reforms.<sup>14</sup> While elections and political fortune have given Chavez’s movement control of the Presidency, Congress, the military and the state oil company, much of the remaining state apparatus is still not fully accountable, nor its modes of operation re-organized in support of the Bolivarian project. Part of this is due to other levels of government being controlled by the Opposition. So, for example, Caracas retains extreme divisions in urban services, education and health provision, and so forth, according to district, reproducing a deeply etched ‘economic apartheid’ across its entire urban space. Similarly, the major reforms to the economy and political system passed into legislation in November 2001, affecting a wide sweep of property and distributional relations across an array of sectors remain unevenly and poorly implemented (notably the considerable lag and difficulties in imposing a new royalty regime on the oil sector, and land redistribution in the countryside), in effect waiting for the political mobilization to force them through the bureaucracy and upon private actors. Moreover, the ‘parallelism’ of policy implementation of the Bolivarian Missions in the education and health sectors, for example, for all their accomplishments and inventiveness in improving literacy and basic health, are indicative as much of the deep transformations that remain to be accomplished. The ‘dual power’ between the still-existing economic and social elites comprising the ruling class Opposition and the government’s control over key institutions and the oil sector are crystallized in the divisions within the Venezuelan state itself.

There is a struggle being waged ‘in and against’ what still remains a bourgeois state.

The ‘parallelism’ inside the state system of Venezuela under Chavez speaks, paradoxically, to both what has been achieved and its limits. The weaknesses of Chavez’s MVR and the other supporting parties has meant that Chavez has acted at the central level to speak to ‘the people’ directly, using his populist appeal to gain support for his political agenda. It also has served to empower the political base in the barrios to move ahead with building neighbourhood capacities and infrastructure as they can. To the good, this has often meant a clear orientation in local cadres against centralized control and being collapsed into overarching structures, including political parties. These community associations and cadres, with women playing a very large role especially in the health sector, enable a defense of the gains of the Bolivarian process whatever regime is in power. But the very same weak party structures and pattern of political mobilization means that the cadres necessary to develop the central coordination necessary to redistribute resources to the base and re-orient the state apparatuses is all but absent. Thus economic and political strategizing and the mobilization for the implementation of agreed upon policy within the state – as fundamental to the processes of democratization as those of empowerment at the political base – lack any clear vectors of political accountability to the wider Chavista movement and administrative mechanisms to ensure their adoption and monitor their progress. Participatory democracy at the base without the democratization of the mediation that parties can yield, and must, as the role of capitalists in determining economic allocation is lessened and central coordination and redistribution increase, can be just as illusional and formal as liberal democracy. For example, national legislation establishing Local Public Planning Councils has been passed, but have yet to be effectively implemented.<sup>15</sup> It is hard to see how control over the state can be deepened, penetration of the 40 percent who consistently still oppose Chavez and who include significant sections of workers in the formal and informal sectors occur, and forming an independent union movement evolve, without formal organizations and mechanisms that can deepen the debate and participation over the content of the Bolivarian process. In other words, the still quite alive challenge of conquering state power – and thus economic power – will be resolved neither by Chavez’s own personal role nor by appeals to community-based power structures alone.

### **A Left Beyond Neoliberalism?**

The social fracturing over state power has typically been the critical point in the class struggle of ‘political rupture’ where the old ways of doing things are no longer sustainable if the new ways are to be given life and allowed to develop their independent course. More than one process of social transforma-

tion has turned back at the prospects and sought out political compromise on the old terrain, or hardened itself into a permanent war setting to attain stability for the new regime at all costs. Still others have pushed ahead. In this case, the tasks of the social transition are no longer only of winning political and ideological space, but foremost of fostering the democratic and organizational capacities of 'the people' to deepen and forward the revolution. This is precisely what Che meant when he complained, well into the Cuban revolution, of the lack of control over the bureaucracy and that "we can consider the need for organization to be our central problem."<sup>16</sup> And here the degree of freedom of transformative regimes to experiment and chart an independent democratic course has confronted consistently hostile imperial powers and the economic imperatives of the capitalist world market. This has always given special responsibility for the Left in the centres of capitalism and the international labour movement to provide solidarity and political accountability for the actions of their own governments to isolate and choke off any progressive, not even to say revolutionary, process. Such embargoes by the imperialist states have always been issued as much for their own domestic class struggles as to sanction the affront to the capitalist world market. Chavez's Bolivarian revolution is, in its own specific way, at this juncture in the struggle against, and effort to move beyond, neoliberalism in Venezuela. The importance of Chavez to those outside Venezuela is that the Bolivarian movement is re-posing the question for the Left of 'what we want to become' and not just of 'what we no longer want to be' after all the destructiveness of the last decades. And that is why the vote for Chavez in the Presidential Referendum of August 2004, it needs to be said, was a vote for the Left everywhere, that can best be supported by re-imagining our own movements.



Facing history: Chávez draws a lesson from the French Revolution. The painting "Raft of the Medusa," by Théodore Géricault represented a critique of post-revolution French government, and bureaucratic mismanagement.

## Endnotes

1. For surveys of the process see: Richard Gott, In the Shadow of the Liberator: Hugo Chavez and the Transformation of Venezuela (London: Verso, 2000); Steve Ellner and Daniel Hellinger, eds., Venezuelan Politics in the Chavez Era (Boulder: Lynne Rienner, 2003); and in particular the writings of Jonah Gindin and Gregory Wilpert at venezuelanalysis.com. See also the Washington-based Venezuela Information Office for a variety of sources on the policies of Chavez's government.

2. Richard Hillman, Democracy for the Privileged: Crisis and Transition in Venezuela (Boulder: Lynne Rienner, 1994); Javier Corrales, Presidents Without Parties: The Politics of Economic Reform in Argentina and Venezuela in the 1990s (University Park, PA: Pennsylvania State University Press, 2002); Steve Ellner, "The Radical Potential of Chavismo in Venezuela", Latin American Perspectives, 28: 5 (2001). Chavez's failed military coup of the early 1990s had a 'civic-military' alliance notion behind it, and his adoption of the institutional and democratic road to power has maintained this strategy. A meritocratic officer corps and isolation from the US based military School of the Americas has allowed a different social base and orientation in the Venezuelan military to emerge, which has made Chavez far from unique in the officer corps. Unlike Chile under Allende in the 1970s, Chavez enjoys military support for his constitutional and reform efforts, and they have been central to implementing even his domestic agenda.

3. For discussion of the political dispute over property rights see: Gregory Wilpert, "Collision in Venezuela", New Left Review, N. 21 (2003).

0.4. The final declaration of the Official International Observers was in part drafted by the noted Latin American writer Eduardo Galeano. Not surprisingly, the recall referendum prepared the basis for the sweep of Chavistas of 20 of 22 state governorships as well as the Mayor of Caracas at the end of October, 2004. In strategic and organizational disarray, and stripped of control of most centres of elected power, the Opposition could only lamely claim fraud once more. Only the most willfully ignorant could pay heed to the charge.

5. For the Venezuelan case of neoliberalism from its advocates see: Moses Naim, Paper Tigers and Minotaurs: The Politics of Venezuela's Economic Reforms (Washington: The Carnegie Endowment, 1993); Michael Enright, Antonio Frances and Edith Saavedra, Venezuela: The Challenge of Competitiveness (New York: St. Martin's Press 1996).

6. The data here and below draws on: Economist Intelligence Unit, Country Profile 2005: Venezuela (London: EIU, 2004); World Markets Research Centre, Country Report 2004: Venezuela (London: WMRC, 2004).

7. See Fernando Coronil's remarkable book, The Magical State: Nature,

Money and Modernity in Venezuela (Chicago: University of Chicago Press, 1997); and also Terry Lynn Karl, The Paradox of Plenty: Oil Booms and Petro States (Berkeley: University of California Press, 1997).

8. See Economic Commission for Latin American, Social Panorama, 2002-2003 (New York: United Nations 2004); Miguel Szekely and Marianne Hilgert, "The 1990s in Latin America: Another Decade of Persistent Inequality", Inter-American Development Bank, Working Paper #410 (1999).

9. It is here that more than a few on the Left have already scored the outcome, after having looked for the traditional lines of revolutionary development and found them wanting. These range from Tariq Ali's (along with James Petras's) supportive but one-sided declaration of Chavez's project as simply 'social democratic' to Mike Gonzalez's confused and all too predictable assessment that Chavez's project is "modernisation within a framework of 'controlled capitalism'". The lack of imagination here is striking: the dictates of global capital are to be heeded, and if not heeded simply snapped. All the questions of the social actors and their political capacities to undertake the snapping are, apparently, already resolved and the maximalist programme on the agenda. And for Michael McCaughan, following John Holloway, the mistake begins with even contesting state power. See: Tariq Ali, "Why He Crushed the Oligarchs: The Importance of Hugo Chavez," Counterpunch, 16 August 2004; James Petras, "Myths and Realities: President Chavez and the Referendum," Counterpunch, 2 September 2004; Mike Gonzalez, "Venezuela: Many Steps to Come," International Socialism, N. 104 (2004); Michael McCaughan, The Battle of Venezuela (London: Latin America Bureau, 2004).

10. See the insightful discussions in: Marta Harnecker, "After the Referendum: Venezuela Faces New Challenges", Monthly Review (November 2004); Steve Ellner, "Leftist Goals and the Debate over Anti-Neoliberal Strategy in Latin America", Science and Society, 68:1 (2004); Marta Harnecker, "On Leftist Strategy", Science and Society, forthcoming.

11. For some discussion of imperialist strategies of attrition see: Sohan Sharma, Sue Tracy and Surinder Kim, "Venezuela – Ripe for US Intervention?" Race and Class, 45: 4 (2004).

12. The November 2004 agreement in Rio de Janeiro of Latin America's to create South American Community of Nations is one step in the integration process, with a draft constitution to be presented to national parliaments in six months. It follows the October 2004 trade agreement between the Mercosur and Andean Community customs unions. There is some impetus to this process given the number of centre-left regimes coming to power, with the most recent addition being Tabare Vazquez of Uruguay. But this unity is fragile, and it is not at all clear where it runs against neoliberalism as opposed to helping Latin America states to debate neoliberalism's terms with the US, and its Free Trade Area of the

Americas project. See: “S. American Nations Agree to Regional Pact”, Financial Times, 5 November 2004.

13. Notably, in the Orinoco oil fields, agreements are being signed with Texaco-Mobil and Exxon in the order of \$5 billion (US). Other agreements on oil tar sands development are being explored with Canadian companies. It is central to any hope for endogenous development that these contracts maximize national capacity building and limit long-term lease dependencies.

14. A point on the bureaucratic impasse implicitly made by academic sympathizers with the Opposition: Francisco Monaldi, et al., “Political Institutions, Policymaking Processes, and Policy Outcomes in Venezuela”, Inter-American Development Bank, Draft Research Papers (2004), at <http://www.iadb.org/res/>.

15. Jonah Gindin, “Possible Faces of Venezuelan Democracy”, September 2004.

16. Che Guevara Reader (New York: Ocean Press, 1997), p. 160.

Greg Albo is a professor of political science at York University.