



Venezuela at a turning point

Daniel Finn

Michael McCaughan, *The Battle of Venezuela*, Seven Stories Press

For the most part, the European left only started paying attention to the Bolivarian revolution in Venezuela after the unsuccessful coup attempt by right-wing opponents of Hugo Chavez in 2002. Since then, it has become more and more obvious that we need to understand what's going on in Latin America. The Chavez government has inspired a resurgence of the left across the continent, as shown by recent election results in Bolivia and Chile. It's clear that the left in Latin America is far more advanced than in any other region of the world. With this in mind, socialists everywhere should be looking carefully to see what we can learn.

Many people will have learned about the ongoing process in Venezuela from the excellent documentary about the coup, *The Revolution Will Not Be Televised*. Now Irish journalist Michael McCaughan has produced a much more detailed account of the Bolivarian revolution. It should go a long way towards spreading awareness and understanding of events since Chavez came to power in 1998.

The rise and fall of the Punto Fijo system

McCaughan starts off with a lengthy account of the historical background. One thing that strikes the reader almost immediately is the parallel that can be drawn between Venezuela and many European societies. Post-war Venezuelan politics was based on a two-party system, with a social-democratic party (AD) and a Christian-democratic one (COPEI) alternating power. Venezuelan democracy was consolidated in 1958 when the military regime of Marcos Perez Jimenez was overthrown. AD and COPEI negotiated the so-called Punto Fijo pact, carving up political power and patronage between themselves and excluding the Communist Party (PCV) from the system. AD had no radical ambitions and favoured reform over revolution, aiming to use Venezuela's oil wealth to pay for social programmes. In the 1960s a radical faction in the PCV led by Douglas Bravo initiated a guerrilla movement, the FALN, but their efforts made little headway. The political consensus remained strongly in place, underpinned by economic prosperity: "Despite the corruption and mismanagement associated with the traditional parties, great strides were made in literacy and welfare programmes... Venezuelan workers enjoyed the highest wages in Latin America and received subsidies in food, health, education and transport sectors."

But this consensus began to fall apart in the 1980s. Between 1984 and 1995 the percentage of Venezuelans living in poverty soared from 36 per cent to 66 per cent. As usual, the IMF prescribed neo-liberal 'reforms' that made things much worse. During the 1989 presidential election, AD candidate Carlos Andres Perez condemned the IMF programmes, but did an about-turn once in office and adopted the same policies. In February 1989 a hike in public transport fares provoked intense rioting in the capital Caracas. After three days of unrest, the army stepped in to restore order. Soldiers killed hundreds of civilians in working-class areas: the final death toll is estimated to have been over a thousand. The *Caracazo*, as the bloody clashes were known, should be remembered when we hear claims that Hugo Chavez has turned the classes against each other and disrupted the harmonious social order that preceded his election.

Radical challenges: civilian and military

As the Punto Fijo system began to collapse, challenges began to emerge from two different

quarters. The civilian left had begun to mount a serious challenge in the 1980s. Two leftist parties had been formed in the early seventies by PCV dissidents who were fed up with the conservatism of the Communist leadership: the MAS (Socialist Movement) and LCR (La Causa Radical). Their experience should be of particular interest to the radical left in Europe. Although the MAS had criticised the top-down, bureaucratic structures of the PCV, it organised itself in a very similar way. LCR, however, believed that a very different approach was needed. Its chief ideologue Alfredo Maneiro insisted that traditional forms of party organisation had to be abandoned by the left: "The vanguard is not decreed, not conceived from above... but constructed from below with the people, from the people... without the presupposition of a specific party programme."

LCR had its first successes in the industrial field, organising a grassroots union movement that clashed with the national union leadership and won support from radical workers. In 1989 both parties made electoral breakthroughs. The MAS won 20 per cent of the municipal vote, while LCR's candidate Andres Velasquez became governor of Bolivar state. It also won three seats in parliament, and used the position of governor to raise its national profile. It drew up local budgets in consultation with communities and adopted social programmes that helped the poor. LCR won support as the only party in Congress to oppose the 1989 IMF agreement. It expected to make big gains in the 1993 elections, but its sudden growth created problems of its own: "One drawback to the sudden rise of LCR was that in their anxiety to offer candidates across a broad range of constituencies, the party accepted politicians linked to AD and COPEI, with some opportunists using the second wind to wipe their political slate clean."

In the meantime, a very different challenge to the status quo came from a group of radical army officers led by Hugo Chavez. After the failure of the guerrilla struggle in the 1960s, its main ideologue Douglas Bravo had adopted a different strategy, seeking to infiltrate the armed forces. He found his ideal partner in 1980 when he recruited Chavez, who founded a secret cell and began plotting within the army. After the *Caracazo*, he decided it was time to act, and began preparing in earnest. In November 1991 the plotters informed their allies in LCR that a rebellion was imminent. This provoked division in LCR: the leadership believed that participation in the uprising would damage its electoral hopes, but another faction continued to work with Chavez.

When the attempted coup came in February 1992, it was quickly defeated with few casualties. Chavez blamed the civilian left for its failure to support him, but interestingly, Douglas Bravo put a different spin on things:

We said that first of all there should be a civil action... this was so that civil society should have an active participation in the revolutionary movement. But this was exactly what Chavez did not want. Absolutely not! Chavez did not want civilians to participate as a concrete force. He wanted civil society to applaud but not to participate, which is something quite different.

Regardless of who was to blame, this squabble soured relations between Chavez and the traditional left, with lasting consequences. But the failed rebellion also made the unknown army officer into a national figure. The government gave him sixty seconds on state television in order to instruct his comrades to surrender. This proved to be a huge mistake, as he used the opportunity to outline his political vision and won many admirers.

The following year's presidential election saw the final collapse of the Punto Fijo system. Rafael Caldera, one of the founders of COPEI, ran against the COPEI and AD candidates on a platform opposing neoliberalism, and was supported by the MAS. LCR put forward Andres Velasquez. Caldera won with 30 per cent of the vote. Velasquez got 22 per cent, putting him on a par with the two establishment candidates. It was widely believed that his real vote was much higher: in fact, he might have won outright if not for electoral fraud. The

abstention rate in the election was 40 per cent (in the 1960s, turnouts in excess of 90 per cent had been common) while the combined vote of AD and COPEI fell from 93 per cent to 47 per cent. Once in power, Caldera quickly bowed to pressure from the IMF and adopted the same policies as his predecessors, telling supporters: "I had to take these measures because there is nothing else that can be done". Having joined his government, the MAS helped implement these policies, with its leading spokesman Tedoro Petkoff serving as economy minister.

This should have provided LCR with the chance to make a decisive breakthrough. But as McCaughan notes, "sudden access to power at the highest level resulted in a softening of the party's radical edge as the prospect of becoming serious players inside the political system led to the hope of even greater electoral gains ahead". LCR had one quarter of the seats in parliament; it began to work with MAS and COPEI and became bogged down in parliamentary horse-trading: "Core voters began to see the party as simply another aspect of the rotten Punto Fijo system." This drift towards the centre brought tensions within the party to a head. Two camps had already formed after the 1992 coup. Before long there was an ugly split and the radical and moderate factions went their separate ways. As the 1998 presidential election approached, it seemed as if the left had squandered all the good work of the previous two decades. The 'moderate' LCR had lost its bearings to the extent that it supported the candidacy of Irene Saez, an avowed admirer of Margaret Thatcher, who was leading the polls by twenty points.

Meanwhile, Hugo Chavez and his supporters had decided to enter the political arena, forming the Movement for a Fifth Republic and putting Chavez forward for the presidency. The radical LCR faction (now known as the PPT) decided to endorse him in January 1998, but it seemed like a lost cause as Chavez trailed far behind in the polls. Six months later, Chavez had soared ahead of Saez and the other candidates. He promised the reconstruction of Venezuelan society and a new deal for the poor. In December 1998, he was elected president at the head of a loose coalition that contained both radicals and opportunists. Many expected that Chavez would follow the same trajectory as Perez and Caldera, scrapping his campaign pledges and changing course once in power. These expectations were to be confounded, as Venezuela entered a remarkable period of upheaval.

The Bolivarian revolution: first phase

Chavez was elected with a clear majority, 56 per cent of the vote. But opinion polls showed that there was a hard core of 26 per cent who said they'd vote for anybody *but* Chavez. As McCaughan remarks: "The polarisation that the opposition blamed on policies adopted when Chavez assumed office was already in place before election day." At first the country's traditional elites tried to woo Chavez, hoping that he could be won over to their side. But it soon became clear that such efforts would be in vain.

The first task that the new government set itself was the reform of Venezuela's political institutions. Elections were held for a constituent assembly. Although the Chavez list won 90 per cent of the vote, more than half the electorate abstained, a far from satisfactory outcome. The assembly drew up a new 'Bolivarian' constitution. One of the most notable clauses made all elected posts, from local officials up to the president, subject to recall. Once they had reached the midway point in their term, incumbents could be forced to stand for re-election if 20 per cent of the electorate signed a petition (the number of those voting to remove them from office had to exceed the original vote in their favour). The constitution also established that citizens could introduce legislation to parliament with the support of 0.1 per cent of the electorate. Citizens were granted social and economic rights, for example a 44-hour working week (although many of these rights have yet to be fulfilled on the ground). NGOs were allowed to contribute their own proposals, of which more than half were accepted. 71 per cent of voters approved the constitution (although turnout fell below

50 per cent again). The day of the referendum saw the beginning of disastrous flooding that claimed 20,000 lives and caused billions of dollars of damage. Some Chavez opponents claimed that the floods were divine punishment for the 'crimes' of his administration.

In 2000, new elections were held for every position in the state, including the presidency. Chavez won again, with 59 per cent of the vote. Opinion polls showed that Venezuela was the only country in Latin America where public support for the political system had actually *risen*, from 35 per cent in 1998 to 55 per cent in 2000. Already it was clear that Chavez had done much to energise the Venezuelan people. This did not mean that they were active participants in the process: "The Bolivarian revolution was still largely a one-man phenomenon observed by a large, cheering crowd in the background." But this was soon to change.

In November 2001, the government introduced a package of 49 laws to give practical effect to the social and economic clauses of the constitution. Although moderate, these social reforms were too much for the dominant classes: "The 'forty-nine laws' quickly came to represent the *plus ultra non* of the Venezuelan system, the point at which business, media, oil, church and other influential sectors threw down the gauntlet and demanded the government relent or face total resistance to its continued rule." At the same time, Chavez and his supporters launched the Bolivarian Circles, in an attempt to organise popular support for the president into something coherent. One and a half million people joined the committees that began to organise in neighbourhoods all over the country. They were soon to face the challenge of an authoritarian coup launched by the opposition.

Reaction

The circumstances of the 11 April 2002 coup are well documented. A brief attempt by the traditional elites to seize power, suspend democracy and impose a Pinochet-style regime was frustrated by mass mobilisation. The regard in which Chavez was held by his former army comrades was also crucial. McCaughan supplies some important background information. That the US government had a hand in the coup is beyond doubt. The coup plotters met with two leading US officials, Otto Reich and Elliot Abrams (veterans of the bloody war against the left in Central America during the 1980s), shortly before the putsch. They discussed the prospects of success and were given Washington's seal of approval.

The CTV, Venezuela's main trade union federation, played a disgraceful role in the attempt to subvert democracy. The CTV leadership was dominated by AD and had moved further and further to the right over the previous decade, accepting neoliberal policies without opposition. It joined forces with the business federation Fedecamaras to oppose Chavez. When this effort failed, pro-government trade unionists had to organise a new federation to replace the discredited scabs of the CTV.

The private media also played a key role. The corporate media barons unleashed a poisonous torrent of anti-Chavez propaganda, helped by the absence of effective libel laws. This incessant clamour reached a peak in the days leading up to the coup: "The Venezuelan media didn't just support the coup, they played a key role in the planning and execution of events as round-the-clock propaganda slots urged citizens to take to the streets and 'liberate' their country." Since 2002, the Chavez government has adopted some limited measures to restrain the media. These half-hearted steps have been cited as 'proof' that Chavez is a brutal despot who wants to eliminate free speech. The behaviour of the media during the coup should be recalled when judging these claims. We need only ask how a typical western government would have responded in the same situation. When the BBC carried a story that was accurate but embarrassing to the Blair government, Tony Blair and Alistair Campbell forced its two most senior officials to resign. It's easy to imagine how they would respond if the BBC (or any other media outlet) urged people to take to the streets and overthrow the elected government of Britain. By comparison, Chavez has proved to be exceptionally tolerant.

Chavez had also been attacked for attempting to reform the Venezuelan judiciary after taking power. Despite polls showing that 90 per cent of the population distrusted the existing judiciary, critics accused the president of interfering with one of the cornerstones of Venezuela's democratic system. How committed many judges were to that system was shown clearly when the Supreme Court halted prosecutions against senior officers involved in the coup. According to the judges, the events of 11 April had been a "power vacuum", not a coup d'état.

In the long run, the failed coup helped to radicalise the Bolivarian revolution. In order to keep the government they had voted for in power, the people of Venezuela had to mobilise and take matters into their own hands. The revolution was no longer a one-man show.

Chavez faced another challenge from the opposition later that year, when he attempted to reform the state oil company PVDSA. The PVDSA management was corrupt, with a grossly inflated workforce, and considered itself to be independent of the government. When Chavez appointed new managers, his opponents called for a general strike in December 2002 and demanded his resignation. The president proved to be more resilient than they expected, and refused to back down. The strike dragged on until February 2003 when small and medium-sized businesses re-opened their doors rather than face bankruptcy. Although Chavez had survived, the opposition had managed to reverse much of the progress made in the first two years of his government. The economy suffered under the impact of constant disruption, and living standards fell for most of the population.

This was probably the lowest point for the Chavez government. According to polls, support for him slumped to 30 per cent in July 2003 (although McCaughan notes that "approval ratings for neighbouring leaders in Peru and Ecuador have been consistently lower than Chavez's despite an absence of coup attempts, crippling work stoppages, and US hostility"). But Venezuela's oil wealth allowed the government to repair the damage. With the price of oil continuing to rise, the economy turned the corner in 2004, with 17 per cent growth (the highest in the region) and a drastic fall in unemployment. Oil revenues allowed the government to spend an extra \$3.5 billion on social programmes.

It has often been remarked that the Chavez government depends on Venezuela's reserves of oil to make the Bolivarian project viable. This is largely true, but it is hardly a damning indictment of Chavez. At present, the global economic order is carefully designed to punish any society that rejects the neoliberal model. The high price of oil has gone some way towards levelling the playing field, giving Venezuela the chance to put forward an alternative model of development. McCaughan notes, however, that dependence on oil leaves the government in a vulnerable position:

The Chavista movement is hampered by its struggle to reconcile its populist short-term appeal with the need to institutionalise the Bolivarian project. Chavez unveils a new financial assistance package almost every weekend... unless Chavez can lay down deeper roots in the population, however, his populist appeal will last only as long as competitive oil revenues flow into state coffers.

The opposition made another attempt to depose Chavez in 2004, this time utilising his own constitution for the task and collecting signatures for a recall vote. But the referendum that was held in August 2004 was comfortably defeated, with 58 per cent voting for Chavez. Given the low turnout for previous referendums that we noted earlier, it was also very encouraging that 75 per cent of those eligible came out to vote. McCaughan argues that this decisive victory happened because undecided sectors of the population came over to the Chavez camp in large numbers. The anti-democratic behaviour of the opposition antagonised many who had been unsure about Chavez, and prompted them to support his presidency. The opposition is now in disarray, and Chavez is expected to win re-election later this year.

The balance sheet

In the midst of all the political turmoil that has taken place since 1998, it is easy to lose sight of the constructive achievements of the Chavez government. Writing last year, Rolf Bergkvist ('Venezuela: is socialism possible?', http://www.internationalviewpoint.org/article.php3?id_article=835) gave a brief summary of what it has accomplished since coming to power:

- Started a land reform with redistribution of uncultivated land to poor peasants and agricultural workers.
- Completed a literacy campaign which has taught 1.5 million people how to read and write.
- Introduced free education for poor children from primary to tertiary level.
- Built 300 primary health care centres in the poorest communities, providing free health care.
- Introduced price control on 160 basic food stuffs and 60 household necessities.
- Created a supermarket chain where the food prices are highly subsidised.
- Introduced soup kitchens in the poorest communities.
- Stopped all plans to privatise the country's oil industry.
- Created new banks to give cheap credit to small companies, workers' and women's cooperatives.
- Started a comprehensive skills development programme designed to minimise unemployment.
- Introduced a Latin American alternative to the free trade area the large companies of the USA want to establish.

These are significant reforms, especially considering the intense pressure to which the government has been subjected.

The Bolivarian revolution has also done a great deal to dispel cynicism about politics. Polls estimate that trust in democracy has increased dramatically since Chavez came to power: by 2004, it had reached 74 per cent. This has also been reflected in higher turnout at elections (although it must be noted that parliamentary elections last year, boycotted by the opposition, saw a very poor turnout: the coming presidential election will show whether or not this was an aberration). The trend elsewhere in Latin America has been the exact opposite.

McCaughan rightly notes that freedom has not been sacrificed in the pursuit of change:

Venezuela's experiment in radical democracy has survived two major challenges without recourse to state violence. It is difficult to imagine another leader in the region with sufficient confidence to face down a coup d'état and an insurrectionary strike without dispatching troops to subdue the crowds.

After the experience of authoritarian post-revolutionary regimes in the twentieth century, this break with tradition is very welcome. Chavez may enjoy a good relationship with Fidel Castro, but he has made no attempt to replicate the Cuban political system.

The Bolivarian revolution is now entering its most critical phase. During his May Day address last year, Chavez introduced rhetoric that has not been heard from an elected leader in many years:

It is impossible for us to reach our goals within the confines of capitalism, and it is not possible to find a middle road... I invite the whole of Venezuela to walk on the road of socialism in the new century. We must build a new socialism for the 21st century.

This speech demonstrated that Chavez himself has come a long way since 1998 when he spoke of finding a "third way" between capitalism and socialism. Translating this rhetoric

into a functioning model of democratic socialism will require a massive effort. It is certainly not within the power of one man to achieve.

One of the most promising developments has been the growth of the Union Nacional de Trabajadores (UNT), a new trade union federation that was created in 2003. It has already surpassed the old, corrupt union federation and become the main representative of Venezuelan workers. Its programme calls for “workers’ co-determination and control over companies”. There have also been moves to form a new party of the radical left: the Party of Revolution and Socialism was founded last year by activists who believed that the existing Chavista parties were incapable of taking the revolution forward.

Venezuela has now reached a turning point. Chavez himself recognises that the reform process has reached the outer limits of what can be achieved without abolishing capitalism. As McCaughan concludes: “The next phase of this process will not rely on the charisma of a single individual but on the collective engagement of a people alive to the certainty that it is possible to reclaim their nation from its arrogant elite.” We can only hope that the next phase of the Bolivarian revolution will be as exciting and instructive as its progress to date.

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