

The Chávez Election

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“You pay back a favour with favours,” said Joanna Figueroa, a resident of El Viñedo, a barrio in the coastal city of Barcelona in eastern Venezuela. She had pledged to work for the reelection of Hugo Chávez after receiving a house as part of the government’s ambitious Great Housing Mission programme. She helped build it, as part of a “workers team” that included a bricklayer, a plumber and an electrician appointed by her community council. Her job was to mix cement. As Chávez followers keep saying of their feelings toward their president, “You pay back love with love.” The frequency with which the phrase is used shows the deep emotional bond that exists between Chávez and many Venezuelans.

Much is at stake in the presidential election due on 7 October. The opposition’s candidate, Henrique Capriles Radonski, calls himself a reformer, free of any sort of ideology. Even so, he belongs to the conservative Justice First Party (MPJ), which stresses private investment and questions the effectiveness of state economic controls. The opposition has grown wiser since its failed coup in 2002 and its decision to boycott national elections. Now, opposition leaders fervently defend the 1999 constitution – which they opposed at the time, despite its overwhelming adoption in a popular referendum – and have even achieved a degree of unity under Capriles, nominated after a primary in February.

The achievements of the Housing Mission, building thousands of homes for the poor and including barrio residents in their planning and execution, does much to explain Chávez’s lead in the polls. The opposition’s claims that it is winning have a hollow ring: Chávez opponent and media owner Rafael Poleo recently attributed the “barren” results of an opinion poll in May to Capriles’s “failure to go anywhere.” The Datanálisis survey gave Chávez a 43.6 per cent to 27.7 per cent lead over Capriles. It also indicated that 62.4 per cent of voters rate Chávez’s performance as above average; 29.4 per cent consider it poor. Datanálisis is the most credible of the polling agencies with an impressive record. That its findings favour Chávez must annoy its owner, Luis Vicente León, who openly sides with the opposition.

13 Years and Counting

Chávez’s lead is surprising as an erosion of support and enthusiasm for his movement is only to be expected after 13 years in power. His recent bout with cancer (his illness was originally announced without revealing the nature of the disease) might also not have helped. The opposition is quick to point out that the Chávez movement lacks a second-in-command who could step into the presidency and retain the nation’s confidence. And pro-establishment media, in Venezuela and abroad, tie the issue of Chávez’s health to the electoral contest: media expert [Keane Bhatt](#) notes that Reuters, Associated Press and the *Miami Herald* have stressed Capriles’s “youthful energy” in contrast to Chávez’s “frailty.”

The president's illness has now made his movement pay attention to his leadership, and even he has begun to recognize the downside of his all-encompassing power: while ministers have come and gone, Chávez – whose face appears on most Bolivarian political posters – stands as the sole embodiment of a political process that now depends upon him.

On a visit to Brazil in April 2010, he was asked about letting another leader emerge. “I do not have a successor in sight,” he answered. But there may be a change in thinking. Last year Chávez told a former adviser, the Spanish academic Juan Carlos Monedero, who had warned of the danger of “hyperleadership” in Venezuela: “I have to learn to delegate power more.” During his extended medical treatment, several top leaders filled the gap and emerged as possible successors: foreign minister Nicolás Maduro (a former trade union leader), who headed the commission that drafted the new labour law; executive vice president Elías Jaua (popular among the Chávez rank-and-file); National Assembly president Diosdado Cabello (a former army lieutenant with a pragmatic approach and strong backing among the armed forces). In May, the critical Monedero remarked that formerly “some of us saw the difficulties of continuing this process” without Chávez, but “now we have lost this fear because I see dozens of people who could continue the process without any problem.”

Pragmatism All Round

The key to Chávez's political success is the continuous deepening of change. New programmes and goals, regularly formulated, invigorate the movement rank and file, as in the case of the Housing Mission. Chávez has come a long way since he was first elected president in December 1998, on a rather moderate platform to counter the polemical image he had acquired with his coup attempt seven years before. The moderate stage ended with the approval of a new constitution, the enactment of land reform and other radical social and economic legislation in 2001. Chávez embraced socialism in 2005, then nationalized strategic sectors such as telecommunications, banking, electricity and steel; since 2009 he has expropriated many smaller companies. These measures were accompanied by an escalation of rhetoric against the “bourgeoisie” and the “oligarchy” (terms which Chávez uses interchangeably) as well as against U.S. imperialism.

The expropriations were designed to achieve what Chávez calls “food sovereignty”: state-owned companies are now producing rice, coffee, cooking oil, milk and other foodstuffs. The latest in June was the production of sunflower oil-based mayonnaise, considered a superior variety. The increase in production and successful management of services, including food processing, banking and telecommunications, show that the government is capable of effective management. Difficulties in state-run heavy industries such as steel, aluminium and cement are the result of labour unrest and the lack of commercial networks. To overcome that, the government has expanded into commerce and sale of construction material direct to the community, eliminating middlemen (who are notorious for creating artificial scarcities).

The UN's Economic Commission on Latin America reports a 21 per cent reduction of poverty rates between 1999 and 2010. But the middle classes do not like this change. A recent survey by the Venezuela Institute of Data Analysis says that though Chávez leads Capriles by 20 per cent, relatively privileged voters support Capriles (with 52.5%; 32.5% for Chávez). Many vehemently oppose Chávez, partly out of fear, provoked by accusations from the opposition aired in the private media, that he means to eliminate private property. There is some evidence of class resentment toward the poor, who receive privileged treatment from government programmes. To neutralize this, the government has passed measures

favouring the middle class, such as the sale of dollars at a special preferential exchange rate for foreign travel.

As Chávez has distanced himself from past policies, Capriles claims to be forward-looking. He points out that at 40, he is not tied to the mistaken policies of pre-1998 Venezuela – even those implemented by parties that endorse his candidacy. Capriles associates the “old way of doing politics” with the intolerance and polarization that characterized the past, as well as the present under Chávez. As proof, he pledges not to scrap but to improve the Chávez social programmes, which have been successful. He proposes to introduce a “Missions Equal for All Law,” which would guarantee equal treatment for non-government supporters in social programmes.

But though the opposition recognizes the government’s social advances, the two leaders have conflicting economic policies, shown by their positions on company expropriations. For Chávez supporters, these help to create a mixed economy in the construction, banking and food sectors, in which monopolies and oligopolies now face competition from public companies, which combats artificially created scarcities. “We are in an election year, so why don’t we have the scarcities we had in previous electoral cycles?” asks Irán Aguilera, a state congressman and Chávez supporter. “The answer is that state companies fill the gap created by the private sector for political reasons.”

Capriles has pledged to refrain from expropriating companies. “I’m not going to squabble with businessmen or anyone else,” he says. He claims, without statistics, that production in companies taken over by the state has declined sharply. He omits any reference to restrictions or conditions on foreign investments, which he hopes will help him reach his goal of creating 3 million jobs during his presidency. In a proposal with neoliberal implications, Capriles calls for the transformation of the state-run social security programme into a mixed system that would include “voluntary individual savings.” In another [electoral statement](#), the alliance of parties that support Capriles, the Democratic Unity Table (MUD), advocates making flexible the legislation that asserts state control over the oil industry “to promote competition and private participation in the industry.”

Capriles is not in the right place to go beyond the middle-class base of his MPJ party. He comes from a wealthy business family with multiple interests (real estate, industry, media), a background uncommon for Venezuelan politicians. He is also the former mayor of the municipality of Baruta, a fairly affluent community in Caracas. His boyish, middle-class appearance is hardly an asset in challenging Chávez’s popularity in the barrios.

‘A Fraud and a Failure’

The MUD calls the Housing Mission “a fraud and a failure” and criticizes the government for expropriating land to build housing, and violating city zoning. Even so, the polling firm Hinterlaces indicates that, with a 76 per cent approval rating, the Housing Mission is the most popular government social programme. In May, information minister Andrés Izarra announced that the programme was on target with 200,000 units built since it began in 2011.

True to his military background, Chávez declared the Housing Mission to be an all-out war and enlisted the support of his entire government and movement. In some barrios, students in the makeshift high school programme, the Ribas Mission, receive scholarship money to form construction work “brigades.” But the centrepieces are the estimated 30,000

community councils, which date to a law passed in 2006: they hire skilled and unskilled workers, all of whom generally live in the community, and select the beneficiaries. The signature programme builds new houses in place of dilapidated ones. To avoid the previous misuse of funds, there are new mechanisms – paying workers only after jobs are satisfactorily completed, with cheques drawn on state-run banks rather than cash handled via community councils. Steps have been taken to avoid speculation through the resale of public houses. “There’s a learning curve in which mistakes made at an earlier stage due to the lack of effective controls are being corrected,” says Leandro Rodríguez of the National Congress’s Committee on Citizen Participation.

Chávez cleverly chose the eve of the 1 May holiday, at the height of the presidential campaign, to introduce the new Labour Law. This reduces the working week to 40 hours (from 44), bans outsourcing for ongoing jobs and increases pre- and post-natal paid time off to 26 weeks (from 18). It also re-establishes the old system of severance pay, which neoliberal-inspired legislation modified in 1997. On leaving a company, for whatever reason, workers will receive a payment based on their last monthly salary multiplied by the number of years of employment – a major trade union demand. Capriles has attacked the law on the grounds that it does nothing to deal with unemployment or to benefit those with unprotected casual jobs. He claims: “This is a law that Chávez came up with to help him win on 7 October.”

The outcome on 7 October will have a major impact throughout the continent. Capriles pledges to reestablish friendly relations with the U.S., and his close allies promise a thorough revision of Venezuela’s aid programmes and alliances with the rest of Latin America. They also plan cheap credit arrangements with China in exchange for oil. When the Iranian president Mahmoud Ahmadinejad visited in June, Capriles criticized the plethora of agreements signed with Iran, insisting instead that the government “look after the interests of Venezuela by generating employment for Venezuelans.”

Chávez has been a major promoter of Latin American unity, leading to the South American bloc organizations: the Union of South American Nations (Uuasur) headed by Chávez confidant Alí Rodríguez Araque), the Community of Latin American and Caribbean States (Celac) founded in Caracas last December), and the Bolivarian Alliance for the Peoples of Our America ([ALBA](#)), bringing together Venezuela, Cuba, Bolivia, Ecuador and Nicaragua. In June, the Latin American bloc energetically protested the removal of the pro-leftist president of Paraguay, Fernando Lugo, and by doing so, overshadowed the Washington-based Organization of American States and left the U.S. State Department on the sidelines. The firmest response came from Chávez who recalled his ambassador from Asunción and cut off the supply of oil, a measure criticized by Capriles.

The Hemisphere’s Enemy Number One

Washington circles view Chávez as the ringleader of these expressions of Latin American nationalism and unity. For the right, and many in the political centre, Chávez is the hemisphere’s enemy number one. Three weeks before stepping down as president of the World Bank in June, Robert Zoellick declared that “Chávez’s days are numbered” and, with the elimination of his government’s foreign subsidies, other nations such as Cuba and Nicaragua will “be in trouble.” This chain of events, according to Zoellick, will present “an opportunity to make the western hemisphere the first democratic hemisphere” as opposed to a “place of coups, caudillos, and cocaine.” [Michael Penfold](#), writing in *Foreign Affairs*, warned: “If Chávez wins in October, a vast majority of the opposition’s political capital will

be dashed; in many ways, it will be back to square one.”

Even academics who are wary of extreme leftist trends in the continent distinguish between Chávez and other radicals such as Evo Morales. Maxwell Cameron and Kenneth Sharpe, in [Latin America's Left Turn](#), claim that while Chávez has “made efforts to politicize state institutions... [and] create an official party under his control... Morales embodies a political movement in which the role of the leader is not to monopolize power.”

That Chávez has gone further than his leftist counterparts in Bolivia, Ecuador and elsewhere is also recognized on the other end of the political spectrum. [Jeffery Webber](#), a Trotskyist academic and co-editor of a book on the Latin American left, views Morales as a “reconstituted neoliberal” but applauds Chávez’s movement for “having done a great deal to rejuvenate the international critique of neoliberalism and to bring discussion of socialism back on the agenda.”

There is good reason why political actors and analysts of different ideological convictions single out Chávez for special treatment. Widespread expropriations and other reversals of neoliberal economic measures, the creation of a popular militia, the firm control of the armed forces, and the generous funding of programmes of international cooperation that bolster Venezuela’s standing in Latin America are distinguishing features of the Chávez government unmatched elsewhere.

Deepening of Change

A Chávez victory in October will mean further deepening of change in Venezuela. New expropriations will create a mixed economy in important sectors stimulating competition between public and private companies. Chávez’s proposals for 2013-2019 call for state incursions into commerce and transport, to the detriment of middlemen, through the creation of “centres of local distribution for the sale and direct distribution of products.”

Another far-reaching goal outlined in Chávez’s electoral platform is the expansion of the power of community councils. Several hundred “communes in construction” group a dozen or more community councils each to undertake projects covering a wide area, such as gas and water distribution. Chávez proposes to promote the creation of new communes to represent 68 per cent of the population. The communes are to be granted the same prerogatives as state and municipal governments, including budgeting, participation in state planning and, eventually, tax collection.

A Chávez victory will feed into the “left tide” in Latin America at a critical moment and will undermine U.S. influence. The record of the left-leaning bloc and its banner of Latin American unity has been mixed recently. In 2009, the right triumphed in the presidential elections in Chile, but the popularity of its president Sebastián Piñera subsequently plummeted. In 2010, centrist candidate Juan Manuel Santos was elected president in Colombia, but he soon rallied to the shared aim of Latin American unity under the auspices of the left, and he has even allowed himself to disagree with Washington on key issues. Only Paraguay, with the removal in June of President Fernando Lugo, is now out of step with its neighbours.

But none of these developments matches the significance of the elections in Venezuela. A defeat for Chávez would represent (whatever his rival may say) a return to pre-1999 Venezuela. Another term in office would extend Chávez’s reign to 18 years; that’s a great

deal, perhaps too much. Even so, Venezuela's social transformation over so long a period, under a democratically elected president, is without parallel in contemporary history. •

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