GlobalResearch
Center for Research on Globalization

Venezuela: The Future of '21st Century Socialism' after the Poll

By Federico Fuentes
Global Research, October 29, 2012
Green Left Weekly

Region: Latin America & Caribbean

Venezuelan President Hugo Chavez's re-election on October 7 with more than 55% of the vote was vital for two reasons.

First, the Venezuelan people blocked the return to power of the neoliberal right. Had they won, these US-backed forces would have worked to roll back important advances for the poor majority won since Chavez was first elected in 1998.

These include a huge expansion in government providing basic services (such as education, health and housing), the nationalisation of previous privatised strategic industries, and the promotion of popular participation in communities and workplaces.

Second, Chavez's re-election provides a new mandate for arguably the most radical, anti-capitalist project under way in the world today.

Having emerged as a response to the crisis the country found itself in under neoliberalism, and at a time when socialism appeared moribund, Venezuela's Bolivarian revolution has radicalised to the point where it has explicitly stated its goal to be "socialism of the 21st century".

The ability to further advance this project in Venezuela will depend on the impact of ongoing US intervention and regional integration, the intensifying class struggle within the pro-Chavez camp, and the political fate and health of Chavez.

Background

Understanding the rise of the Bolivarian revolution requires placing it within the country's oil-rich history.

The rise of oil production in the 1920s fuelled a dramatic transformation in Venezuela's economy. Agricultural production, until then the main pillar of the economy, slumped as capital poured into the oil sector.

As oil's contribution to state revenues rapidly rose, power and wealth became fused within the state. The result was a parasitic capitalist class that primarily sought to enrich itself by appropriating state resources.

These developments also shaped the formation of Venezuela's popular classes. People fled the countryside *en masse*, flocking to the cities for their share of the oil rent.

They came to create a huge belt of *barrios* (shanty towns) where impoverished informal workers tried to eke out an existence. State funds were used by different political interests to win the loyalty of these sectors.

These factors underpinned Venezuela's pervasive culture of "clientalism" and corruption.

This political set-up was sent into crisis by the economic crises and the gyration of oil prices that hit the world economy from the 1970s onwards.

Venezuela's 1976 oil nationalisation only deepened this trend. The state oil company PDVSA came to operate as a "state within the state", operating largely independently of any governmental control.

Within PDVSA, private appropriation of public resources continued unabated, while US-based corporations kept control over oil production.

State income instead experienced a steep decline, falling from US$1500 per person in 1975 to $350 per person in 1999 (in 1998 US dollars).

International financial institutions advised Venezuela's rulers to resolve the state's fiscal crisis by shifting the burden onto the people.

A February 1989 International Monetary Fund austerity package caused fuel prices to skyrocket overnight. This was the trigger for an explosion of mass discontent: an immense uprising that rocked Caracas for four days, extending outwards to several other cities and towns.

Although quelled by brutal repression, the *Caracazo* marked a point of no return for a society reeling from a deep economic slump and a crisis of the state and political system.

Throughout the next decade, about 7000 protests took place as new dynamic forms of local organisation began to emerge in the barrios.

Given the state's role in controlling the nation's wealth, the state became the focus of a steady stream of demands that progressively became an unstoppable wave.

Rise of Chavez

Within this context, the leader of a clandestine dissident current within Venezuela's armed forces — Lieutenant Colonel Hugo Chavez — captured the collective imagination of the poor majority when he led a failed military rebellion in 1992.

Jailed after the rebellion, Chavez emerged two years later resolved to stand in the 1998 presidential elections.

He began campaigning across the country, arguing the only way to achieve real independence and eradicate poverty was by giving power to the people.

Alongside setting up a new electoral party, the Movement for a Fifth Republic (MVR), Chavez called for the formation of a Patriotic Pole (PP) to unite all those parties and organisations that supported his candidature.

Chavez's message enabled him to tap into the deep discontent among Venezuela's popular

classes and unify the various strands of the left.

On December 6, 1998, Chavez was elected as president, winning 56.2% of the vote.

However, from the beginning it was clear that winning elections was not the same as taking state power. PDVSA remained tightly under the control of the traditional business elites and the allegiance of large sections of the military to any project for radical change remained unknown.

The new government was also conscious that its mass popularity was not rooted in well-organised social organisations. The dispersed and unorganised nature of “chavismo” meant the centre of gravity lay with executive power.

As such, the pace and course of reforms has tended to be driven almost exclusively by initiatives taken from above. Critically, with each advance, Chavez sought to organise and consolidate the social base.

Chavez’s first move was to convene a democratically-elected constituent assembly to draft a new constitution. The aim was to shift the rules of a game that had been traditionally stacked in favor of the old political class.

In opposition to the corrupt “representative” democracy that had allowed the same elites to monopolise power for decades, the new constitution proposed a “participatory and protagonist” democracy, where power resided among the people.

The challenge for the Bolivarian forces was to turn this novel idea into reality, which would require an inevitable showdown with the traditional elites, backed and funded by Washington.

Over the next three years, these two competing blocs faced off in three decisive battles. Each time, the pro-revolution forces came out victorious, and consolidated their military, economic and political hegemony.

Showdowns

The first major showdown occurred on April 11, 2002, when an opposition rally against Chavez morphed into a military coup that overthrew him and installed the head of the country’s chamber of commerce.

The coup was defeated by a civic-military uprising. Hundreds of officers who supported the coup were later removed, taking control of the armed forces out of the hands of the old elites.

The second major bid to bring down Chavez took place at the end of the same year, when an alliance between PDVSA management, capitalist elites, the corporate media and corrupt trade union officials sought to halt production in the strategic oil sector.

In response, loyal PDVSA workers, soldiers, and community activists mobilised to break the back of the bosses’ strike.

This mobilisation from below enabled the Venezuelan government to purge PDVSA of its

right-wing bureaucracy, and placed the company firmly in the hands of the government.

The leaps forward in worker and community organisation that occurred during this struggle proved crucial to defeating the third major offensive by the opposition: the August 2004 recall referendum on Chavez's presidency.

Chavez's victory, in a poll made possible because of democratic reforms introduced by the new constitution, consolidated his democratic credentials.

With the military and PDVSA under control, and resting on an increasingly organised social base, the Chavez government was able to launch a range of experiments during 2003-2005 aimed at deepening peoples' power.

These included initiatives such as the social missions that provide free health and education, and economic enterprises such as cooperatives and worker-run factories. These helped tackle poverty while simultaneously increasing the organisational capacity of the masses.

By the time of Chavez's re-election bid at the end of 2006, the Bolivarian revolution could also count on a growing alliance of progressive and left governments in the region. This opened the way to greater regional cooperation and integration, a key objective of the Bolivarian revolution.

However, it was also clear the revolution had not decisively broken the resistance of corporate power and replaced the old, corrupt state that served corporate power with a new power built from below.

Anti-capitalist offensive

After winning the December 2006 presidential elections, Chavez unleashed a new anti-capitalist offensive.

At his January 8 inauguration ceremony, Chavez explained that the goal of this new term was to "transfer political, social, and economic power" to the people. To do so it was vital to dismantle the old state.

Chavez said the goal of 21st century socialism required advancing on three fronts at the same time: increasing social ownership over the means of production, encouraging greater workplace democracy, and directing production toward social needs.

To achieve this ambitious agenda, Chavez called for all revolutionaries to help form a united party of the revolution, the United Socialist Party of Venezuela (PSUV). Four-and-a-half million people joined the PSUV in its initial recruitment drive, a clear sign of the level of support for the initiative.

Over the next six years, the Chavez government carried out a wave of nationalisations in the oil, electricity, telecommunications, banking, steel, cement, and food production sector as it tried to reassert national sovereignty over the economy.

The overall result was that the state had the necessary weight across strategic sectors of the economy to dictate production goals. The threat of expropriation loomed for those that refused to cooperate.

The spate of nationalisations was more the result of government initiatives (in response to the needs the poor) than workers' struggle, and Chavez continuously emphasised that nationalisation alone did not equate with socialism.

To help stimulate worker participation, the government initiated a process of workers' control in the state-owned steel, aluminium and electricity companies.

The promotion of grassroots communal councils, and later communes (made up of elected representatives from communal councils), was also an important focus of the Chavez government during this term.

These councils were aimed at building upon and linking the various forms of existing community groups. The communal councils were charged with diagnosing the main problems facing their communities and creating a plan to resolve them.

Funding for these projects came from the state, but all major decisions were made in citizen's assemblies. This was a unique experiment in democratising the redistribution of oil revenue while promoting community empowerment.

In 2009, the government took a further step by promoting the communes. These aim to encompass several communal councils within a self-defined community to collectively tackle problems on a larger scale.

These new forms of organisation have involved unparalleled numbers in community organising. They have come to be seen as the building blocs of a new state.

Internal class struggle

This simultaneous push for nationalisation, workers control and community councils also brought to the fore the class struggle that existed within chavismo.

A 2009 banking crisis led to several banks being nationalised and their owners jailed. This process revealed the existence of a sector within the revolutionary process that had enriched itself through its connections to the state, popularly referred to as the *boliburguesia* ("Bolivarian bourgeoisie").

Moves to transfer greater power to workers and communities faced mounting resistance from within the existing state bureaucracy.

Along with the persistent problems of corruption and clientalism, worker and community activists increasingly complained that company and state officials sought to defend their positions of power.

By early last year, Chavez was also denouncing the vices that plagued the PSUV. He warned: "The old way of doing politics is devouring us, the corruption of politics is devouring us … the old capitalist values have infiltrated us from all sides."

The party needed to return to its principles, otherwise it risked following the path of the MVR, which only really operated as an electoral vehicle.

Recognising these problems, Chavez launched the Great Patriotic Pole (GPP) in October last year, calling on all pro-revolution social movements and parties to unite to ensure a decisive

victory in the 2012 presidential elections.

More than 30,000 different groups signed up. In the end, the votes of the non-PSUV parties (which numbered around 1.7 million) and social movements that did not appear on the ballot (as they were not electoral registered) and therefore called for a vote for the PSUV despite not being involved in the party, were decisive in securing Chavez's victory.

Challenges

As Chavez prepares to start a new term in government, Venezuela's revolution faces three main challenges.

The first is the threat from the US, which has recently made some gains in the region such as the coup against progressive Paraguayan president Fernando Lugo, and the Venezuelan opposition it backs in its bid to oust Chavez.

The second is the revolution's ability to deal with the twin problems of corruption and bureaucratism. Overcoming these challenges will require greater popular participation through initiatives such as the communes and the push for workers' control.

Consolidating the unity achieved through the GPP could help lead in this regard.

The third challenge, which has become ever more apparent since Chavez's diagnosis with cancer, is the need to create a collective leadership.

History will record that the Bolivarian revolution succeeded in rolling back neoliberalism and laying the foundations for a transition to 21st century socialism.

The dynamic relationship that has existed so far between Chavez and the masses has been a key factor in ensuring this.

Chavez has played a dominant leadership role in the Venezuelan revolution. This has been criticized in some quarters, but his role must be placed within the historic context outlined: one of a Venezuela marked by intense ferment from below but varying organisational strength of the social movements.

At each step, Chavez has launched initiatives to encourage the self-organisation of the people. Through this process the Venezuelan people have increasingly taken the destiny of their country into their own hands.

His role as the key figure in the revolution and the trust placed in him by the poor majority make Chavez, for now, irreplaceable.

His re-election to the presidency in the face of a reinvigorated opposition, demonstrated once again that most Venezuelans believe he is the sole figure capable of leading the country forward.

The future of the process will depend on increasing the self-organisation of the masses and the development of a collective leadership that can support, and be capable of substituting for Chavez's singular role.

Federico Fuentes *is a Socialist Alliance and Australia-Venezuela Solidarity Network*

activist. He has lived in Venezuela as part of Green Left Weekly's Caracas bureau. With Michael Fox and Roger Burbach, Fuentes is the co-author of the forthcoming book Latin America Turbulent Transitions: The Future of Twenty-First Century Socialism.
