

## Venezuela at a crossroads

[..the only thing Venezuela has in abundance is chaos](#), this is the verdict of most of the mainstream media on the crisis in Venezuela.

The home of Chávez's [Bolivarian revolution](#) is beset by violent anti-government protests set against a background of economic problems.

Supporters of Chávez and his successor, Maduro, accuse Venezuela's elites of economic sabotage and colluding with foreign powers to overthrow the government.

Venezuela has reached a crossroads with the choice of taking the revolution forward or the '[Chavismo](#)' movement being drowned in blood.

## Gains of the Bolivarian revolution



Hugo Chávez

[Hugo Chávez's Partido Socialista Unido de Venezuela](#) (PSUV formally MVR) came to power on a radical [programme of reform](#) after the 1998 election. Most of his support came from the

working classes and sections of the middle classes that had experienced worsening circumstances over the previous decade.

Ordinary people made huge gains under Chávez and these continued even after the financial crash of 2007/08 hit oil revenues:

- Poverty rates [fell from 50% in 1999 to under 30%](#) in 2013
- The 'Great Venezuelan Housing Mission' has built [1.5 million affordable homes](#) since 2011
- The Mission Barrio Adentro has delivered free healthcare for the poor. Even with shortages it is [still managing to fulfil its role](#)
- Venezuela's universal education system [compares well](#) with richer countries such as the US and its literacy rates are [among the best in the region](#)

## Economic problems put gains at risk

There are without doubt deep economic problems in Venezuela and those problems have taken a [sharp turn for the worse](#) over the last two to three years. For an economy that relies on oil for [95% of its exports](#) the aftermath of the 2017/8 financial crash would have presented huge difficulties for whoever was in government. The Legatum Prosperity Index shows that the economic decline is not a problem isolated to Venezuela, other oil states are [suffering similar problems](#) due to collapsing oil prices.

Many media reports on Venezuela are simply [repetition of opposition claims](#) and studiously avoid context. A comparison between Venezuela and the region sheds a different light. For example, on malnutrition, the most [recent data](#) (2014) on death rate per 100,000 due to malnutrition for Venezuela is 1.34, Columbia 3.70, Brazil 4.21, Chile 2.86 and in Honduras, where a [US backed coup](#) in 2009 overthrew Zelaya, it's 8.00.

Venezuela has been experiencing shortages of everyday items from baby nappies to cooking oil. The opposition lays the blame at the door of the government but the reality is much more complex.

Smuggling by Columbian gangs, in collusion with corrupt officials, has had a noticeable impact. It is such a problem that a think tank specialising in international crime, [InSight Crime](#), was moved to [comment that](#);

*"The profits of the contraband industry are so huge that it has corrupted the officials on both sides of the border."*

Maduro and his supporters accuse the opposition of [economic sabotage](#), pointing to importers who use government allocated [dollars to speculate](#) on the black market instead of importing food.

However, it should be pointed out that some of the policies followed by the Maduro government has exacerbated the problems faced by the poor.

Currency devaluations have raised the price of imported goods and stoked inflation and the [differential](#) between the official and black market rates have served to drive the rate up further to the currently [over 700%](#).

The decision to prioritise paying the [national debt over imports](#) reduced dollar holdings added to the shortages of basics which in turn has given a further impetus to inflation - leading one trader to [cynically remark](#); What is bad for the country is not that bad for the bondholders...

The combination of corruption, economic sabotage and the crash in oil prices means all the gains that were made are now being frittered away.

This is the backdrop to the wave of anti-government protests that have swept Venezuela.

## Opposition campaign of strikes and street protests



Opposition street protests

The opposition, under the umbrella of the [Democratic Unity Roundtable](#) (MUD) launched its current campaign in April. Tactics have included an [unofficial referendum](#) against the forming of the [National Constituent Assembly](#), strikes and street protests.

The opposition organised a referendum against the Constituent Assembly which was heralded a

great success. But the reported turnout of 7.1 million was less than the the 7,363,980 votes cast for the opposition during the [2013 presidential election](#) and lacked [independent election monitors and verification](#).

The opposition also boycotted the vote for the Constituent Assembly. Their supporters in the west such as the US and the EU declared the elections illegitimate. Human Rights Watch (HRW) [backed](#) opposition claims that the turnout was just 12% not the 41% stated by the Electoral Council.

A [further twist](#) was added when British technology firm Smartmatic, suppliers of the voting machines used in the Constituent Assembly elections, made a [statement](#) 2nd August claiming that the turnout was inflated by; "at least one million votes". These allegations were denied by both the [election monitors](#), Consejo de Expertos Electorales de Latinoamérica (Ceela), and [Venezuela's National Electoral Council](#) (CNE).

## Strikes

The opposition have also organised strike actions but a notable absence has been the working classes or trades union support.

The Washington Post for example [reported](#) on the July 20th strike:

*"Wealthier, pro-opposition neighborhoods of eastern Caracas were shuttered and silent until early afternoon, when improvised blockades left them almost entirely cut them off from the rest of the city..."*

*"...In neighborhoods of western Caracas traditionally loyal to the ruling party, some stores were closed but bakeries, fruit stands and other shops were open and hundreds of people were in the streets, although foot and vehicle traffic were about half of what they would be on a normal weekday."*

The strike actions are in reality [employer lockouts](#) with very little support among the poor or the working class.

## Foreign interference

The US' policy towards Latin America was [bluntly spelt out](#) by Republican Congress member Mark Sanford:

*"I believe in the [Monroe doctrine](#); our hemisphere is our backyard and we ought to be watching it awfully closely."*

The US was accused of helping plan a coup when CIA Director Mike Pompeo said he'd [had discussions](#) with regional allies on the question of a transition from Maduro's government:

*"I was just down in Mexico City and in Bogota a week before last talking about this very issue, trying to help them understand the things they might do so that they can get a better outcome for their part of the world and our part of the world."*

Given the US' [bloody history](#) in the region and their policy of installing and supporting right-wing dictatorships there is very good reason to believe that they're exploring the option of a coup.

What the prospect of foreign intervention does illustrate is the weakness of local capitalism and its narrow base of support.

## **Opposition closely aligned with the elites**

The protests shows the opposition forces as overwhelmingly and urban middle class in character and closely aligned with the elites.

MUD, their western allies and mainstream media wring their hands over the plight of the Venezuelan poor. But the opposition did not use its control of the National Assembly to aid the poor. Instead they [proposed legislation](#) that included privatisation, land grabs from indigenous people, state subsidies to privately owned import firms and [disposing of social housing](#).

In common with capitalism internationally the opposition's programme is to solve the crisis on the backs of the working class, the poor and the vulnerable.

## **The fear is not dictatorship but expropriation**



Members of Venezuela's new constituent assembly

The Constituent Assembly is a device for Maduro to overcome the stalemate with the opposition in the National Assembly and also the splits in his own circle. Monduro depended on mobilising the working class for the vote's success but that help will not be for free. The Venezuelan masses will expect the Constituent Assembly to deliver a way out of the problems they face.

Maduro has developed a pattern balancing between the classes, with appeals to the opposition for compromise contrasting with mobilisations of the working class while simultaneously leaning on the the armed forces for support - classic signs of '[Bonapartist](#)'<sup>[1]</sup> tendencies.

All this makes for a high degree of unpredictability. The accusations are that Maduro's Constituent Assembly is aimed creating a dictatorship, but what the opposition and their western backers fear is not dictatorship but expropriation.

## Defend the revolution

Venezuela is at a crossroads, huge gains were made in areas such as healthcare, education and housing under Chávez which are now in danger of being reversed.

Relying on the bonanza of high oil prices Chávez and Maduro stopped short of taking the strategically important sectors of the economy under democratic worker control.

The Chavismo movement needs to unite the working class on a socialist platform and take the revolution forward.

Given the recent examples of coups d'état in the region and the vicious nature of some of the

opposition, the alternative will be the drowning of the movement in blood...

Gary Hollands – August 7<sup>th</sup> 2017

## Notes and references

1. This is the '[Bonapartist](#)' state which Marx first observed in Louis Bonaparte's regime which was established by a [coup in December 1851](#). Whether Maduro can gain full command of the armed forces as Bonaparte managed is something that remains to be seen... [?](#)

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