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Bolivarian revolution

# Venezuela: is socialism possible?

- IV Online magazine - 2005 - IV369 - July-August 2005 -

Publication date: Saturday 9 July 2005

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### **Social reforms, popular organisation and an increasingly aggressive superpower in the North: Venezuela's society is in the midst of dramatic change. But what kind of reality and social mechanisms hide behind Hugo Chavez's talk about "a socialism for the new century"? Where is Venezuela heading?**

Is it really possible to start a transition to socialism in today's Venezuela? In a period when the US-government through its military domination can start wars and occupy countries with openly false statements about 'weapons of mass destruction', this might seem slightly unrealistic. But to pose the question is not as strange as it may seem.

In his long May Day speech this year, Venezuela's president Hugo Chavez claimed that: "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."

The question is thus already asked, not by an academic or theoretical system-builder but by someone who has gotten into the forefront of a revolutionary process. The statement is also not just temporary rhetoric used on the working class' day of commemoration. It mirrors the political radicalisation that has been clear in his statements during the last year.

[<https://npa31.org/IMG/jpg/venezredberets.jpg>]

Already in August-September last year - after having won the referendum and the confidence to continue as president - Chavez started to say that a 'revolution in the revolution' now is necessary. In several speeches he lambasted capitalism as the most inhuman system in the history of humankind. In this year he has begun to emphasise the necessity to "invent" a socialism for the new century.

Maybe it should also be pointed out in order to make the contrast clearer that it was the same Chavez who, after the presidential election in 1998, firmly asserted that he wanted to take the 'middle road' between capitalism and socialism. The new path would be a 'Bolivarian revolution', something which was neither the one nor the other.

## The Progress

Without giving too much detail, it may be worthwhile to briefly point out what the government so far has accomplished. It has:

- 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.
- Started a comprehensive skills development programme intended to minimise unemployment.
- 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.

– Introduced a Latin American alternative to the free trade area the large companies of the USA want to establish.

A clear result of these reforms is that faith in democracy has been strengthened. According to one survey, presented by the Chilean firm Latino Barometer last summer, the support for 'democracy' has decreased in the whole of Latin America. It has fallen with 8 percentage points since 1996, down to 53 per cent, on average on the continent.

The only major exception of the survey was Venezuela, where the trust in democracy increased with 12 percentage points to 74 percent. These figures are also corroborated by the increased participation in elections since 1998. In the April 1999 referendum (held on the issue of creating a constituent assembly) 39 per cent of the country's population voted. In the August 2004 referendum, held in order to confirm or discontinue Chavez's presidency, 75 per cent voted - one of the highest figures in Venezuela's history.

Another clear tendency is the considerable growth in popular organisation. Much of it has emerged the last five years around the initiated social reforms. The free health care centres that have been provided with 12 000 Cuban doctors are financed by the state, but rest on a system where the communities themselves elect a local health committee responsible for the practical management.

The education reforms have to a large extent been organised outside the existing education sector, with volunteers teaching on all levels (from the literacy campaign to secondary and tertiary levels) and include a large degree of collective 'self-tuition' groups. The food of the soup kitchens, which were created to provide the poorest of the poor with one or two meals per day, is paid for by the state, but it is women in the communities who organise the programme.

Distribution of ownership documents to the houses and buildings of the poor has been connected to different kinds of organisation in the communities. In the areas where this organisation is most developed, it has been possible to clean out the criminal gangs that are all too common in the slum districts. Parallel to this housing organisation, a more political organisation has developed. In the months before the referendum in August, 1.2 million people participated actively in the election brigades created to renew Chavez's presidential mandate. In a country with 25 million inhabitants, 1.2 million political activists is a high number.

## The New Trade Union Organisation

Next to community organisation a new, national trade union federation, UNT (Unión Nacional de Trabajadores de Venezuela), has been created. The founding of the UNT took place in April 2003, and was to a large extent a reaction against the old union federation's, CTV, support to, first, the failed coup attempt in April 2002 and, second, the equally failed lock-out at the state oil company in December 2002 - January 2003.

The leadership of the CTV, which for decades has been tied to the social democratic AD (Acción Democrática), cooperated in both cases with the largest employers' organisation Fedecamaras to remove Chavez through extra-parliamentary means.

To many workers, this was the final proof that a new democratic trade union organisation had to be formed. After only two years UNT has won a larger membership than CTV. According to leaders of UNT, its membership stood at around 600 000 members in the spring of 2005, while CTV had around 300 000 members. These figures are naturally very uncertain: A representative of CTV would probably present different figures.

A more objective measurement of the two unions' relative strength can be the number of agreements each of them sign. During 2003-2004, 76.5 per cent of all collective agreements were concluded with UNT and only 20.2 per cent with CTV. This depends among other things on the almost complete domination of UNT in the public sector. But even in the private sector 50.3 per cent of all agreements were concluded with UNT, while CTV concluded 45.2 per cent.

In figures the trade union organisations are not even near the number of people organized around the reforms I have described above. This is due to the social structure of the country. The majority of the population does not have permanent employment in any private or state company. The majority of the working class survives on some kind of business within the so-called informal sector. Still, this is an organisation of the workplaces and it may therefore play a role which gives the whole movement a revolutionary dynamic. I will return to this further down.

## But Capitalism Stays

The social reforms that have been initiated have had an enormous impact on the lives of millions of people. For example, only during the last year it is calculated that around half of the country's 25 millions inhabitants have participated in some form of education.

The reforms have still not changed the structure of the society. The country is still to a large extent a capitalist society where the most important means of production are controlled by a small class of domestic and foreign owners. Parts of the heavy industrial sector, almost all of the large mass media and the whole financial sector is owned by this class.

The bourgeoisie exercises its power over central parts of the economy or - as in the case with state companies - indirectly through corrupt civil servants. This means that all social changes that have been set in motion are in danger of being thwarted. The new cooperatives that recently have been formed will have difficulties in surviving when they meet competition on the market.

If they are to survive it is necessary that they can produce their goods and services independent of this market, but tied to new, democratic structures organised to meet the real social needs of the majority.

Financing of health care, schools and day care centres can also in a longer perspective get into open conflict with the private control over the banking system. Even if a large part of these reforms have been paid with the profits of the state-owned oil company, it has not by far been enough. During 2004 the government increased its expenditure with 47 per cent compared to the year before. In order to cover these expenses money was borrowed from the private banks with a high interest.

As a matter of fact, the government has during the last four years heavily increased its debt to Venezuela's banks. Only during 2004 did the private banks make a profit of 1.38 billion dollars - a little bit more than the year before - mainly by lending to the state and trading with dollar bonds approved by the government (a legal loophole in the control of currency trade that was instituted a few years ago).

This means both a continued income of billions to the owners of the bank, and a possibility for them to sabotage continued reform policies in a different political situation.

Chavez has avoided the problem by starting new companies. The women's bank, Banmujer, has provided favourable loans with low interest, gender education and economic advice to the new women's cooperatives. Same thing goes

for a number of new state banks.

The new state-owned supermarket chain, MERCAL - which in just about a year has conquered between 35 and 40 per cent of the market of basic foodstuff - has contributed to a decrease in food prices through subsidies. And in order to be able to counter the monopoly of the private TV-channels over news reporting, a new state-run TV-channel Telesur is being set up, with the whole of South America as its target.

It is not necessarily wrong to temporarily “go around” the basic issue of power the way Chavez has done. At a time when the working class is lacking their own, strong organisations and a political consciousness about the fact that society can be structurally changed through collective, class-based action (as it was in Venezuela in 1998), a revolutionary government might need to “buy time” in order to reach these subjective circumstances.

But it is not possible to solve the problem in that way. If there is anything that time and time again has been confirmed by Latin America's 20th century history, it is exactly this: The large landed properties, the most important industries and the whole financial sector must be liberated from the present class ownership and be placed in the ownership of the society if the reforms are to be permanent.

In all countries where similar social reforms have started - sometimes much more radical than in Venezuela - they have been stopped and torn asunder by the pressure from the capitalist society (Mexico under president Cardenas in the 1930s, Argentine under Peron in the 1940s, Bolivia after the revolution in 1952, etc.).

The only exception that confirms the rule is Cuba, where the reforms that guarantees health care, education and day care have been made permanent only because the means of production have been socialised. And in this sense Hugo Chavez is completely correct; there is no middle way if the reforms are to stay. The question is: What does the road forward look like?

## **“Without Workers' Control There Will Not Be A Revolution”**

The main slogan of the UNT:s May Day demonstration was: “Workers' co-determination and control over state (and private) companies”. A few weeks earlier, the UNT had introduced its proposal to a new law for “workers' co-determination in the companies”.

The UNT hopes that the law will be passed by parliament and make directly elected workers' representatives compulsory in the management of state companies, and encourage it in private companies. It is a bill which mirrors some of the victories won by the working class during the last six months - and the new experiences and discussions that emerged.

The workers of the country's largest paper mill, Venepal, won in the end of January a significant victory. After several years of struggle, with recurring occupations of the factory and a nation-wide campaign for expropriation, the mill was nationalised. President Chavez signed the decision to nationalise the day after parliament - including the conservative opposition - declared that this was “in the interest of the society”.

Almost immediately after this victory a group workers in the privately owned company CNV reignited their interrupted workplace occupation with demands of nationalisation and workers' control. CNV produces high-pressure ventilators for the state-owned oil company PDVSA and has - like Venepal - been declared bankrupt by its owners. With a new,

formal declaration from parliament about the “interest of the society” in an expropriation, CNV was nationalised in the end of April.

The issue of “co-determination” or “workers' control” was raised already during the lock-out in the oil company PDVSA in the end of 2002. Against management's decision to close down the company (to create an economic crisis that would force Chavez to resign), groups of workers tried to keep the production going.

After the failure of the lock-out, the most radical workers used the slogan about workers' control, as the only effective way to prevent further sabotage from the management. But in reality, almost nothing was achieved. Today, union leaders explain this lost opportunity by recounting the weakness of their organisation and a lack of understanding of what the slogan meant in practice.

Despite the fact that several private companies were occupied during the summer of 2003, and despite coordination between the workers' groups in open struggle against the capitalist owners, the struggle did not lead to any substantive success. These factory occupations - with the exception of Venepal - were slowly fading away.

The victory of the workers of Venepal stimulated at the same time workers of state-owned companies to renewed action. During March and April, the workers of the aluminium company Alcasa and the electricity company Cadafe elected new managements.

It is in these two companies that the discussions and practical initiatives seem to have developed most in April 2005, and though it must be noted that these radical trade union leaders hardly are representative for the whole trade union movement, it may be interesting to briefly describe their current perspective.

In an interview made in the end of March with union leaders of Alcasa by the Chilean journalist Marta Harnecker (at the time when the workers elected the new management) the union chairperson, Trino Silva, introduced three important principles regarding the workers' control in the company: 1) The workers who are elected to the management shall continue to receive the same salaries as before. 2) The state-owned company does not belong to the workers of Alcasa but is the property of the whole people. 3) Therefore the “organised society” must elect representatives to the management.

At an international solidarity conference in mid April - where several of the union leaders from these two companies participated - Joaquin Osorio, leader of the electricity union of Cadafe, explained that they do not strive for the kind of “co-determination” that trade unions have in Spain, Germany and Argentine, since it “generally is an attempt to assimilate union leaders into the machinery of the capitalist companies and integrate them into these [structures].”

“We can learn from these models but what we want to develop is a completely new model which will function in the building of another societal structure, what we at Cadafe have called Bolivarian socialism, which transforms the capitalist relations of production and where we workers have the power.”

An alternative to this radical perspective seems to exist amongst the workers of Venepal. After the nationalisation in January, the paper workers have closed down their trade union, since “the workers now control the factory, no union is necessary.” Active unionists in other factories have openly criticised this decision and expressed concerns over the narrow company perspective that obviously lurks behind.

Even if the UNT as a national organisation use the slogan of workers' co-determination in the companies, this hardly signifies a unified view on what this means or a common long-term perspective. The different currents of the union

organisation are at the moment interpreting the slogan in different ways.

# The Bourgeois State Apparatus

The continued power of the capitalist class over the economy of Venezuela means that the state apparatus is dominated by these class interests. The "business idea" behind the bourgeois state is to guarantee a continuous transfer of material value to the capitalists.

The state apparatus expresses the existing class society in its totality and can therefore never be 'educated' or 'reformed' into something else. These three sentences can be expressed in a much simpler and clearer way. Of the 800 000 civil servants in different levels, which make up the actual state apparatus, the absolute majority is in complete opposition to the revolution initiated by Hugo Chavez. Some in this bourgeois bureaucracy try to with all means actively sabotage the social reforms, while others passively blocks democratic decisions.

In order to illustrate these 'state-directed' acts of sabotage, it is enough to mention the lock-out of the state-owned oil company PDVSA, which in 2002-2003 was organised by the top management and civil servants (and the bureaucracy in the union organisation CTV).

That event was planned by the most important management organisation in the country, but practically organised by these civil servants.

Even more striking is the fact that the initiated reforms are largely realised outside of the really existing bourgeois state. The literacy campaign, the education reforms, the health care, etc. have been made possible by the creation of new, parallel institutions and with the help from Cuban doctors, dentists, nurses and pedagogues. Without the practical support from Cuba, none of the social reforms in Venezuela would have been possible.

The simplest way to 'solve' the problem with an obstructing bourgeois state apparatus is naturally to send into pension (or, to be blunt, dismiss) all the 800 000 civil servants. The glitch of course being that it will not solve the problem.

After the oil lock-out, at least 18 000 bosses and civil servants of the state-owned PDSVA were dismissed. Despite this, the company is at large as corrupt as before. This is the same also for other state companies. The problem can only be solved if the present apparatus is replaced by a totally different kind of administration, controlled from below.

# People's Power

This is where the experiences from and the discussions around workers' control over production can be key to opening up the doors to an extended democracy and the growth of an alternative popular power arrangement on national level.

At best, they could contribute to a connection between a democratic organisation of workplaces (control committees, workers' councils or large-scale assemblies of the unions) and the community-based self-organisation that has emerged within and around the reforms.

In order for the social reforms to survive, the present company managements (state and private) and their civil servants in the bourgeois class-based state have to be replaced with an organisation of democratic control and an overarching planning by the working population how to use resources.

Then it is not enough with a narrow co-determination at company level or limited local community organisation. Then this direct democratic organisation will have to lay the basis for a power apparatus where the representatives on all levels of society are elected and can be recalled - from the local control committee at a workplace to the president of the country.

The referendum of last autumn, where 60 per cent voted to keep Chavez in office, was - even if it took place within a bourgeois democratic framework - a good pedagogic example of what this may mean: It must be possible to recall anyone from office - without exception! In today's Latin America there is no neo-liberal government which is prepared to hold a referendum of the kind that took place in Venezuela. Instead they are being overthrown by popular revolts in Ecuador, Bolivia, Argentina, Peru, Paraguay...

The main obstacle to necessary connections being established is the bureaucracy within the movement itself. During the last year open criticism has been directed from the grassroots against leaders within Chavez's own party. And, even if Chavez seems to have taken at least parts of the criticism serious, probably some of the continuous struggle will be against this bureaucratic layer.

## The Deadly Threat and the Living Possibility

The military is the only part of the state that Chavez has utilised fully. Both soldiers and officers from the four service branches participated actively in the literacy campaign. They were responsible for the logistics of the campaign and participated individually as educators. Military vehicles often transport food to the MERCAL stores. In some slum areas with very high levels of crime, soldiers guarantee security in and around the stores.

The regiments have opened up classes for adult learners as well as for small children. When I visited Forte Tiuna - the largest regiment in Caracas - in November 2004, I drove for over an hour together with lieutenant colonel Rafael Angel Studro between the new education centres which had been opened up for courses in the huge exercise area: Vegetable planting, pig and chicken breeding for agricultural collectives, restaurant and catering education for women's cooperatives.

The examples of the "war on poverty" which the military has been ordered to fight by the former paratrooper Chavez are many. At least partly this also means that the traditional walls between the military regiments and the surrounding slums have been torn down.

The social constellation of the military is a common explanation to why the majority of both soldiers and commanders on the operative levels so far have been loyal to Chavez. A large part of the army has been recruited from the lower middle class or poorer groups. Only a limited number of higher-rank generals participated in the coup attempt in 2002 which was met by the poor population, in their tens of thousands coming out from the slums in order to re-establish democracy.

The generals who participated in the coup were completely without troops. This does not make the army immune against corruption or other countries' (read: USAs) governments' attempts to make useful contacts for the military incursions that have already begun. A current example from the year-end illustrates this.



In the middle of December the FARC representative Rodrigo Granda Escobar was kidnapped in central Caracas. He was taken to the border and handed over to Colombian police. The kidnapping was carried out by Venezuelan police, who were bought for the illegal operation with a large sum of US dollars. One has to be more than naïve if one does not realise that the intelligence agencies of the USA are actively looking for similarly corrupted people to use for infiltrating the army.

The conclusion can only be drawn that the poor population itself must get organised to also militarily defend their newly won reforms. In the face of increasingly stronger verbal threats from the USA government, Chavez has during 2005 introduced a new military strategy to defend the country from a possible military attack. Next to the traditional military apparatus a popular home defence unit is being organised.

The explicit goal for the 'popular defence units' (Unidades Populares de Defensa, UPD) is that they will encompass a total of 100 - 150 000 armed and militarily trained men and women. Their base will be the workplace or their community and every unit shall encompass between 50 and 500 people. In the case of invasion they will, independently of the regular army, be able to wage a long guerrilla war against the occupiers - an 'asymmetrical war' in military jargon.

## The Plans of the USA

So far, the US attempts to overthrow Chavez, with or without violence, have failed. The result instead is that the allied domestic bourgeoisie has been much weakened. America's support to the failed coup attempt in April 2002 led to the dismissal of several hundred officers who support the US.

Around 18,000 managers and senior civil servants were dismissed for supporting the failed lock-out at the oil company PDSVA.

The petition, financed by USA, which led to the referendum on the 15th August 2004 caused a crushing defeat for the bourgeois opposition (as well as demoralisation amongst the middle class voters who hate Chavez) and the largest political mobilisation thus far to defend the revolution.

At the same time as these attacks have radicalised the revolutionary process, they have also almost extinguished any conservative alternative to Chavez. After the referendum and the election loss in the governor elections in the end of October 2004 there is no longer any collective conservative political alternative.

That Chavez today, according to recent surveys, is by far the most popular president in the whole of Latin America, is only one expression of the political power relations.

This is the reason why the Bush administration since the beginning of 2005 more obviously has started to switch over to a military strategy of attacks "from the outside", in cooperation with the Colombian terror regime led by Alvaro Uribe. The preparations for this military intervention are already under way. USA and Colombia have during this year reinforced their military bases around Venezuela's border considerably.

Border incursions as 'experiments' take place regularly to test Venezuela's defensive preparedness. They are performed both by regular Colombian army units and paramilitaries. In 2004, six Venezuelan border soldiers were killed during these incidents. In May last year, a group of over 100 Colombian paramilitaries was caught on an estate in Caracas where they were preparing a military terror campaign in Venezuela.

## Venezuela: is socialism possible?

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In recent years, the US government has provided Colombia with three billion US Dollars in military support, tripled the country's army (to over 275 000 soldiers), significantly increased its air force arsenal (mainly with helicopters and attack planes), provided it with advanced military technology and several thousands military advisors (official as well as 'hired' contractual experts). The USA has also set up new military bases in Ecuador, Peru and the Dominican Republic, and has held naval manoeuvres outside Venezuela's coast line during the last few months.

A planned, provoked border incident with Colombia is a credible scenario for an intervention. Such an incident could be escalated to an armed conflict where the USA intervenes to 'defend' Colombia through air bombings and artillery fire from battleships stationed outside the coast line, special forces who are put on shore to murder key individuals within the Venezuelan government and the popular movements, as well as a staged uprising of infiltrated paramilitaries backed by an international mass media campaign, financial backers and oil company managers.

But just like the occupation of Iraq in the end was much more expensive and riskier than the Bush government could ever imagine, a military attack on Venezuela will be wrecked by several problems. Despite intensified terror of the Colombian countryside over the last three years the Uribe government has not managed to extinguish either the FARC or the ELN guerrillas.

To wage a two-front war in this position is not unproblematic for the Colombian government. The concentration of troops at the border that would be necessary could open new geographic areas for the political-military guerrilla organisations to renew their attacks on military and police targets in the largest cities.

This, together with a political radicalisation, which the revolutionary process in Venezuela has contributed to develop amongst millions of poor people in Colombia, may place the US-supported Uribe regime in a literally deadly position. Besides the extreme government of Colombia, there is not one South American government willing to send one single soldier to participate in a USA-led attack on Venezuela.

At the same time, the USA has at the moment small possibilities to participate with a large troop contingent. With 150 000 soldiers locked up in the occupied Iraq and the priority of a new war in that area (Iran/Syria), USA's intervention will be limited to air strikes, naval artillery and special forces. As opposed to the war in Iraq a military attack will immediately serve to mobilise millions of people in an armed, popular defence.

To defend the social reforms under way is something completely different from defending a totalitarian Saddam Hussein dictatorship.

And, due to the class character of the defence of the social reforms, an escalated military aggression may radicalise the revolutionary process even further: The counter revolutionary parts of the domestic capitalist class who take the side of the military intervention will probably immediately have their companies or estates expropriated.

It is completely possible to make a comparison with the beginning of the Cuban revolution; in order to defend the democratic revolution against USA's aggression the Cuban leaders had to socialise the economy and expropriate the property of the class in power.

A military intervention in Venezuela will mean a deadly threat to the Bolivarian revolution and to the long run possibility for the Cuban revolution to survive. At the same time, it will reinforce the political instability that exists all over Latin America, it will undermine the neo-liberal governments supportive of the USA and fan a new wave of anti-imperialist struggle in the whole region.

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This deadly threat must be taken serious, but it must not be allowed to overshadow the living possibility that the democratic, "Bolivarian" revolution may grow into the first socialist revolution of this century. There is absolutely no historical law that prevents such a development

*Translated by Linn Hjort*