

Whither 'Chavez Socialism'?

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Hugo Chavez was re-elected president of Venezuela in December 2006, shortly after which he announced his intention to change the constitution. Among the most controversial proposals were provisions to end term limits for the president and to grant the president the ability to invoke special emergency powers.

Chavez presented these reforms, along with measures to create local governing councils, as important and necessary steps in the march towards what he calls "21st century socialism." Liberal and reactionary opponents in Venezuela described the measures as a prelude to dictatorial rule.

US has been a major player and factor in the referendum battle. The US denounced Chavez throughout the campaign as an "enemy of democracy." It openly supported anti-Chavez student groups that had taken to the streets; and it funneled money to anti-Chavez forces.

The US media have given a platform to high-level opponents of Chavez-like Raul Baduel, Chavez's former army chief of staff and minister of defence, who recently turned against Chavez. Baduel called on military officials to "assess carefully" the changes the Chavez government had proposed "in a hasty manner and through fraudulent procedures." Baduel was sending a message, or at least putting out feelers, about the possibilities for a coup.

The US has been engaged in a smear campaign against Chavez and intrigue on the ground (the Venezuelan government released what it claimed to be a memo detailing the activity of a clandestine CIA unit in Venezuela).

Any and all attempts by US to destabilize or plot against the Chavez regime and the people of Venezuela must be resolutely opposed.

Chavez's more loyal followers, especially among the poor, did not provide him with the degree of support he garnered in the past. On the other hand, the reactionary opposition, which had been discredited and fragmented for some time, was able to regain credibility and rally forces against Chavez.

The storyline in the US is that the Venezuelan public rebuffed a bid by Chavez to become an absolute ruler. The summation coming from Chavez's supporters is that his willingness to abide by the outcome of the referendum proves that he stands for democracy.

Reality is actually quite different.

Hugo Chavez has not been leading Venezuela towards socialism or some grassroots "participatory democracy" that stands above the dominant economic and social relations of society. Hugo Chavez is pursuing a nationalist-capitalist project within the existing economic order. It is a project that requires for its implementation changes in the functioning of Venezuela's domestic political institutions including greater capacity to fend off reactionary coup attempts.

For their part, the US and its allies in Venezuela do not stand for some kind of abstract democracy. Rather, the US is seeking to re-impose on Venezuela something institutionally closer to the old system of elite political rule that more directly served the interests of US.*

The US cannot tolerate Hugo Chavez. It regards him as a hostile and disruptive influence in Western hemispheric relations; this at a time when the US is engaged

in a bid for greater world empire. In 2002, the US backed a coup attempt against Chavez. Whether the US is actively plotting or encouraging a coup at this time, it is working to weaken and undermine Chavez.

Hugo Chavez's "Bolivarian Revolution" has four major components :

To use oil as an engine of growth and social welfare. Chavez set out to break the hold of the corrupt leadership of the state-owned oil company, to diversify foreign markets for oil, to renegotiate terms of entry of and collaboration with foreign capital in the oil sector, and to use oil revenues to broaden the bases of capitalist economic development and to fund major social programs.

Forging a regional trading bloc in South America : Chavez is attempting to achieve a higher level of regional integration and to expand markets and maneuvering room within the larger hemispheric framework of US political-economic dominance. It is a strategy based on a regional division of labor-in raw materials, agri-business, finance, etc.-on exploitation of wage labor, and on continuing collaboration with imperialist capital.

Restructuring existing state institutions : After the 2002 coup attempt by pro-US forces, Chavez moved to purge leading rightist officers and build up a loyal officer corps within the military. He sought to strengthen his position within the executive, to build majority coalitions within the existing parliamentary structures, and to pass laws enabling him to carry forward certain reforms and social programs. He has moved to put checks on the freedom of action of opposition forces.

Creating grassroots organization and political structures : These local assemblies and councils are designed to rally and mobilize the masses around this nationalist-populist program...and keep the masses ideologically and politically confined within this program.

In 2005, Chavez began advancing a vision of "21st century socialism." He has been vague about its content. But the reality is that this "socialism" rests on the continuing subordination of Venezuela to the world imperialist economy-with oil playing its historical role as the key regulator of the Venezuelan economy.

Venezuela remains a society deeply polarized between rich and poor. Some 40 percent of the urban workforce is trapped in the "informal economy," working as vendors, taxi drivers, etc. Much of the urban population lives in the "ranchos" (slums). Agriculture remains dominated by a still-powerful landed oligarchy and is unable to meet the basic food needs of the population-while poor peasants and small farmers are consigned to marginal lands. Paramilitaries financed by landlords have murdered 150 peasant organizers over the last five years.

Hugo Chavez came to power in 1998. He enjoyed great popularity, especially among the working class and poor. He also drew support from many within the middle class and sections of capital stymied by the old political system. The mid-1980s through the 1990s were years in which poverty massively grew and the economy sharply contracted.

The old ruling elite and oligarchy were widely hated and discredited.

Chavez's project for remaking Venezuelan society relies on oil, on international trade, and the infusion of foreign capital into the economy. While he has encouraged the formation of worker cooperatives, he has steered clear of attacking the entrenched positions of large domestic capital. While he has

supported some peasant takeovers of idle lands, and distributed land to some 150,000 peasants, he has not fundamentally challenged the dominant position of the landed oligarchy. Where he has nationalized (or re-nationalized) sectors like telecommunications, they function according to the criteria of profit.

Chavez operates with his own united front. He seeks to cooperate with sections of large private and foreign-imperialist capital-mainly by guaranteeing an acceptable business climate. At the same time, he has acted to limit domestic capital's freedom of political action. This was part of what lay behind recent moves to revoke the license of a private radio station linked to powerful and reactionary capitalist interests. But these capitalist elites dominate the economy through control of means of production, finance and credit, and distribution channels; through functional links to foreign capital; and through the organizational power of their federations and trade associations.

Chavez had been able to cobble together a ruling political coalition dominated by a majority of pro-Chavez forces and supported by a minority of so-called "centrist-liberal" forces. He counted on "moderate" and "professional" military figures like Raul Baduel to act as a buffer against US meddling. But while Baduel was not necessarily a representative of the old pro-US oligarchy, he advocated conciliation with the old order and evidently cultivated ties with the pro-US Colombian military.

Chavez supporters have written of the "unique" quality of the Venezuelan military-somehow sympathetic to the masses; others have argued that Chavez had removed pro-US forces from the military. These are dangerous illusions. The old state power has not been shattered.

Chavez's attempt to forge his coalition is an expression of his attempt to seek a "middle way" between rupture from (and confrontation with) imperialism and preservation of the status quo. A genuine revolution must seek unity with broad forces. But this unity must be in the service of creating and preserving a new proletarian power-as opposed to a "unity" aimed at avoiding the clash with the forces representing the old order. The "middle way" of Chavez not only makes it impossible to achieve the goals of revolution but actually facilitates the activities of intriguers and coup-makers.

Chavez has counted on something else to forge his ruling coalition: mass mobilization of the poor during elections, and in response to moves by sections of the old order and the imperialists against Chavez. This "pressure from below," increasingly organized from atop, has bolstered Chavez's "mandate."

By the end of 2006, pro-Chavez forces effectively controlled the National Assembly and Supreme Court. Chavez's latest moves to amend the constitution aimed to "lock in" his political position and make it possible for him to outmaneuver sections of big capital, through expanded authority to nationalize certain enterprises and sectors of the economy and to link the central bank more closely to the central government.

Hugo Chavez personifies a section of the Venezuelan capitalist class and radicalized petty-bourgeoisie. These forces bridle at the inequities caused by foreign domination, but cannot conceive of rupturing out of imperialist conditioned dominance.

The Chavez coalition of class forces has been coming under growing strain. There are differences among his ministers; the major cooperating party has bolted his coalition. Reactionary, pro-US forces (with US encouragement) have more boldly mobilized against Chavez. The referendum proposals became their rallying point. What has been going on? Here one can point to two factors.

One, the economy is running into difficulties. Oil is the focal point of economic development under Chavez. And it is more "cost-efficient," in capitalist terms, to use oil earnings to import food than to invest in the all-around development of agriculture. But large capital has been pursuing its own economic and political agenda. Big farmers and cattle owners have cut back production in response to price controls. Wholesalers and retailers have hoarded imported foodstuffs or re-sold them on black markets. The result has been scarcity of basic foodstuffs (and other household necessities). Inflation is running high. This has especially hurt the poor and lower middle classes. And the reactionary opposition has been seizing on discontent.

Chavez and his supporters blame economic problems on corruption, currency speculation, capital flight to Miami, and economic sabotage. His opponents pin the problem on government ineptitude. There is some truth to what both are saying. But the underlying problem is that there has been no fundamental, no genuine socialist, transformation of society and the economy.

There has been no agrarian revolution to break the power of the large landholders and cattle ranchers in the countryside, to distribute land as part of a fundamental reorganization of the economy, and to lay the basis for collective agriculture that can meet the food needs of society and contribute to its overall development.

The economic resources of Venezuelan society are not socially controlled : this is an economy in which state-capitalist and private-capitalist ownership prevails. There is no unified socialist plan to achieve balanced, integrated, and self-reliant development. Dependence on oil and the world market have put the government in a vise-caught between the need to invest in and modernize the oil sector to keep it competitive in the world capitalist market, and the need to fund social programs with oil revenues.

The old state power has not been destroyed in Venezuela. It has not been replaced by a new proletarian state power able to mobilize the great majority of society, to give backing to the formerly oppressed and exploited to take hold of and to begin to transform all of society, and to suppress those forces seeking to turn such a revolutionary process back.

Second, under the conditions of Chavez's halting and contradictory economic and social measures, and with growing meddling by the US, the political situation has turned more unfavorable for Chavez. His charter proposals galvanized reactionary forces who readily recognized that their prerogatives would be further limited. Tactically, these same forces saw in the growing discontent a political opening. They whipped up many in the middle classes, raising the specter that their rights and property would be taken away.

On the other hand, some of the poor who form the political-electoral base for Chavez increasingly see themselves as spectators. They had come out into the streets to defend Chavez in 2002. They had given Chavez massive support in

elections in 2004 and 2006. But what these constitutional changes would actually mean was not clear. And what is the meaning of Chavez's rhetoric about socialism: yes, there are some medical clinics in the barrios, but this is still a society...of barrios.

Many international supporters of Chavez extol the grassroots organizations. But what do "citizen assemblies" and "communal councils" amount to in a sea of imperialist-capitalist dominated production relations? Suppose these assemblies "democratically voted" to revolutionize the economy, to develop a balanced and self-reliant economy with agriculture as its foundation, and to allocate resources into irrigating agriculture and to mobilize society to overcome the social gaps between town and country. Well, in Venezuela the masses do not have the political power nor genuine socialist control as concentrated in state ownership over the economy to effect such radical and liberating change. And if, somehow, these communal assemblies did attempt such radical change, it would be out of synch with and undermine the whole oil-based project of Chavez.

Chavez's proposed emergency powers reflect the class character and requirements of the Chavez project. The constitutional changes were aimed mainly at preventing rightist, pro-US forces from under-mining or toppling the regime. But a genuine revolutionary current in Venezuelan society that challenged-and mobilized the masses to move beyond-the constraints of Chavez's "middle way" would ultimately confront and be confronted by the repressive powers of the old state apparatus, even as restructured by Chavez. And discontent and opposi-tion short of revolution but threatening to the stability of this project would face hostile state power.

[Source : REVOLUTION]

- *Chavez's state of emergency proposal would still have granted people the right to defence, to a trial, to communication, and not to be tortured-unlike the US Military Commission Act of 2006, which allows the president to arrest people without due process and to use "coerced interrogation" to obtain evidence.*