Chapter 5

The Revolutionary Process in Venezuela—Advances, Contradictions, Questions

I The Passing of Hugo Chavez

For Latin America and, most crucially, for Venezuela, Hugh Chavez’s presence at the end of the 20th century and beginning of the 21st represented a significant moment. At a time when the U.S. strove (and continues to strive) toward single power domination globally, Chavez’s anti-imperialism, particularly his aid for a number of countries in Latin America, his establishment of a regional alternative to neo-liberal domination, were important efforts in seeking an alternative to U.S. hegemony. Within Venezuela, his labors to re-distribute the oil wealth toward the poor in housing, health and education changed the lives of millions. At the same time, we need to be aware of the limitations and contradictions in his attempt to construct “socialism for the 21st century.”

Chavez’s anti-imperialism was often quite narrowly focused. “The enemy of my enemy is my friend” was a significant strand of his view, as could be seen in his support for the President of Iran, Mahmoud Ahmadinejad, who, while anti-U.S., actively repressed his own people. On this, Chavez kept a deep silence.

Within Venezuela, the focus on re-distribution of wealth derived from that crucial commodity oil, oil capitalism imposed an economic strait-jacket on constructing “21st century socialism.” Redistribution of wealth, as important and needed as it is, is not changing the mode of production that is crucial to the construction of socialism. As well, extractive capitalism in the name of socialism at times meant running rough-shod over Indigenous demands for autonomy and non-development in their territories.

Important as well, socialism directed from above under a single leader, rather than constructed from below, put a huge question mark on how to construct an authentic socialism, that is, from below with participation of the masses. And now, after Chavez’s death, what? These advances, contradictions and questions will be explored below.
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11 Preliminary Moments: The Oil Addiction; The First Period of the Chavez Government

The early 20th century discovery of oil decisively shaped (or distorted) the Venezuelan economy. With the exploitation and exportation of oil that quickly became the dominant source of wealth for the country, agricultural production—cocoa, coffee, cotton, sugar, tobacco—was no longer a central focus of accumulation. Neither a landed elite nor a business elite were dominate, as neither a reliance on agro-export nor the development of domestic industries were points of economic focus. An addiction to oil revenues meant an abandonment of the countryside and an intense urbanization. Importation of goods took precedence, and Venezuela became non-self-sufficient in food production.

At first, control of the wealth was in the hands of foreign oil companies. When oil was nationalized in the mid-1970s, it became the property of the state. As Gregory Wipert noted, “the real center of Venezuela's power was based in the state itself.” (Changing Venezuela by Taking Power, (11) Times of boom and bust followed, tied to the price of oil. From the late fifties to the end of the seventies, the Venezuelan state and sectors of its population benefited from relatively high oil prices.

However, that changed in the last two decades of the 20th century: “Real per capital income suffered a massive and steady decline for a period of twenty years, from 1979 to 1999, declining by as much as 27% in this period. No other economy in South America experienced such a dramatic fall. Along with this drop, poverty increased from 17% in 1980 to 65% in 1996.” (Wilpert, 2007: 13).

Under this economic/social onslaught of the 1980s, the pact of Punto Fijo, a 1958 agreement between the major bourgeois political parties to share power and exclude others, began to come apart. In February 1988, the state under Carlos Andres Perez, brutally suppressed the Caracazo, a mass protest in Caracas against the imposition of neo-liberal economic shocks, leaving hundreds dead.

Chavez, who joined the military at an early age, observed this disintegration of the state and its institutions. In 1983, he with others in the military founded the Ejercito Bolivariano Revolucionario. Three years after the Caracazo, Chavez and his comrades launched a military rebellion against Perez. Their failed attempted led to Chavez’s imprisonment, but also meant a gathering of support and recognition of his efforts, especially among Venezuela's poor. Released from prison in 1994, Chavez turned to political organizing, and in December 1998 was elected president with more than 50% of the vote, including support from much of the Left.