

# Venezuela's Transition to Socialism

**By Herbert Jauch, Labour Resource and Research Institute (LaRRI),  
published in The Namibian, 11 November 2008**

In October 2008, I was invited by the World Forum for the Alternatives to a conference in Caracas, Venezuela. This provided me with an opportunity to learn more about a country that has embarked on a path of redistribution under a programme that Venezuela's President Hugo Chavez Frias now calls "Socialism of the 21<sup>st</sup> century". In this article, I will present some of my impressions and insights gained during the visit, which included meetings and discussions with community councils, health centres and Hugo Chavez.

Chavez' "Bolivarian" party won Venezuela's national elections at the end of 1998. The party and the broader Bolivarian movement is named after the icon of Latin America's independence struggle, Simon Bolivar, who was a general in South America's struggle against Spanish colonialism, contributing greatly to the independence of Colombia, Venezuela, Bolivia, Ecuador, Peru and Panama in the 19th century. Chavez' party promised to change the political, economic and social landscape through a programme of redistribution and social justice. Until that time, Venezuela had followed the typical free-market policies as promoted by the US administration, the International Monetary Fund and the World Bank. As a result, Venezuela was characterised by severe social divisions between the affluent elite on the one hand and the working class on the other. Since 1999, the Chavez government embarked on a series of radical reforms regarding social service provision, for example access to housing, education and health care. I was privileged to have a glimpse at how these initiatives are changing people's lives.

## **Resistance to change**

Although these measures were hugely popular amongst the poor, the elite feared the erosion of their privileges. They aligned themselves with the US interests in orchestrating a military coup in April 2002. The coup installed the President of Venezuela's Chamber of Commerce temporarily as President. However, it lasted for only 2 days as hundreds of thousands of Venezuelans gathered around the Presidential palace, refusing to leave until Chavez was released and re-instated as president. Faced with this huge wave of popular resistance, the coup plotters had to surrender and Chavez returned. His government was since re-elected with a solid majority and the ruling party recently transformed itself to the United Socialist Party of Venezuela. Western governments and media have consistently portrayed the Chavez administration as dictatorial and danger to democracy.

## **Improving people's lives**

Contrary to some media reports, the Chavez government did not pursue policies of expropriation of private companies when it came to power. In 1998, the national oil company, several large manufacturing companies and much of Venezuela's farmland already belonged to the state. What changed was how these resources were utilised to benefit the poor. The royalty fees payable by private oil companies were increased from 1% to 16% and an extraction tax was introduced, earning the country around US\$ 10 billion between 2004 and 2007. These resources were used for extensive, health, housing and education programmes, locally known as "missions". Quality

health care and education are now free across the country and I was impressed to see how the community health care centres are providing these services, supported by Cuban medical staff.

Venezuela's achievements are reflected in impressive statistics showing for example how access to university education was broadened for students from poor families, how health services were made accessible, how government tries to redress regional imbalances within the country etc. Since 1999, access to potable water increased from 70% to 95% of the populations; minimum wages were raised to the highest level in Latin America (about US\$ 286 per month) and poverty levels dropped significantly. Venezuela's GDP grew on average by 11,8% during the last 4 years and unemployment was reduced to its lowest level in decades – 6,3%. According to the UNDP, Venezuela's Human Development Index increased from 0,69 in 1998 to 0,88 in 2007 while the rate of poverty fell from 50,4% to 33% during that period. These are just some of the figures that show how Venezuela managed to significantly improve standards of living within the last 9 years. However, during our visits to the townships of Caracas, it became clear that this process must continue and intensify if inequality, poverty and crime are to be wiped out altogether. Social tensions are still high and moving around town after dark is risky.

### **New economic policies**

The initially moderate economic programme of the Chavez government started changing in 2005 due to pressure “from below”. Former workers at a paper mill that had been declared bankrupt and closed by its owners decided to occupy the mill and re-opened it with the support of the local community. Venezuela's parliamentarians then passed a law allowing for the expropriation of the mill and to let it operate under democratic workers management. Since then, workers started seizing other companies that had closed down. A worker and community-led movement for the “recovery” of companies was born and today over 800 companies are run by workers themselves, producing for local needs. In addition, some private companies in strategic economic sectors like oil and cement production were nationalised.

### **The spirit of liberation**

During our discussions I noted how strongly Venezuela's “Bolivarian revolution” is rooted in Latin America's long history of resistance against colonial oppression and exploitation. References to Latin America's independence icon Simon Bolivar and other symbols of distant and recent liberation struggles (such as Che Guevara) are kept alive and are visible on many walls around Caracas. Venezuelans have a strong sense of history and Latin American identity.

### **Meeting Chavez**

Besides the visits to the community centres, two meetings with Venezuela's president Hugo Chavez left a lasting impression. Far from the fanfare of other heads of state, Chavez presented himself as down to earth, a very good listener and as a man who pursues ideals of social justice with enormous dedication. Chavez is deeply rooted in his working class constituency; he encourages self-criticism (and also executes it, for example in his address to parliament in January 2008) and engages actively with his constituency through the community councils. During our discussions he mentioned his humble beginnings and how he developed a passion for reading as a means to broaden his horizon and to sharpen ideas. Chavez pointed to the dialectical

relationship between the “workers of the sword” and “workers of the pen”, thus recognising the importance of linking theory and practice.

Chavez thinks openly and creatively about the question of socialism, pointing out that there is not just one model and that there has to be tolerance towards different paths while building unity against imperialist domination. Chavez appreciates intellectual challenges and presented stimulating ideas about a post-capitalist society. Practically this is reflected in Venezuela’s move towards a 6-hour working day based on the understanding that work does not occur only at the workplace but also includes education, family work, and work for the community. The socialist concept of work moves beyond the narrow capitalist categories and the move towards shorter working days has to be understood in that context.

### **Participatory democracy**

I was deeply impressed observing Chavez interact with his constituency at the community councils. Far from trying to lecture his people, he listens attentively, engages in debates, appreciates proposals and supports initiatives that give Venezuelans control over their lives again. Chavez and his government take lessons from history seriously by trying to avoid a bloated bureaucracy that will run the country “on behalf of the people”. Instead, far more direct and participatory structures of democracy are being set up to enable poor Venezuelans to take control over their own lives. This includes a conscious building of community structures: Community councils and community banks not only receive funding from the state but have autonomy over how this money is spent in their neighbourhood. Food kitchens run in the community centres ensure that each person receives at least a healthy meal each day. These grassroots initiatives are perhaps the most important and revolutionary aspect of the changes that occurred during the past 9 years.

### **Danger of dictatorship?**

There are concerns that Venezuela’s “Bolivarian revolution” hinges too strongly on the personality of Chavez and that a personality cult might develop and then turn into a dictatorship as happened for example during Stalin’s rule in the former Soviet Union. Critics within Chavez’ own United Socialist Party pointed out that an emerging layer of bureaucrats lacks the commitment to the ideals of the revolution and may pervert positions of power for personal gain. Chavez is aware of these dangers and recognises that broad-based support and participation through participatory structures at grassroots level (community councils and banks; worker-run factories; community health centres etc.) are the best defence for the achievements made.

### **Conclusion**

Venezuela has shown that another world is not only possible but already in the making. This is perhaps what is so threatening to conservative critics. The questions of social justice, redistribution and self-determination are at the heart of Venezuela’s “Socialism of the 21<sup>st</sup> century”. The country is determined to chart its own path: “Socialism has to be adapted to every region and every country. It has to be invented every time. This is a transition in progress”, Chavez said.

Venezuela’s transition has a strong working class base and is therefore heavily opposed not only by the US and their imperialist interests but also by Venezuela’s

own upper classes. The country's trade unions seem divided in their support for the revolution. However, indications are that union opposition to the process of change is declining fast and that the labour movement is becoming increasingly supportive.

Although Venezuela is not yet a socialist country (capitalist modes of production co-exist alongside worker-run factories of social production), it certainly deserves to be classified as in transition towards socialism. Venezuela has recognised the importance of international linkages as reflected in Venezuela's contributions towards preventing the US-sponsored Free Trade Area for the Americas (FTAA). Instead Venezuela and its allies in Latin America are now establishing the Bank of the South as well as the Bolivarian Alternative for the Peoples of our America (ALBA). ALBA is an example of "fair trade" (as opposed to "free trade") where each country provides what it is best placed to produce and receives what it needs most - independent of global market prices. Thus Bolivia provides gas at discounted prices to its neighbours; Venezuela offers subsidised oil to poorer countries and shares its expertise in developing oil reserves; Cuba sends health care professionals and trains students from other countries at its medical schools. ALBA creates a win-win situation for all participating countries without being dependent on private corporations seeking maximum profits.

Such initiatives make Venezuela a leading country in the struggle for social justice today.