

What's gone wrong in Venezuela?

Mark H Burton¹

This piece is intended as a guide to what's gone wrong with Venezuela's "Bolivarian process". That process, associated with the leadership of the late Hugo Chávez Frías, has divided opinion, not just in Venezuela but also beyond. Too often commentary has fallen into one of two camps, either uncritical support for what appeared to offer hope to progressives and leftists, that a democratic process could lead to a just transformation, or opposition to what is seen as the imposition of a near dictatorship with economic, civil and political freedoms severely curtailed. The truth is more complex and I will try to cut through the ideological polarisation, to explore what has happened, and indeed what has gone wrong.

I write from the position of an ecological leftist, with an interest in social movements as a transformative force and resource for moving to a better society. I have some direct knowledge of Venezuela, having visited twice, before and after the election of Chávez, and more importantly having friends and colleagues there. My involvement with colleagues has included collaborative work that has included an analysis of disability policy in Venezuela and writing a commentary on a collection of articles on community social psychology in the country. Many of these people have been at best sceptical of the government's "Bolivarian revolution" and in many cases altogether hostile. Some of these people have now left the country, chiefly for economic reasons. I have also had contact with supporters of the process, from inside and outside the country, largely as a result of my own commitment to solidarity with the Cuban revolution. I also wrote a study (in Spanish) of the coverage of Venezuela in the liberal Western press, commissioned by supporters of the Bolivarian revolution for a project that never saw the light of day. With this background, then, we can immediately say two things. On the one hand, I am no friend of the Venezuelan right and the middle classes who have supported it, who have implacably resisted any encroachment on their privilege, resorting to violence and illegal means to try and overthrow the elected government and its attempts at social transformation. On the other hand, I do not take at face value the claims of those on the left who (at least in public) see nothing wrong with the Venezuelan government and its Bolivarian revolution, defending all its moves.

I will assume some basic knowledge of the Venezuelan process and the key events.

The Bolivarian project

The Bolivarian project of Chávez was significant because after the collapse of alternatives to the capitalist system, and the triumph of the neoliberal version, under a unipolar US-led global settlement (the Washington consensus²) not least throughout Latin America (with the exception of Cuba), it showed the possibility of a democratically elected government making broad transformations that contradicted and reversed the premises and impositions of that system. Venezuela had, under the "punto fijo" system that followed the dictatorship of the 1950s, had alternating rule by centre-right parties with a system of patronage and corruption, dependent on oil revenues, that left some 80% of the population marginalised: this could be seen in the cities with the majority living in shanty towns, the barrios composed of "*ranchitos*", shacks, very often perched perilously on unstable

1 mark.burton@poptel.org

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2 In Latin America, the term "pensamiento único" is used to capture the idea of the ideological conformity of this US-dominated system at the supposed "end of history".

hillsides, without basic amenities and services. The dominance of the oil industry led to productive and agricultural capacity of the country being seriously limited, a manifestation of the so-called “Dutch disease”.

On his election in 1998, Chávez implemented his promise to re-write the constitution via a Constituent Assembly. This new constitution was envisaged as refounding the republic (with its new name, the Bolivarian Republic of Venezuela). It strengthened democracy, for example by instituting the provision for the recall of elected representatives, including the president. It enacted legislation to recognise the country's indigenous peoples and their rights, including their lands. Environmental protections were enacted. Land titles were made available to squatters. An alliance was created with Cuba whereby thousands of health workers and educationalists began to work in the poor barrios throughout the country, providing access to health care and supporting the “Yo Sí Puedo” literacy programme, and Cuba was able to purchase oil at advantageous rates. Later on, the government initiated a house building programme and invested in co-operatives. In addition to the reform of representative democracy, with a new National Assembly, community and participative democracy was also promoted.

Edgar Lander³ sees the significance of the Bolivarian process of the early Chávez years, for the rethinking of the socialist project, in terms of four signals, also reflected in parallel developments under the progressive governments of Ecuador and Bolivia:

1. The political dynamic that led to these new governments was not led by political parties but by a wide and heterogeneous diversity of social movements, peoples and communities.
2. A debate was opened about development, and concerning other ways of relating human beings to nature or Mother Earth. In Ecuador and Bolivia, the rights of nature were recognised for the first time constitutionally or legally.
3. Plurality of nations and cultures, the recognition and celebration of the rich diversity of peoples, communities, traditions and of memories present in these societies, despite five centuries of authoritarian monocultural colonial States.
4. In Venezuela, Ecuador and Bolivia, the concepts of participative and community democracy were included in the constitutions. It is significant that these modes of democracy are not conceived as alternatives (or substitutes) for representative democracy, but as forms for deepening, for radicalising democracy.

Particularly once Chávez was temporarily ousted by a coup and then restored by loyal sections of the military, supported by popular mobilisation, his cause became popular in broad sections of the international left. The implication of the Bush regime in the coup, and in continued covert attempts to undermine the legitimate government, only strengthened this support. With the arrival of apparently leftward leaning governments in many American countries, it looked like this wave could be unstoppable, giving the oppressed across the world great hope. However, there were voices, from those whose commitment to community empowerment and social justice was unquestioned, who saw Chávez as an authoritarian bully and who questioned the degree to which the supposed changes were being reflected on the ground. Personally, I was prepared to give the Bolivarian revolution, and the associated developments in other countries, the benefit of the doubt. Even when I visited Bolivia in 2012, I was unconvinced by the criticisms of the government there from some sections. However, it was explained to me that the MAS, the ruling party of Evo Morales, and the alliance of social movements, were split between two orientations, the fairly standard, desarrollista (developmentalist) current, which saw the expansion of the economy, harnessing Bolivia's mineral wealth, as the route to social and

3 https://www.aporrea.org/media/2017/08/venezuela_la_experiencia_bolivariana_en_la_lucha_por_trasceder_al_capitalismo_25_de_agosto_2017.pdf

environmental justice and even environmental sustainability, and the Pachamamista (Mother Nature) current, that took seriously the commitment to the rights of nature and the indigenous-influenced concept of *vivir bien* (*suma qamaña* in Aymara, translated as *living well*, but closer to the idea of “right livelihood” or “commonweal”). The desarrrollistas were increasingly dominant. Subsequent events have clearly demonstrated this. Venezuela, Bolivia and Ecuador have all abandoned their earlier commitment to the protection of the ecosystem and infringed their own constitutions, emblematically in the Arco Mineral del Orinoco, Tipnis and Yasuní, respectively.

Up until 2014, it was possible to hold on to the idea that Venezuela would “come through” as a possible, if flawed, model. By now, only the most delusional supporters can believe that. The evidence is clear, the Bolivarian process has failed, leading to economic collapse, authoritarian and unconstitutional rule, and real suffering for the mass of the people who supported the revolution.

What went wrong?

It is not easy to find detailed and critical analysis of the Venezuelan collapse. An article by the LSE’s Asa Cusack in English is one of the few⁴ (Cusack is also the author and editor of two forthcoming books on ALBA, the Bolivarian Alliance for the Americas, the alternative regional alliance established by Venezuela and Cuba). A more detailed analysis, in Spanish, is provided by the Venezuela Central University scholar, Edgar Lander in a series of articles. I have used his analysis in what follows⁵, supplementing it with other information and perspectives. It contains elements found in Cusack’s paper but is located within the critical post-development and decolonial tradition, allied to the Pachamamista tendency in the Andean countries and to the international degrowth movement too. It is therefore informed by an opposition to the extractivism that has characterised Latin America from the colonial period to the present day. I will set out the key points of the analysis. I have reworked the points made by Lander and others into seven categories, but these inevitably overlap and influence one another; this complicates the search for final causes of the failed experiment. Much of this analysis is critical of the Bolivarian process, especially as it has evolved under Maduro but I am far more critical of the right wing opposition within the country and the USA’s efforts from the start to defeat the Bolivarian experiment (see section 7).

1) The failure to escape dependence on oil extraction.

Venezuela is a “petroState” and has been so from long before the Chávez presidency. In 1998, oil exports were 68.7% of total exports. By 2013, they had reached 96%⁶. Over the same period, the value of non-oil exports has fallen, as has the contribution of non-oil industries to the economy.

4 <https://www.aljazeera.com/indepth/opinion/socialism-blame-venezuelas-crisis-180530095418091.html>

5 In these two articles: Lander, E. (2018). Venezuela: el fracaso del proceso bolivariano. <https://www.aporrea.org/imprime/a267859.html> and Lander, E. (2017). Venezuela: la experiencia bolivariana en la lucha por trascender al capitalismo. <https://www.aporrea.org/ideologia/a251495.html> and <https://www.aporrea.org/imprime/a267859.html>

For an older article in English, see Lander, E. (2014). Venezuela: terminal crisis of the rentier petro-state? , from <http://www.tni.org/briefing/venezuela-terminal-crisis-rentier-petro-state>

Lander does acknowledge the positive achievements of the Bolivarian project, especially before 2014.

He was initially more supportive : Lander, E. (2011). The discourse of civil society and current decolonisation struggles in South America. In J. Heine & R. C. Thakur (Eds.), *The dark side of globalization*. New York: United Nations University Press. Retrieved from

http://www.tni.org/sites/www.tni.org/files/download/the_discourse_of_civil_society_and_current_decolonization_struggles_in_latina_merica.pdf

6 Central Bank of Venezuela statistics, cited by Lander, 2017.

Oil revenues have been the means to fund redistributive social policies and to maintain support for the government: it seems likely that these priorities have eclipsed the alternative of reducing dependence on oil, and restructuring the economy. While maintaining a radical discourse in the UN negotiations on climate change, the country has tried to increase its oil production (although it has failed in this). In the Plan de la Patria, presented by Chávez for the 2012 elections, objective 5 is To preserve life on the planet and save the human species, while objective 3 is To consolidate the role of Venezuela as a world energy power.

Chávez did have the idea of diversifying the economy, relying particularly on the construction of micro-enterprises and cooperatives but as the above figures indicate, little was actually achieved. The attempt to replicate “mechanically” the achievements of existing cooperatives, that had evolved over decades, had little success and the presence of corruption and clientalism and a lack of management capacity on the part of State institutions were further factors⁷.

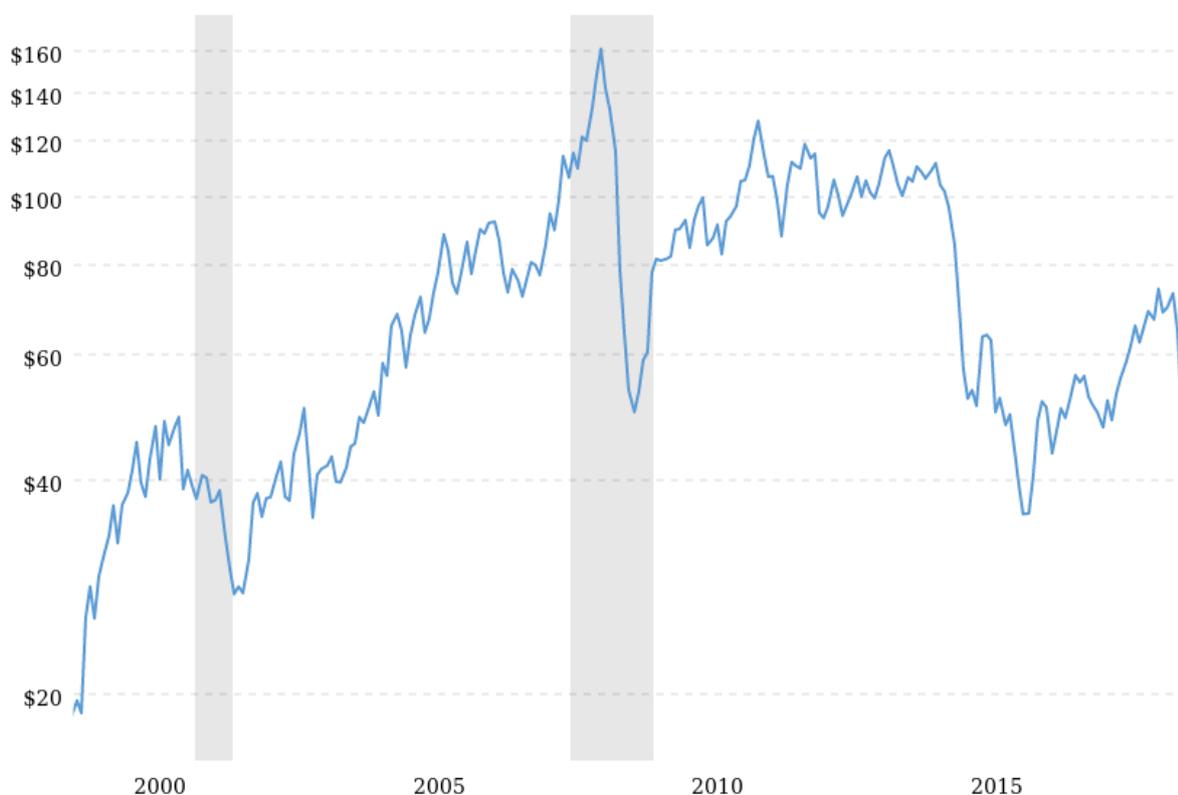
Under Chávez’s successor, Nicolás Maduro, the attempt to capitalise on the country’s natural resources has accelerated with the Orinoco Mineral Arc programme. This designates a region of Venezuela’s largest State, Estado Bolívar, 111.843 sq km, or 12.2% of the national territory, the size of Cuba or Portugal, for the exclusive extraction of minerals, under the overall control of the army. It was anticipated that, with the invitation to mining companies from around the world to exploit the reserves (which include coltan, aluminium, diamonds, radioactive minerals and especially gold) there would be enormous investments: these have not materialised and the project has become a drain on the country’s oil revenues. The region falls within the international pan-Amazon region, a region of enormous biodiversity and strategic significance for moderation of the planet’s climate. The socio-ecological (including the economic) value of the region’s resources is far greater than the value of the minerals that could be exploited (70% of the country’s hydroelectric power depends on the waters from this region). It is also home to the *Warao, E’Ñepa, Hoti, Pumé, Mapoyo, Kariña, Piaroa, Pemón, Ye’kwana* and *Sanema* peoples whose livelihoods would be devastated by large scale mineral extraction: it means that they are threatened with ethnocide. Established by an unconstitutional presidential decree, opposition to extractive projects in the zone is largely prohibited. It has also become a lawless zone, where illegal mining of gold and coltan has expanded vertiginously, with the recruitment of thousands of miners. Armed groups, originating from both sides in the Colombian conflict, and criminal bands control different sectors and fix the prices for the miners. All this is with the complicity of members of the country’s armed forces. The risk (likely already a reality) is of a link up between illegal mining interests and government officials. The large scale use of mercury by miners working with no protection has been documented in the extraction of gold, and mercury has been found in harmful concentrations in the bodies of mothers and children in the region⁸.

The Orinoco Mineral Arc illustrates the bankruptcy of the extractivist model, that far from enabling a transition from primary materials production for the global market while maintaining redistributive policies, deepens the country’s dependence on global

7 <http://chamba.coop/file/1500/download?token=z6c3rJ6T> Also see <https://lab.org.uk/what-afro-venezuelans-can-teach-the-government/> for a criticism of both the government’s failure to move beyond the oil rent model and the bureaucratic barriers faced by agricultural coops.

8 See the two articles by Lander, cited earlier. Other detailed analysis and investigation can be found in a variety of Spanish language sources, including <http://www.ecopoliticavenezuela.org/2018/06/28/una-mirada-estructural-del-megaproyecto-arco-minero-del-orinoco-i/>
<https://arcominerodelorinoco.com/>
<http://nuso.org/articulo/el-arco-minero-del-orinoco/>
https://elpais.com/elpais/2018/09/03/planeta_futuro/1535983599_117995.html

commodity markets while destroying the country's most important assets and precipitating sections of the population into a criminalised, impoverished and unprotected labour force. That dependence of the extractivist economy on global commodity markets, and its vulnerability to their vagaries can be seen in the impact of global oil prices on Venezuela's economy. Oil prices, however, while an important factor, do not account for the economic crisis that the country finds itself in. The price per barrel, around \$100 from 2012-2014, fell to an average of \$41 in 2015. However, as the following chart⁹ illustrates, prices are now in the range that they were during the first 6 or 7 years of the Chávez administration. It has, however, been estimated that Venezuela needs an oil price of around \$117 to break even¹⁰.



*World crude oil prices, corrected for inflation.*¹¹

Venezuela has tried to pump more and more oil to get over this problem, but it has failed in this, with production continuing to plummet. The goal for 2019 is for production of 6M barrels but production has fallen from a peak of 3.39M barrels in 2008 to an annualised rate of 1.14M by December 2018¹². Lander explains the collapse in these terms:

“As well as external factors [a portion of the State oil company PDVSA’s income is being used to pay off debts incurred, principally to China and Russia] ... the following are notable: the managerial incapacity that leads to inefficiency and improvisation, corruption, the scandalous overpricing in its operations, the continued drain of qualified staff and the limited investments in maintenance and technology. The distribution of petrol almost free of charge in the internal market, and the massive smuggling and pilfering of its products that this generates, implies national budgetary

9 Macrotrends, 70 year oil price data: <https://www.macrotrends.net/1369/crude-oil-price-history-chart>

10 e.g. Fahey, M. (2015, December 3). Oil prices and budgets: The OPEC countries most at risk. Retrieved January 3, 2019, from <https://www.cnbc.com/2015/12/03/oil-prices-and-budgets-the-opec-countries-most-at-risk.html>

11 Macrotrends, 70 year oil price data: <https://www.macrotrends.net/1369/crude-oil-price-history-chart>

12 OPEC. Monthly Oil Market Report December 2018, Vienna, December 2018. <https://momr.opec.org/pdf-download/index.php>

*losses of millions of dollars per year. The process of de-capitalisation to which the national executive has subjected PDVSA has been systematic, obliging the company to deliver its hard currency to the Central Bank at an exchange rate that represents an extraordinary and unsustainable overvaluation of the bolivar [the national currency]. To continue operating, from 2017, the company began a process of increasing external borrowing. In 2017 it already owed a total of 71 Million dollars, debt that the company has no capacity to pay, which means a default is dangerously imminent which would put at risk its installations overseas, especially its USA subsidiary CITGO.*¹³

This risk to overseas assets has already been encountered, with seizure of PDVSA facilities May 2018 when in U.S. oil firm ConocoPhillips won court orders releasing the Venezuelan company's key Caribbean operations, where PDVSA used to ship large consignments to Asia. This loss of access has led to congestion at Venezuela's ports¹⁴, compounding the export problem.

Meanwhile the government's investment priority has been in heavy oil in the Orinoco region. The return on investment ratio is poor, since it requires such large inputs to process this oil – a problem already affecting Venezuela's mainstream production (although to a lesser degree).

So the country has not escaped oil dependency, instead increasing its reliance on primary resource extraction. As such it is subject to the vagaries of international commodity prices, in any case a problem given the relatively high break-even price for Venezuelan oil¹⁵. This has been compounded by corruption and the mismanagement of the national oil company, both by the government and by its own management meaning that production and exports have slumped restricting investment and maintenance, meaning that the country's income from oil has also slumped, just as its reliance on it has increased.

2) Mistakes in financial management.

A key problem has been that of exchange rates. The bolivar is seriously overvalued. This means that home production is expensive, so production for export is disincentivised while imports have been cheap. Although there are controls on access to foreign currency, there is an incentive to circumvent these, leading to a black market in dollars. Local businesses were thereby undermined while corruption increased, affecting both individuals and organisations. This leads to the phenomenon of "currency arbitrage". Cusack explains it in this way:

The wider the gap between the official and black-market exchange rates, the greater the incentive to get hold of cheap official-rate dollars and resell them on the black market ("currency arbitrage"). The wider the gap between the prices of oil or foodstuffs in Venezuela and neighbouring countries, the greater the incentive to smuggle these products across the border for resale.

Differences in price are captured privately at the state's expense while producing

13 Lander (2017) – see note 5.

14 Reuters: <https://af.reuters.com/article/commoditiesNews/idAFL2N1T728R>

15 For a fuller analysis of the traps of the neo-extractivism of the Latin American left governments, see Acosta, A., & Brand, U. (2017). *Salidas del laberinto capitalista: decrecimiento y postextractivismo*. Barcelona: Icaria.

Brand, U., & Wissen, M. (2018). *The limits to capitalist nature: theorizing and overcoming the imperial mode of living*. London ; New York: Rowman & Littlefield International.

Gudynas, E. (2017). Value, Growth, Development: South American Lessons for a New Ecopolitics. *Capitalism Nature Socialism*, 1–10. <https://doi.org/10.1080/10455752.2017.1372502>

*nothing, which in turn leaves fewer resources available for the everyday business of running the country*¹⁶.

Chávez had devalued the bolivar temporarily when faced with this problem of divergence of black market and official exchange rates. Maduro has not countenanced doing this. Moreover, there are multiple official exchange rates affecting different sectors of the economy. The criticism of these policies has not just come from the right wing opposition. The finance minister Jorge Giordani resigned due to Maduro's economic mismanagement and the left opposition Marea Socialista has also called for changes to monetary policy, as well as other reforms¹⁷. In their own investigation, covering the years 1998 to 2013, Marea Socialista estimated rates of between 12.3 and 46.7% annual flight of oil revenues, equivalent to ten times the loss sustained during the right wing sabotage (the lock out) of 2002/2003, lost to the country's budgets¹⁸. Giordani estimated the loss of approximately \$300bn in the 7 year period to 2012 from currency arbitrage¹⁹. Hector Navarro, a founder of the ruling Unified Socialist party but expelled in 2014, was a minister under Chávez. He joined Giordani in the criticism of the Maduro regime's corrupt rule. Of course it does not help that Venezuela's foreign debt is denominated in the US dollar²⁰: this is not Venezuela's choice and it has been involved in a number of alternatives to create an alternative. It also gives the US immense power over the country's economy.

3) Political weakness: the reliance on charismatic leadership and the weakness of popular democracy.

The fatal political weakness of the Bolivarian experiment has been its reliance on a single charismatic leader. That is not to say that social movements have been absent, but it was the extraordinary ability of Chávez to bring currents together, overcoming lethargy and apathy and articulate the direction of travel. The downside was the marginalisation of critical voices and the consequent lack of open debate: this was undoubtedly reinforced by the intransigent and delinquent opposition from the right and their international allies, supported by the world's liberal media. But the consequence was an impoverishment of the revolution's political culture and the loss of the ability to identify problems and self-correct strategic mistakes. The untimely death of Chávez in 2013 coincided with the deepening of the economic crisis when oil prices fell. Maduro lacks both the personal charisma of his predecessor and the popular affection Chávez enjoyed. This has accentuated the recourse to authoritarian rulings including the sacking of judges, the unconstitutional replacement of the National Assembly (when the government lost its majority), postponement of State elections, imprisonment of opposition politicians (not all of whom are clearly criminal) and rule by decree. The liberal press used to accuse Chávez of dictatorial tendencies. This was untrue: democracy was initially strengthened, with a variety of innovations for participative democracy, including community councils and transparency in elections. The claim has in the case of Maduro. However, it is arguable that there was always a tension between the democratic impulse and the left "caudillismo" exercised by Chávez while the bureaucratic and corrupt nature of the State, impaired by the unwillingness of some of its functionaries to implement reforms, meant that these new institutions were frustrated from delivering for their constituents.

16 Cusack, see note 3.

17 <https://www.aporrea.org/ideologia/a215841.html>

18 <https://www.aporrea.org/contraloria/n257348.html>

19 <https://www.reuters.com/article/us-venezuela-politics/venezuela-ex-ministers-seek-probe-into-300-billion-in-lost-oil-revenue-idUSKCN0VB26F>

20 As Richard Murphy, a post-Keynesian economist, critical of Venezuela points out: <https://www.taxresearch.org.uk/Blog/2018/08/21/venezuelan-inflation-was-not-caused-by-over-printing-money/>

4) A overly statist model of transformation: the emptiness of the supposed “21st Century socialism” alternative.

On the left, in Venezuela and worldwide, there have, since the 1960s, been wide-ranging debates about the nature of socialism. One theme has been the limitations of identifying socialism with the State, and of the implementation of socialism from above. At the same time, it is clear enough that an over-emphasis on bottom-up governance and innovation is likely to fail. In the Bolivarian process, there was a tension between,

“...the imaginaries and practices of popular power and self-organisation from below, one the one hand, and Leninist-inspired politics of control from above and the taking of all the principal decisions from the centre of the party-State, which are then communicated to the population via simultaneous radio and television broadcasts. In this way confidence in the capabilities of self-government by the organised people has been undermined. In this period there has been a strong contradiction between the setting up and promotion of multiple forms of popular base organisation and the establishment of structures of vertical control of these organisations, and by the same token, the generation of a permanent financial dependency on the State, undermining the autonomous possibilities of these organisations.”²¹

Thus, despite a genuine desire to develop a different model, a 21st Century socialism, a more traditional, centralised Statist approach has predominated. A contributory factor was the obstruction of the Chávez reforms by those in the State apparatus inherited from the previous governments. This led the government to establish, often in a somewhat improvised and informal manner, parallel institutions, strengthening the rule of the centre without checks and balances while failing to address the incapacity of the government bureaucracy to implement and monitor policy implementation. In a society where corruption was widespread, it also strengthened the practice of clientalism – the distribution of services and benefits according to loyalties. As a result, some social policies did not reach those that they were intended to.

The idea of 21st Century Socialism became something of a rallying cry, particularly in Latin America. What it meant was somewhat more difficult to pin down but it could be thought of as a kind of leftist Third Way: neither the State socialism of the former soviet block nor capitalism. It would combine a participative democracy and economic democracy, with an emphasis on cooperatives and community-based enterprises. However, its lack of clear definition led to its use as a slogan rather than as either a theoretical framework of strategic orientation. At this point in time it seems a somewhat empty slogan, despite the validity of its critique of previous social models. More worryingly its vagueness allows it to be used to justify a variety of dubious political arrangements.

The situation is further compounded in Venezuela by the involvement of military personnel at all levels of government activity: in early 2017, 34% of Maduro's cabinet were serving or retired military officers. This was partly attributable to the background and networks of Hugo Chávez but also again to the obstruction to the reform process by the right wing opposition.

5) An accelerating corrosion of the social fabric.

The extreme polarisation of Venezuelan Society was a reality long before Chávez, but has been reinforced by both sides during this period. The economic collapse undermines collective resolve and the two features have meant a corroded social fabric, that is, the values and norms that enable a society to function, securing safety and support for its members, irrespective of formal State and market arrangements. In the struggle to get by,

21 Lander, 2018. See note 5.

al manner of practices occur from pilfering and resale of subsidised products to involvement in violent crime. The inconsistency of distribution of State benefits makes matters worse, so people fall back on individual and competitive tactics. A study by the *Encuesta Nacional de Condiciones de Vida de la Población Venezolana*, an initiative of three Venezuelan Universities in the absence of reliable government statistics²², found that 87% of the population (the same proportion now in conditions of poverty, according to the same study) have access to subsidised food (mostly carbohydrates) and 67% get this at least once a month in Caracas. Elsewhere more than 50% receive it with an “undefined” frequency. As the proportion of those receiving food support has increased, the other social missions have declined. For example the primary care programme, Barrio Adentro, largely staffed by Cuban and Cuban-trained doctors served 2.6M people in 2015 but by February 2018 was only serving 0.2M. They concluded that by 2017, to all intents and purposes there was only one effective mission, the CLAP²³, supplying subsidised foodstuffs. There is a striking difference with the experience in Cuba. After the counter-revolutions in the former soviet countries, Cuba lost some 80% of its foreign trade and suffered extreme hardship, yet the population were, if anything healthier during that period and there was little or no collapse in social solidarity. This is in part due to the greater political consciousness there, a legacy of the revolution, and a far more organised, effective and self-reflective government, supported by broadly democratic mass organisations. While corruption was a problem, it tended to be manifest at a petty level, so need to *resolver*, whereby pretty much everyone was involved in some way in activities of dubious legality, did not lead to the kind of corrosion and collapse of social fabric that Venezuela experienced.

6) A lack of reflection and self-criticism and an increasing and unconstitutional authoritarianism on the part of the government²⁴.

Lander argues that over the course of the governments of Chávez and Maduro, there has been an increasing marginalisation and rejection of critical voices. This is evident in the Leninist model of the ruling party (with democratic centralism as one of its principles) and in the practice in expelling critics. This is counter-productive since it reduces the scope for learning from friendly critics and from experience.

Under Maduro, there has been an increasingly authoritarian approach that has now crossed the line into unconstitutionality. In the 2015 National Assembly election, the opposition MUD gained a two thirds majority (with 56.26% of the vote). This meant that the opposition could nominate members of the Supreme Court, the National Electoral Commission and approve legislation without negotiation with the government. This meant a potential duality of powers, presenting something of a constitutional crisis. The Maduro government, rather than accepting this situation and negotiating with the opposition, opted to maintain its power, and this meant both resorting to unconstitutional means and failing to recognise the inconvenient electoral result. Firstly, a few days after the election, the government nominated new magistrates. These new appointees then declared the results of the elections in Amazonas State invalid, depriving the opposition of its majority. Months passed without new elections so the National Assembly decided to accept the representatives whose election had been questioned. At this point the Supreme Court, declared the National Assembly in contempt, rendering any of its decisions invalid. This

22 <https://www.ucab.edu.ve/wp-content/uploads/sites/2/2018/02/ENCOVI-2017-presentaci%C3%B3n-para-difundir-.pdf> See <https://encovi.ucab.edu.ve/que-es-la-encovi/> for background and methodology.

23 *Comités Locales de Abastecimiento y Producción*. (Local supply and production committees. These function primarily through institutions of the governing Unified Popular Socialist Party such as the Unidades de Batalla Bolívar-Chávez (UBCH) and the Frente Francisco de Miranda.

24 The account here draws on Lander's two articles cited at note 5.

meant a concentration of powers in the Executive without the checks and balances of the legislature. In February 2016, Maduro declared a state of economic emergency, giving him the power of rule by presidential decree. This was what enabled the declaration of the Orinoco Mineral Arc, discussed above. The government was able to successfully impede the call for a presidential recall referendum in 2016, despite the petitioners having complied with the constitutional requirements. Finally, in May, 2017, Maduro convened a new “Constituent Assembly” with what could be described as a gerrymandered government majority, to replace the National Assembly. The opposition refused to participate in the elections to it and it has the role of approving government decisions, normally by acclamation and unanimity.

7) A relentless campaign of destabilisation from external and internal opponents.

If the analysis presented here has been critical of the Venezuelan government and the Bolivarian process in general, we must be far more critical of those who, from the start, have sought to demolish what was, after all, a brave experiment in achieving social justice at national scale. Moreover, the Western liberal press has been unfairly critical of the Bolivarian process and indulgent of the far right throughout²⁵. Even generally left of centre newspapers like the Guardian have joined the fray, publishing de-contextualised and one-sided pieces, most notoriously in the case of the reportage by their one time Latin America reporter, Rory Carroll²⁶.

The Venezuelan upper middle class has been unwaveringly hostile, resorting from the start to illegal and violent means to overthrow the government. The unsuccessful 2002 coup, supported by the USA, actually strengthened Chávez but they did not stop there, using the new democratic provisions of Venezuela's constitution to try to recall the President and failing miserably. Then they cried Fraud! but every election during the Chávez years has been conducted with a transparency and fairness that puts US and UK representative democracy to shame. The Carter Foundation and other international observers have concurred with this. It is true that the government controls the State broadcaster, but private channels dominate the airwaves and they have broadcast unceasing anti-government propaganda. Even when the opposition stood a good chance of defeating Maduro, in April 2018, they decided not to contest the presidential election, whose date had been negotiated with them, under the auspices of former Spanish Prime Minister, José Luis Rodríguez Zapatero, leaving the field to Maduro and a former Chávez ally, Hector Falcón.²⁷

There has been hoarding and disruption of supplies on the part of business interests, tactics reminiscent of the lead up to the 1973 coup in Chile. The opposition forces have also mounted violent acts, including assaults on government premises and the widespread use of barricades and intimidation in the streets. Individuals who are apparently Chavista, on grounds of colour, dress, mode of transport, have been beaten up and in some cases killed. During the upheavals of 2017, a majority of deaths were the result of opposition violence²⁸.

All the US regimes since Chávez was elected have sought an end to the Bolivarian experiment²⁹. Among other reasons, Venezuela has been a lifeline to Cuba and it also supported other left governments in the region. As a major source of oil, it was of great

25 <https://lab.org.uk/venezuela-the-media-are-giving-a-free-pass-to-the-far-right/>

26 <https://www.redpepper.org.uk/carroll-in-wonderland-how-the/>

27 <https://newint.org/features/web-exclusive/2018/05/15/venezuela-presidential-election>

28 <https://venezuelanalysis.com/analysis/13081>

29 For the Obama regime's intentions see <https://lab.org.uk/venezuela-the-us-is-intent-on-regime-change/>

strategic interest to the US. Tactics have included the funding of opposition groups through USAid and a variety of front organisations – imagine if a socialist country were to fund opposition groups and parties in a Western democracy. It is arguable that the US fracking boom, which has contributed to the oil price drop, was part of a geopolitical strategy to undermine key oil producing states that the US disapproved of. And who knows whether the conspiracy theories about the poisoning of Chávez and other leftist leaders have any foundation. In August, 2018, Maduro was the target of an unsuccessful assassination attempt by drone. The New Yorker magazine gave some credence to the claim that the USA was involved³⁰.

However, it is the sanctions against Venezuela that could prove the most damaging. Just before leaving office, Obama renewed an order that declared “a national emergency with respect to the situation in Venezuela”³¹. Trump has speculated on the possibility of a military invasion³² and the White House then refused a telephone call from Maduro. In August 2017, sanctions were declared. These, like those of the blockade of Cuba are extraterritorial in nature, constraining financial institutions and companies in third countries. This means, for example, that Venezuela has had its accounts with banks in a number of countries closed in fear of US fines and other sanctions. This obviously makes it difficult for Venezuela to get the necessary credit for purchases, even of vital things like food and medicines. The object is to make the country ungovernable and create unrest among the population. This, of course, is the usual practice of the USA when any country demonstrates independence, especially when it is seen as a potential good example for others (not that Venezuela can any long claim such a status).

Conclusions

The Bolivarian process launched by President Hugo Chávez showed that it was possible to pursue the goals of social and economic justice in the context of representative democracy. The new constitution increased democracy and recognised the country's indigenous peoples. It also stated the goal of environmental protection. In the early years there was significant investment in social programmes that brought real benefits to Venezuela's poor. Venezuela's example was also an inspiration to social movements and progressives across Latin America and beyond. New international institutions were established and poorer countries' social programmes were subsidised. This was all in the face of relentless opposition that extended to illegal and violent acts, including the failed 2002 coup and the PDVSA lock-out. The popularity of Chávez and the Bolivarian process among the majority of the population was confirmed by his victory in the recall referendum and in a series of elections.

However, the Bolivarian process rested on the continuation of Venezuela's dependence on oil exports. This distorted economy predated 1998 by decades but the skew towards oil was intensified under Chávez. No serious attempt was made to secure a transition to a more balanced economy and the country benefited from the high oil prices of the first decade of the century. However, Venezuela's oil was increasingly a liability, with a high break-even price and a declining return on investment. Despite its leftist image the government's policies were largely social-democratic in nature, using the oil revenues to

30 <https://www.newyorker.com/news/news-desk/an-assassination-attempt-by-drone-is-just-the-latest-moment-of-chaos-in-venezuela>

31 The White House, Office of the Press Secretary. Notice. Continuation of the National Emergency with Respect to Venezuela, Washington, 13 Jan., 2017. [<https://obamawhitehouse.archives.gov/the-press-office/2017/01/13/notice-continuation-national-emergency-respect-venezuela>]

32 <https://www.theguardian.com/world/2017/aug/11/donald-trump-venezuela-crisis-military-intervention>

fund ameliorative programmes but not changing the fundamental capitalist economic and social relations, except through a series of nationalisations, typically of failing enterprises and the promotion of co-operatives, at the margins.

The failure to address the structural weakness of the economy and its dependence on extractivist exports became apparent when the global oil price dropped from 2013. This coincided with the untimely death of Chávez. Poor policy choices in financial management with an overvalued Bolivar at a series of fixed exchange rates, exacerbated the problems and contributed, along with the almost free supply of petrol (which benefited middle class car drivers more than the masses), to the diversion of resources into contraband trade. The government increased its attempt to ramp up the extractive economy with disastrous consequences for the environment, indigenous peoples and an upsurge of organised crime, linked to informal and dangerous mining.

The economic crisis deepened from 2014 onwards and Maduro's lacklustre leadership was indecisive and ineffective in responding to it and to the political haemorrhaging of popular support. Authoritarian tendencies, already identifiable under Chávez, were intensified and the government engaged in a series of unconstitutional moves. Meanwhile a humanitarian crisis, characterised by shortages and the collapse of health and social services, took root.

Throughout, the right wing opposition, with support from the USA, has taken every opportunity to sabotage the country, and it appears that they will only be satisfied with its total collapse and the end of the Bolivarian experiment.

There are a number of lessons for socialists, and not just in Latin America.

Firstly, constitutional reform is of no value unless it is then respected and followed through with a deepening of democracy.

Secondly, dependence on globalised chains of extraction and supply means a vulnerable economy: every effort has to be made to ensure a diversified and resilient economy, and one that does not destroy the natural world on which all life depends.

Thirdly, socialism must be more than the paternalistic distribution of part of the surplus of an undisturbed capitalist accumulation process: it is necessary to change the fundamental model of accumulation and distribution, and this means finding an appropriate balance between State, market and the social economy.

Fourthly, a sound financial strategy is vital given the vulnerability of national economies and currencies to global shocks and the machinations of hostile governments and financial interests³³.

Fifthly, the international left needs to balance its solidarity with fair criticism. We have to oppose the imperialist destabilisation and internal oligarchic sabotage without falling into the trap of turning a blind eye to abuses by left governments.

33 This latter has been a significant issue in Argentina. <http://www.cadtm.org/The-IMF-is-back-in-Argentina-an-economic-and-social-crisis-even-more-serious>
<https://www.nytimes.com/2016/04/01/opinion/how-hedge-funds-held-argentina-for-ransom.html> One thing that can be learned from the Ecuadorian experience is the use of the citizen's debt audit to make transparent and resist this injustice: <http://www.cadtm.org/Vulture-funds-are-the-vanguard>