

Venezuela and the Bolivarian Revolution: Unfinished Business

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The Bolivarian Revolution went too far for capitalism but not far enough for socialism.

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There can be no doubt that Venezuela is going through a profound crisis. A group of socialists in the country who defend the legacy of Hugo Chávez paint a bleak picture of everyday life there:

“Nearly nineteen minimum wages are needed to cover the basket of basic necessities. We can add to this the inflation, said to be the highest in the world, the endless queues because of shortages caused by hoarding, speculative reselling and low agro-industrial production; along with the abuse by police and military personnel, the drama of the sick who cannot find their medicines, corruption that goes unpunished, the electricity crisis and organized crime. All of this is creating a situation of unprecedented social, political and economic chaos in Venezuela.”

The failure of Nicolás Maduro’s government to maintain popular living standards has allowed the right-wing opposition to take control of Venezuela’s National Assembly, resulting in a bitter standoff between executive and legislature that has yet to be resolved one way or another.

The details of Venezuela’s crisis have been ably recounted elsewhere. But what’s been grappled with less is the meaning of that crisis for the international Left, which once invested great hopes in the Bolivarian Revolution.

Coming into Focus

There can be no honest account of where things went wrong in Venezuela that doesn’t start by recognizing what Chavismo got right.

The experiment launched by Hugo Chávez after he became president in 1999 with a modest program of social reform came into focus gradually for the international Left. Richard Gott made an early attempt to address the phenomenon in his biography of the Venezuelan leader. His book received a sniffy review in the *Guardian* from an editor of the *Buenos Aires Herald*, who suggested that Latin America needed “fewer Messiahs and more ordinary men and women with good economic-

management credentials.” That was the predominant view at the dawn of the twenty-first century, despite the best efforts of antiglobalization protesters: all of the fundamental questions about how to run an economy had already been settled by the Washington Consensus, so competent managerial skills were all a good leader needed.

The unsuccessful coup against Chávez in 2002 sharpened interest in Venezuela, as did his victory in the 2004 recall referendum. By the time he was reelected in 2006, it was clear to most observers that something exciting was happening, with major implications for the region, if not the world.

Developments elsewhere in Latin America helped crystallize this perception, from the inauguration of Luiz Inácio Lula da Silva (“Lula”) as Brazil’s president in 2003 to the cycle of protest in Bolivia that eventually brought Evo Morales and his Movement for Socialism to power. Mainstream journalists began referring to a Pink Tide engulfing the region — there was much anguished talk of a “forgotten continent” where sensible economics had given way to rampant populism.

For these commentators, it was baffling enough that anyone in Venezuela should find Hugo Chávez an attractive figure; the idea that he might have a burgeoning fan club in Europe or the United States struck them as outright lunacy. The only explanation they could imagine was a gormless delight in Chávez’s speeches railing against the Bush administration — like his performance at the United Nations in 2006, when he brandished a copy of Noam Chomsky’s *Hegemony or Survival* and playfully referred to the American president as the devil.

Chavismo in Power

Yet if tirades against Bush and Cheney were enough to win admirers, Mahmoud Ahmadinejad would have been a calendar pinup. In reality, the verbal jousting Chávez indulged in played a small part in his popularity. The record of his government on the domestic stage was what really mattered. Once it had seen off the right-wing opposition’s early attempts at economic sabotage, the Chavista government presided over drastic reductions in poverty and launched major initiatives in healthcare and education that improved the lives of millions.

Social spending rose from 8.2 percent of gross domestic product in 1998 to 13.6 percent eight years later. Poverty fell from 55 percent in 2003 to just over 30 percent in 2006. When Chávez first came to power, there were barely 1,600 primary-care physicians for a population of 23.4 million; by the time he started his second term, there were almost 20,000 for a population of 27 million. More than a million people had enrolled in adult literacy programs. Rising oil prices made this work easier, of course — but the most strident critics of Chavismo simply ignored these successes altogether.

In addition to these economic reforms, the Chávez government transformed Venezuela’s political system, making it more open and democratic. Chávez inherited a political culture marked by violence, corruption, and the near-total estrangement of Venezuelan citizens from their rulers. The defining moment of the period leading up to his victory was the 1989 *Caracazo*. A newly elected president, Carlos Andrés Pérez, tore up his pledge to break with the austerity program the International Monetary Fund had mandated and imposed deep cuts in public spending, then sent in the army to deal with violent protests in Caracas and other cities.

The exact number of victims remains unknown — many of those killed were buried in mass graves — but the true figure may have been as high as 3,000. This massacre was passed over in silence by pundits who claimed that Chávez had brought a new kind of bitterness to the country’s political life and turned its people against each other.

By the time Chávez had started his second term, his government could claim credit for a remarkable turnaround, as Julia Buxton described:

“According to Latinobarometro polling, the percentage of Venezuelans satisfied with their political system increased from 32% in 1998 to over 57% and Venezuelans are more politically active than the citizens of any other surveyed country — 47% discuss politics regularly (against a regional average of 26%) while 25% are active in a political party (the regional average is 9%). 56% believe that elections in the country are “clean,” (regional average 41%) and along with Uruguayans, Venezuelans express the highest percentage of confidence in elections as the most effective means of promoting change in the country (both 71%, compared to 57% for all of Latin America).”

A new constitution gave citizens more scope to hold their rulers accountable through a right of recall for all public officials (the opposition parties took advantage of this in the failed 2004 recall referendum).

This was achieved despite the right-wing opposition’s constant efforts to overthrow Venezuela’s elected government by force and replace it with a Pinochet-style dictatorship. For all the warmth of his relationship with Fidel Castro, Chávez did not try to imitate the Cuban political system, and showed much greater leniency toward the coup plotters than could have been expected from any government in Western Europe or North America.

This is not to claim that Chavismo had a perfect record when it came to democratic rights: there were certainly legitimate grounds for criticism. In particular, the woeful conditions in Venezuela’s prisons went largely unreformed, and its police forces had a fractious relationship with residents of the urban barrios. Yet by the standards applied to other countries in the Americas, none of this would exclude Venezuela from being considered a democratic state.

Other criticisms simply took no account of the violent resistance Chávez had faced from the right-wing opposition since taking power. Once again, historical amnesia came into play: the danger of violent counterrevolution, and the need to take decisive steps to avert that danger, were excluded from most liberal analysis, as if there was no long and gruesome history of democratically elected left-wing governments in Latin America being overturned by military coups.

How to keep the wolves from the door, without becoming a wolf yourself — this has always been one of the fundamental questions for governments bent on radical change. Rather than address this dilemma head-on, the liberal perspective implicitly prescribes surrender in the face of implacable resistance from conservative forces, even if that means leaving grave injustices unchallenged. It is an approach that would have incapacitated Lincoln and Roosevelt as much as Lenin or Castro.

Critical Chavismo

The best counterpoint to standard criticism of Venezuela came from interviews with social-movement activists, which featured savvy, experienced militants discussing the strengths and shortcomings of the Bolivarian Revolution with brutal candor, belying the image of a charismatic, populist leader handing down largesse from the state to a mass of credulous supporters. This was the voice of “critical Chavismo.”

The Venezuelan Left had no doubt that the Chávez government needed support in its battles with the right-wing opposition and US imperialism. Equally, they were in no doubt that the Chavista experiment contained serious flaws that would have to be remedied if it was to survive in the long run: its overreliance on the leadership of Chávez; high-handed, bureaucratic practices in the

Chavista movement; widespread corruption among state officials.

All the same, there was no question that Venezuela's president played a decisive role in shaping the process. Much of the fascination came from trying to figure out exactly what endpoint Chávez had in mind. He had come to power vaguely presenting himself as a Third Way leader in the mold of Clinton or Blair. It was only when the traditional Venezuelan elites responded with all-out opposition that Chávez radicalized his agenda.

As Mick McCaughan points out in his study of early Chavismo, *The Battle of Venezuela*, the decisive moment came in 2001, when Chávez brought forward a package of forty-nine laws; though the reforms were mild in themselves, they marked "the point at which business, media, oil, church and other influential sectors threw down the gauntlet and demanded the government relent or face total resistance to its continued rule." Defeating these attempts at violent subversion required a quasi-revolutionary mobilization in defense of the elected government.

Twenty-First Century Socialism

It was only in the runup to the 2006 presidential election that Chávez proclaimed socialism to be the goal of his administration — "twenty-first-century socialism," to be precise. As the name suggested, this was defined in opposition to the failed experiments of the previous century; in a late speech that sought to encapsulate his legacy, the *Golpe de Timón*, Chávez urged his audience to "remember the Soviet Union, which is gone with the wind; in the Soviet Union, there was never democracy . . . one of the fundamentally new things about our model is its democratic character."

But it was never entirely clear what twenty-first-century socialism would look like. Time and again, Chávez railed against the capitalist system and called for a decisive rupture, yet most of the Venezuelan economy still remained in private hands. The state sector had expanded and there were some promising experiments in workers' self-management, but the old ruling class retained much of its wealth, and a new elite — the so-called "Bolibourgeoisie" — had started to consolidate its position.

Ambiguous Legacy

When he became terminally ill, Chávez left behind three key problems for his successors to grapple with. The first was the question of leadership. It would have been difficult to find a replacement for Chávez, a man of rare political talents with an outsized personality. But the way Chávez handled the question, by nominating Nicolás Maduro to take his place at the head of the movement, simply reinforced the top-down aspects of *Chavismo*.

Julia Buxton has suggested that a primary selection process allowing supporters of the ruling United Socialist Party of Venezuela (PSUV) to choose between rival contenders would have empowered the Chavista base and given the PSUV a badly needed shot in the arm. Maduro's record in office makes it hard to disagree with that.

In the economic field, Chávez left Venezuela more dependent than ever on oil exports. There was much talk in the early years of his government about diversifying the economy and building up a stronger manufacturing base, but those plans fell by the wayside as oil prices continued to soar. It would have been a remarkable achievement for any government to overcome the so-called "Dutch disease" at a time when buoyant oil revenues sucked in cheap imports that priced Venezuelan industries out of the home market. But the Chavistas compounded the problem with heavy

borrowing from states like China, based on the assumption that prices were unlikely to fall much. When the bottom dropped out of the market, Venezuela found itself badly exposed.

Above all, Maduro inherited a system of exchange rate and price controls that was originally set up to counter economic sabotage by the opposition in the early 2000s but had long since become profoundly dysfunctional. For all its baffling complexity, the harmful effects of this system were (and are) straightforward enough. Anyone who could get access to dollars at the official government rate would be able to sell them on the black market at a huge markup. The same incentives came into play with food, medicine, and other basic goods. Sympathetic economists like Mark Weisbrot had been pointing out the harmful effects of this system for years — with a mounting sense of urgency as the downward spiral continued — and calling for drastic reform, but the problem was simply left to fester.

Economic War?

Maduro has blamed the opposition for the crisis, accusing them of waging an “economic war” against his government. But there is no need to posit a direct political motive: all the various players had to do was follow market incentives and the result would be an economic car crash.

If anything Venezuela’s crisis speaks to the ambiguity of “twenty-first-century socialism,” which has found itself stranded in a no man’s land. By imposing price controls while leaving the production and distribution of goods largely in private hands, the Bolivarian government went too far for capitalism but not far enough for socialism. The collapse in oil prices would have caused severe difficulties for Venezuela in any circumstances, but the failure to reform the system of controls is a grave, unforced error that may well prove fatal for the whole process.

It is tempting to ask how Chávez would have responded to the crisis if he had lived a few years longer. Maduro has been remarkably passive since taking over, with no apparent desire to grasp the nettle of reform. Many observers believe that he is reluctant to challenge corrupt vested interests within the “Bolibourgeoisie” who are making big profits from the current setup.

It is facile to simply contrast the virtues of Chávez with the vices of his successor: Maduro has had to confront a very different context, and his problems didn’t spring up overnight. But it is hard to imagine Chávez showing the same timidity in the face of apparent disaster.

Daydreams about a lost leader will get Venezuelans nowhere, of course. It is hard to see how today’s crisis can be resolved in a way that preserves the constructive legacy of Chavismo: above all, the social programs that did so much to transform the lives of the popular classes and the deep sense of empowerment that took hold among traditionally excluded sectors of the population. If Venezuela had a normal opposition, a spell out of government could have given the Chavista movement a chance to recover its bearings and reflect on what went wrong.

But the opposition is anything but “normal”: still dominated by vengeful oligarchic figureheads, Venezuela’s right-wing bloc cannot be trusted to show any respect for democratic rights if it recovers power. By the time that happens, the PSUV leadership may have already shredded the most striking achievements of the Bolivarian Revolution.

Good Left, Bad Left

It was fashionable to speak of a “good Left” and a “bad Left” when the Pink Tide was at its height.

The good Left — moderate, reformist, respectable — was supposedly exemplified by Lula’s Workers’ Party (PT) government in Brazil; the bad Left was exemplified, of course, by Chávez. In one sense, this was always a mendacious and misleading dichotomy. Lula himself certainly never recognized its validity: the Brazilian president kept up warm relations with Chávez and supported his re-election campaign in 2012 (much to the annoyance of journalists who had tried to present the right-wing opposition candidate as “Venezuela’s Lula”). But there was clearly a difference in the PT’s approach in office: more cautious and consensual, less inclined to risk a frontal clash with the Brazilian oligarchy.

It is therefore striking that both experiments have hit the buffers at almost exactly the same time, with the Brazilian Right ousting Dilma Rousseff in a parliamentary coup as her government struggled to cope with a deep recession. Corruption was little more than a pretext for the right-wing putsch, but nobody could doubt that the PT had strayed a long way from its original vocation. The parallel crises reveal how much the reforming governments of Latin America owed to a long commodity-price boom that temporarily shifted the balance of global economic forces in their favor. Greater moderation in office has not shielded the Brazilian Left from the end of that boom.

If Venezuela and Brazil symbolized two approaches to reform in the age of globalization, the African National Congress (ANC) government in South Africa represented a third: that of full-blown surrender to neoliberalism. This capitulation was hailed as the epitome of good sense by the same orthodoxy that vilified Chávez and patronized Lula. The ANC’s approach left the economic structures of apartheid fully intact, it was accompanied by rampant corruption in ruling circles, and it required a large dose of repression to keep social protest under control. Nobody could seriously present this as a happier outcome than those in Brazil or Venezuela.

Lessons will have to be learned from the demise of the Bolivarian Revolution. But those lessons should not include a greater willingness to tack one’s sails — or give up altogether — in the face of pressure from global capitalism.

Daniel Finn

P.S.

* Jacobin. 05.22.2017:

<https://www.jacobinmag.com/2017/05/unfinished-business>

* Daniel Finn is the deputy editor of New Left Review.