

Where did Venezuela's Social (and Political) Crisis Come From?

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The grinding political and social crisis in Venezuela reached a new stage this month when, amid mass street protests, Juan Guaidó, leader of the National Assembly, declared himself the head of state over elected President Nicolás Maduro. Donald Trump and a number of Latin American states, led by right-wing regimes in Brazil and Colombia, recognized Guaidó. This is part of the longstanding U.S. campaign to undercut the Venezuelan government, dating back to the days of Maduro's predecessor Hugo Chávez.

With threats from the U.S. government escalating, Eva María was interviewed by Eric Ruder about the roots of the crisis in Venezuela and what the future might hold.

ERIC RUDER -CAN YOU talk about what's unfolded over the last several weeks and why?

EVA MARIA - THE SUMMER of 2017 was the last big explosion of protests, which was in response to a plan put forward by Maduro to replace the National Assembly with another body. Maduro hoped to undercut the right wing, which controlled the Assembly, by replacing that body with one controlled by his party, the United Socialist Party of Venezuela (PSUV).

PSUV was founded in 2007 when Hugo Chávez was president of Venezuela. Chávez died of cancer in 2013 while still in office. The idea behind the PSUV was to incorporate various left-wing groups and movements into the party so that they could be organized to fight for Chavez's agenda, but while controlled in a top-down way by Chavez and the rest of the party bureaucracy.

In 2017, just like today, there were protests every single day. The mainstream media doesn't report much about Venezuela until there's a crisis of this magnitude.

Those protests culminated in Maduro essentially being able to install a new National Assembly that replaced the elected one, in which the opposition had won a majority in December 2015 elections for the first time in 20 years of Chavismo in power.

The opposition then united to demand a recall, just like it did against Chávez in 2004. It collected the signatures for the recall, but in early 2018, the electoral council decided that there were a lot of fraudulent signatures, and the referendum was blocked. A lot of people criticized this move by the electoral council as an authoritarian clampdown on democracy.

This was a sharp contrast with what happened in the 2004 referendum, when Chávez welcomed the recall vote and mobilized his base to give him his largest electoral victory yet. He squashed the opposition's attempt to democratically remove him from office.

So the contrast with how the PSUV under Maduro has responded to the opposition's attempts to replace him is stark. That's one of the causes of flagging support for Maduro among those who used to back Chávez all the way.

WHAT ARE the causes of the economic crisis in Venezuela and how is that connected to the Chávez project?

VENEZUELA HAS been in the grip of a devastating economic crisis, brought on by the collapse in oil prices that began in 2014. This crisis has led to an increase in inflation, shortages of basic consumer necessities, and deep cuts to the many social programs that had begun transforming the lives of Venezuela's poor and working people.

People, of course, end up blaming the party in power, which is Maduro's PSUV, but we should be clear that there are multiple sources of anger at the government.

The economic and social crisis has driven some of Venezuela's downtrodden to rise up in desperation, but there's also the persistent effort by the right to take down Maduro because of PSUV's historic policies to use state revenue to benefit the downtrodden.

And then, of course, there's the longstanding support for Venezuela's right wing by successive U.S. presidential administrations, which have agreed that Chavismo is a threat to U.S. interests throughout the region.

For this reason, the English-speaking left rightly tends to focus on how U.S. imperialism has thwarted the project of Chavismo in Venezuela, as well as the efforts of other left-wing governments throughout Latin America to democratically decide how to respond to poverty and inequality in their own countries.

This focus on U.S. imperialism is correct, but it's not sufficient to understand the picture in Venezuela in its entirety. What's happening right now is also the consequence of how the Venezuelan government is structured, the decisions made by Maduro, and the top-down nature of PSUV.

It's critical to understand the role of oil — in particular, the several-year slide in oil prices that began in mid-2014 — in shaping events in Venezuela right now. Venezuela is a petro-state in the sense that oil has been and continues to be the single most important source of state revenue and economic vitality.

Economies that are dependent on a single extractive resource are notoriously vulnerable to price swings. You're depending on world capitalism and global markets, and you're depending very much on what imperialism is doing and where its interests are.

Chávez cleaned up the nationalized oil sector by sweeping out the corruption and ending theft by the bureaucracy. This made the U.S. less influential, undermined the power of the oil bureaucrats, and redirected the money from the pockets of the profiteers into redistributionist policies to improve conditions for poor people. Chávez was able to subsidize food and health care, and to provide education for more than 2 million people who didn't have access to it before.

I was living in Spain at the time, and each year that I would go back, I would see a different country. That was fascinating and exciting.

For example, I remember seeing kids in the streets begging for food. A few years later, when I went back and they were gone, I asked my cousin where those kids are now. She said that they were all in school now. It was a big transformation.

Oil revenue made that possible, and now we are seeing the consequence of a fall in oil revenue. At that time, oil accounted for about three-quarters of Venezuela's total exports. Now it accounts for 96

percent.

When oil prices were high, those were Chávez's best years, because this made the redistribution model very successful. But when oil prices fell, the model came under pressure.

It's a similar dynamic in other countries that rely on one or a couple commodities to provide the bulk of state revenue. It's similar in Brazil, in Argentina, in Bolivia. These are attempts at a sort of extractivist socialism that merge production for capitalist markets with socialistic domestic policies. This really amounts to funding a robust welfare state.

During the 1950s and 60s, Latin American countries used import substitution industrialization (ISI) policies — high investment in production and trade protections — to promote infrastructure development, domestic growth and rising incomes.

Today, the neoliberal practice of selling off natural resources to the rest of the world has actually made these countries more dependent on the rest of the world.

Oil prices fell from \$120 per barrel to \$9 per barrel and then rebounded to \$40. But they won't get anywhere near \$120 again. This has compelled the government to cut imports, which is really hard, because Venezuela doesn't produce much beyond oil anymore. The country relies exclusively on imports to get food, medicines, auto parts and so on. When you cut imports, that's where the scarcity comes in.

In order to tackle this, the government tried several things. One is the introduction of dual exchange rates. This policy gave capitalists federal dollars to import goods that were deemed economically essential.

But of course, this policy was abused by everyone — by capitalists and by bureaucrats in government alike. They would lie that they were importing essential goods, or they would turn around and sell them on the black market at much higher prices.

As a result, millions of people are finding it impossible to live now. Most people must spend many hours waiting in line at subsidized markets just to see if there is bread or flour that day. My cousins in Venezuela joke that they are living vicariously through my arepa eating because they don't have access to things like that in Venezuela now.

So those are real things that are happening, and that's what is driving Maduro's falling popularity.

A LOT of the discontent also seems to center on Maduro's reign as president. Is that right?

IN MAY, Maduro was elected again. But the elections were dubious because he called them right after he weakened all of the opposition parties, including some left opposition parties that wanted to run in the election.

This is the pretext that is being used to justify Juan Guaidó declaring himself president of Venezuela. His supporters say he is the president of the National Assembly, which is not recognized by the government, and that he was elected democratically, despite questions about how democratic the election was.

Just to be clear, according to the constitution, Guaidó has a right to do what he's done if Maduro is considered an illegitimate president. He would become the interim president, and then a new round of free and fair elections would choose a new president.

But the problem is free and fair elections. How can there be free elections if the person overseeing them is one of the founders of Voluntad Popular? This party includes Leopoldo Lopez and has been very much orchestrated by Washington D.C. and by Venezuela's opposition since 2007.

And how do you hold free elections when it's so much linked to what the U.S. thinks is best for Venezuela — of course under the guise of "democracy?"

This isn't to say that Venezuelan people who are yearning for change are clear about whether or not what Guaidó has done is the right move or not. A lot of people were very excited on January 23, and there were many people in the streets with the hope that the crisis might be over and there might be the possibility of a different course.

I think some on the left argue that everyone who went into the streets were right wing and pro-imperialist, but I think it's much broader than that. I think all kinds of people went out into the streets. I don't think most people in Venezuela welcome U.S. intervention, but they're responding to Guaidó promising new elections in a month.

That's what is speaking to people, because people know that the May 2018 elections with Maduro at the head only had about 40 percent voter turnout, which is half what Chávez would get in his highest participation years.

And there are just daily catastrophes in Venezuela, so people are desperate for a change. There's scarcity, there's paralysis of the ruling establishment, and there's endless fighting at the top. Plus you've got Trump weighing in to back up the right wing. This is the most aggressive U.S. intervention since the failed coup attempt in 2002.

AND NOW the EU is saying that if Maduro doesn't call free elections within the next week or so, it will recognize Guaidó as the head of state. All of this begs the question: Are we witnessing the end of Chavismo? And the related question: Is this happening because socialism failed?

NO, THIS is not the failure of socialism. Chavismo claimed to be a socialist project for the 21st century, and it had some very interesting ideas. It got a whole generation of new socialists excited about the possibility of a new way, different from the delegitimized model associated with the former Soviet Union.

But this 21st century socialism attempted to bring together the neoliberal logic of exporting oil to generate revenue with socialist ideals.

You can't use capitalism to make socialism. It may be possible to deliver some improvements in people's living conditions, but these are not structural and systemic gains. So this isn't the end of socialism. I think the conclusion should be that these kinds of shortcuts — to try to deliver socialism through petro-dollars — won't work.

As for the left in the U.S., I think it's right to point out that every time the U.S. steps in, it's a disaster. The U.S. doesn't stand for democracy, at home or abroad. Trump lost the popular vote, after all. And every time the U.S. government intervenes around the world, it's even more clear that it is pursuing its own interests.

And Venezuela is only the start of what's unfolding in Latin America right now. Now there's Jair Bolsonaro in Brazil, there's Iván Duque Márquez in Colombia, there's a concerted effort to reorient the political project in Latin America away from independent sovereign struggles that can create new solutions. They want to return to the same crap that we had before under the domination of the

U.S. and its imperialist interests.

So the U.S. left needs to be firm in opposing intervention, but we also have to be willing to listen and be honest about what's happening with the Chávez project — to provide a clear left perspective on its internal contradictions.

P.S.

- Socialistworker, January 29, 2019:

<https://socialistworker.org/2019/01/29/where-did-venezuelas-social-crisis-come-from>