

Venezuela: another good example under threat

Francisco Dominguez

The Bolivarian revolution has massively improved the lives of ordinary Venezuelans.

In *Soundings* 50 Doreen Massey argued that the US efforts to destabilise the Sandinista revolution were undertaken in order to destroy the threat of a good example.¹ She is right. Nicaragua is a tiny, extremely poor country, with no oil and no major natural resources, and yet it attracted the empire's wrath for having had the temerity to try something different which was better for its people. The Reagan administration then unleashed a war of attrition against Nicaragua, for as long as it took to get rid of the Sandinistas (ten horrible years). Given the much greater geopolitical and economic importance of Venezuela, especially in its oil resources, one can only imagine what the empire may be prepared to undertake in order to get rid of the *chavista* good example.

Ever since the election of Hugo Chavez Frias to the Presidency of Venezuela, the US has adopted an attitude of open hostility to his government - as though it was up to the US government to have the ultimate say in who should run this South American nation; that it was somehow endowed with the right to oust any administration that was not to its liking. The right of the US to exert hegemony over its backyard was embodied in the Monroe Doctrine and the idea of Manifest Destiny, and though these never became institutionalised or formalised as law or constitutional principle, they have guided the US relationship with its Southern

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neighbours since the nineteenth century. There has been a strong sense of a God-given right to dictate to the countries south of the border on who was to govern them, the limits and parameters of such governance, which policies to implement so as to favour imperial economic and geopolitical interests, and - particularly - which aims never to pursue. Very serious consequences would follow if any Latin American government were to exert its sovereign right to seek the loosening of US economic and geopolitical hegemony, let alone to shake it off.

But the Monroe Doctrine and Manifest Destiny did not rely solely on the grudging acceptance of the weaker Latin American republics; their message was enforced with a zeal and vigour that have left deep scars in the region. The history of twentieth-century Latin America and the Caribbean nations is littered with US interventions that have brutally crushed any effort, however mild, to weaken the hegemony of their powerful Northern neighbour.² The democratic aspirations of the people of Guatemala were violently suppressed in 1954, when the US-sponsored invasion led to the overthrow of the democratically elected President, Jacobo Arbenz. In 1965, it would be the turn of the Dominican Republic, which the US invaded in order to prevent a nationalist regime from consolidating its hold on power after the collapse of the US-financed and US-sponsored thirty-year dictatorship of Leonidas Trujillo. In 1973 it was the turn of Chile, whose democratically elected president had had the temerity to nationalise US copper and US telecommunication companies, and had tried to build a better world for the Chilean people. Henry Kissinger, the then US Secretary of State, epitomised the attitude of imperial contempt when he declared: 'I don't see why we need to stand idly by and watch a country go Communist due to the irresponsibility of its own people.' Allende was replaced by the US-sponsored Pinochet dictatorship, with its well-known sequel of illegal imprisonment, widespread violation of human rights, torture, disappearances and assassinations. Ten thousand fatalities ultimately resulted from the subsequent seventeen years of military dictatorship. We also know the sequel of other US interventions throughout the region: 30,000 people were assassinated during the military regime in Argentina (1976-1982); 50,000 people were murdered in the war of attrition against Nicaragua; 60,000 were killed in the war against terrorism in Peru and 80,000 during the US-supported death-squads governments of the 1980s in El Salvador; while 120,000 were butchered by a similar regime next door in Guatemala.

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As the casualty figures show, US State Department enforcers of imperial design in the region - people like Elliot Abrams, John Negroponte, Roger Noriega, Dan Fisk, Otto Reich - have stopped at nothing to stem the wave of anti-oligarchic rebellion in Latin America. The Washington consensus was imposed on the back of a merciless wave of US-sponsored repressive regimes, with terrible socio-economic consequences. Neoliberalism was applied to the region with a vengeance. The state sector of the economy, deemed unproductive and wasteful by neoliberal gurus, was massively reduced; publicly-owned companies were privatised and sold for a pittance; wages were lowered; workers' protective legislation was either relaxed or simply abolished; virtually all restrictions on the operation of foreign capital, especially financial capital, were eliminated; central banking authorities were taken outside the remit of elected officials, including national governments; utility companies were sold to foreign private corporations; and where possible health and education were also privatised. Latin America became a neoliberal paradise for investors and profiteers, but a hell for the overwhelming majority of its inhabitants. During this period the region's external debt grew massively, and its servicing became the mechanism through which multilateral institutions such as the World Bank and the IMF policed adherence to neoliberal principles and policies. Foremost among the concerns of the World Bank and IMF was the dissuasion of any political leader tempted to adopt 'populist' policies, or to seek to alleviate the worst consequences of neoliberalism.

No wonder poverty, indigence, squalor, unemployment and disease grew exponentially in the neoliberal era. Between 1980 and 1990 - the height of the period of neoliberalism - poverty in Latin America jumped from 40.5 per cent to 48.3 per cent, and extreme poverty increased from 18.6 per cent to 22.5 per cent. This represented 200 million and 93 million people respectively for the year 1990.³ Meanwhile the rich became filthily rich, and with greater levels of income concentration at the top.

Mass rebellion against such an outrageous state of affairs became the norm. And it was these rebellions that, under different specific national conditions and contexts, produced leaders of the calibre of Lula da Silva, Evo Morales, Rafael Correa, Jose Mujica, Cristina Fernandez, Nestor Kirchner, Fernando Lugo and Hugo Chavez.

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The Chavez example

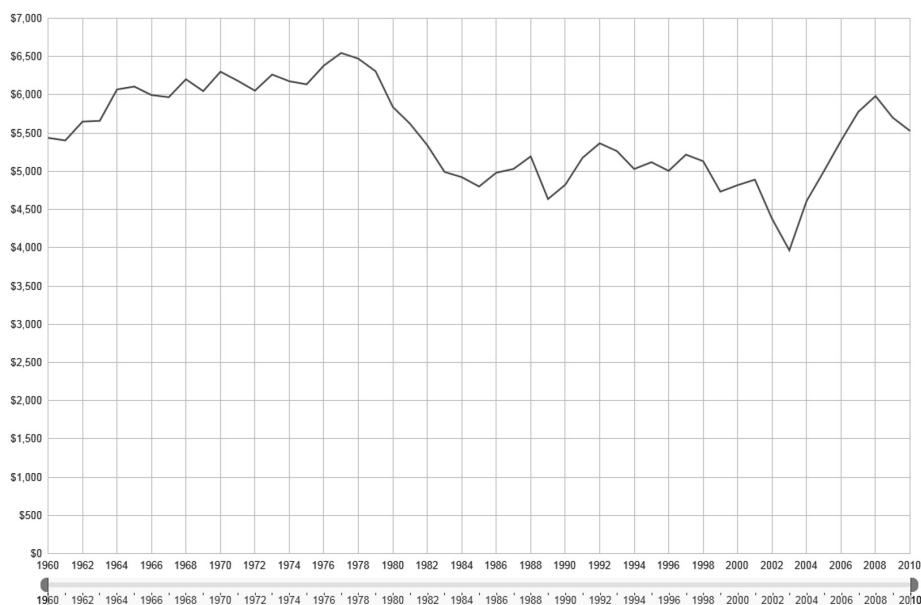
The election of Chavez in 1998 represented a popular rejection of the Fourth Republic's two-party system (ADECO and COPEI), which had run the country ever since the ousting of Marcos Perez Jimenez's dictatorship on 23 January 1958. Previously there had been a number of attempted rebellions against government corruption, elitism and support for foreign business interests, including a mass rebellion on 27 February 1989, following the implementation of an IMF-austerity package by President Carlos Andres Perez. The epicentre of this uprising was Caracas, and it has been known ever since as the *Caracazo*. The government responded by imposing martial law and suspending all civil liberties, and the army was unleashed on the people; reports suggest that in the ensuing repression up to 3000 may have been slaughtered. The main characteristic of the Fourth Republic was that it reeked with corruption. Carlos Andres Perez himself was impeached 'for embezzlement and misuse of state funds' and forced to resign, and was subsequently condemned to two years of house arrest. A bestseller at the time was *Diccionario de la Corrupcion en Venezuela*, which catalogued 300 cases of graft and corruption (by no means the actual total) between 1958 and 1989.⁴ The source of so much corruption was the elite's unaccountable control over the oil revenues.

During four decades of mismanagement and corruption, the *adecopeyanos* (supporters of ADECO and COPEI) had run Venezuela into the ground, and impoverished the overwhelming majority of the population. In the graph on p105 we can see that between 1976 and 1999 they drove down the income of Venezuelans for 92 consecutive quarters (the deep dive in 2003 was due to the opposition-led oil lockout).

The Fourth Republic left a devastating social legacy; the majority of Venezuelans had been excluded from society, economy and politics. By 1997 about 60 per cent of the population was living in poverty, and 29 per cent in extreme poverty. Over 1.5 million Venezuelans were illiterate. Millions never finished primary or secondary school, and only a small proportion had access to an elite-dominated higher education system. By 1983 those surviving in the informal sector of the economy represented 41.3 per cent; by 1998 the figure had gone up to 48.2 per cent.⁵ Furthermore, the state-owned oil company PDVSA, the mainstay of Venezuela's economy, was being prepared by its executives for 'La Apertura', a

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Table 1: Venezuela GDP per capita 1960-2010 (constant 2000 US\$)



Source: World Bank Development Indicators, June 2012

gradual but sustained process of privatisation. Under the direction of Luis Giusti, PDVSA's Fourth Republic chairman, Venezuela's state oil company had started a process through which foreign private oil companies had begun to participate in PDVSA's operations. The consequence became visible very soon. Between 1976 and 1993, out of every dollar of oil exports an average of 66 cents ended up in government coffers; but from 1993 to 2002 government revenue dropped to only 33 cents per oil dollar. And though under Giusti oil output increased, sections of PDVSA were being privatised, and the country was being opened up for private competition in the petroleum sector. In fact PDVSA was producing 800,000 barrels over its OPEC quota, thus weakening OPEC's policy, and this directly favoured the US. Not surprisingly *Time* magazine declared Giusti 'Manager of the Year'.⁶ In short, Venezuela's Fourth Republic elite was following in the footsteps of its counterparts in the region: its economic policies benefited a very narrow national elite and foreign interests, with the consequent impoverishment of the people; followed by the inevitable corollary of selling off the family silver (oil industry) to external interests.

As it is widely recognised, under President Chavez Venezuela has made

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significant headway in addressing and reversing the Fourth Republic's atrocious socio-economic legacy. The *sine qua non* condition for this redistribution has been the sovereign reassertion of the state over the oil industry and oil revenues, which since the arrival of Chavez to the Presidency has been used to pay the 'social debt' - as the Fourth Republic legacy of poverty, misery and exclusion is referred to in local political parlance. And throughout the Chavez presidency Venezuela has retaken the path to economic growth: in 1998 the country's GDP was about US\$100 billion; by 2011 its GDP was well over US\$300 billion.⁷ With the exception of 2009 and 2010 - years when there were falls in oil revenue because of the world financial crisis - Venezuela has had 11 years of sustained growth, a period during which it trebled its GDP.

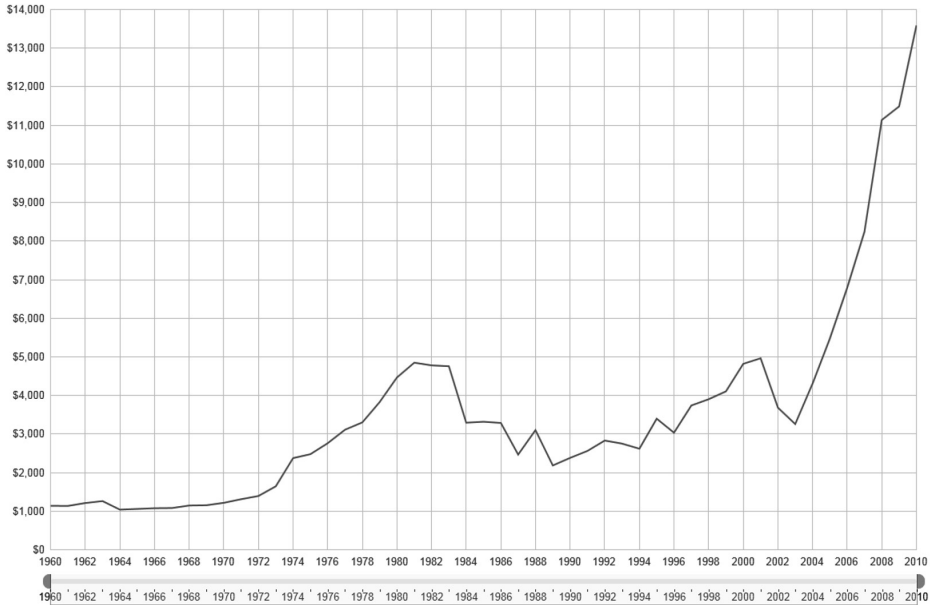
The recuperation of the oil revenues from the elite was not an easy process. It involved ferocious political battles, including the US-sponsored *coup d'état* in 2002 that nearly brought the Chavez government to an end. Nevertheless, the beneficial impact of the victory of the national interest over the combined interests of the elite and the US can be appreciated in the eloquent World Bank graph on page 107. (2003 was the year when, after defeating the right-wing oil lock-out that was aimed at overthrowing Chavez by making the economy collapse, the government was able to use oil revenues for social development.)

In 2007 President Chavez further increased Venezuela's independence by severing ties with the World Bank and the IMF, on the grounds that Venezuela no longer needed institutions that were dominated by Washington. Venezuela was in a position to do this mainly because it had repaid all its debts to the World Bank shortly after Chavez was elected, and five years ahead of schedule. The Bolivarian government has also asserted the national interest in other crucial areas of the economy, by renationalising or nationalising enterprises and operations in areas such as energy, telecommunications, cement production, aluminium, finance, transport, the gold industry and agricultural land.

In his state-of-the-nation speech on 13 January 2012 Chavez reported that by the end of 2011 the percentage of households in poverty had been reduced from 44 per cent in 1998 to 26.7 per cent, while the percentage of households in a situation of extreme poverty had fallen from 17.1 per cent to 7.0 per cent (5 million Venezuelans had been taken out of poverty and 3 million out of extreme poverty).⁸ Venezuela also had the highest minimum wage in Latin America, and

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Table 2: Venezuela GDP 1960-2010



Source: World Bank Development Indicators, June 2012

nearly 3.5 million new jobs had been created. Illiteracy had been eradicated in 2005 and primary education had increased from 43 per cent in 1998 to 71 per cent in 2011 (from 716,000 children to 1,219,666); while enrolment in higher education had gone from 785,000 in 1998 to 2,340,000 in 2011, giving Venezuela the second highest proportion of student enrolment in higher education in Latin America, and the fifth highest in the world. The state had also given 1.6 million Canaima computers for the use of children in primary education (computers that are completely assembled in Venezuela). And 136 new *Infocentros* had been created since 1998 (centres with free access to computers and the internet), thus bringing the national total to 835.⁹ A similar expansion had taken place in health, where the numbers of health centres in the public sector had risen from 5,360 in 1998 to 7,721 in 2011; infant mortality, which in 1998 was 21.36 per 100, by 2010 had declined to 13.95 per 1000; and life expectancy had increased from 72.16 in 1998 to 74.30 in 2011. Venezuela now provided free health care to 20 million people, many of whom had never seen a doctor before in their lives (investment and expenditure in health has increased

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by 4000 per cent since 1998). 11 million people were buying food at subsidised prices from the state-run Mercal national system of supermarkets; 60 per cent of the over 60s had a pension, and since 1998 the number of people who had been given their pensions was 1.5 million. Venezuela's Human Development Index had increased from 0.72 to 0.82 according to UNPD figures; while according to the UN's Economic Commission for Latin America and the Caribbean, Venezuela is now the least unequal country in Latin America, and is the nation with the lowest gender inequality in the region.

Accumulated social expenditure for the period 1999 to 2011 was over US\$468 billion (for the Fourth Republic period, 1986-1998, it was US\$74 billion) - a 400 per cent increase. And since the launch of the House Mission, over 200,000 new houses have been built for as many families.

In addition to all of this, the government has been committed to cultural production and learning. The *Fundacion Imprenta de la Cultura* prints all of the many magazines, books, pamphlets, newspapers and other publications of the *Plataforma del Libro y la Lectura* government programme. By 2011 it had printed 95 million publications, most of them free of charge. And between 2004 and 2011 the *Fundacion Villa del Cine* produced 465 films, including 398 documentaries (which cover the full socio-economic, cultural, geographic, multi-ethnic, multicultural, urban and rural worlds of Venezuela), and it has held 16 international events and 14 conferences (many of its films have won prizes in international film festivals - in 2011 alone Venezuelan films received 24 international prizes).

Meanwhile, in line with its commitment to social justice, on Labour Day the government promulgated a New Labour Law, which massively strengthened the position of workers vis-a-vis private and public employers, and stipulated the need for sophisticated collective bargaining machinery; among other progressive measures, it made illegal casualised labour (outsourcing, a typical feature of neoliberalism). This is probably the most progressive Labour Law in the world.

Furthermore, Venezuelans have been encouraged to become central to the political process like never before, with the electoral register having reached nearly 20 million for the coming presidential elections. The number registered was only 10 million in 1998, meaning there has been an increase of 100 per cent. Millions of hitherto excluded Venezuelans have now become protagonists of the destiny of their

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own nation. And the 32,000 Communal Councils make them principal actors in the unfolding of their nation's future.

Though much has been done, there still remain a number of intractable problems: crime, despite some undoubted progress, is still unacceptably high; and the impressive reductions in poverty notwithstanding, the 26 per cent who live in poverty still represent quite a substantial proportion of Venezuela's population. However, the record speaks for itself - there can be no doubt that the Chavez period has immensely benefited the people of Venezuela.

US subversion

Years of intervention in the internal affairs of successful Latin American countries have enabled the US to perfect a machinery of destabilisation for the region. Branches of the US state devoted to such destabilisation cover economic affairs, politics, proxy supporter groups, covert actions, ideological struggle, assassination squads, the media and the military; and these bodies are well connected to similar bodies in foreign countries.¹⁰ The hub of US-funded subversion is the National Endowment for Democracy, which is the principal entity for promoting the global economic and strategic interests of the US as part of its counterinsurgency operations. The NED 'works to promote "democratic transitions" through political destabilization, media misinformation, the funding of opposition parties and electoral manipulation' (Lievesley, pp49-50). In order to carry out its tasks, the NED liaises closely with various organs of the US government, particularly the White House, the State Department, the CIA and the Pentagon, and it also receives bipartisan support from Congress (Lievesley, p50). The NED also has a network of other US institutions with which it works jointly, to achieve its aims of subverting governments deemed to represent the threat of the good example. Among them there is USAID, whose main aim is to distribute funds to pro-US groups (NGOs, think-tanks, political parties, interest groups, private enterprise, private media outfits and such like). In 1994 USAID set up the Office for Transitional Initiatives (OTI) whose function is to 'transition' governments the US deems 'problematical' or hostile.

USAID funding activities are solidly helped by the International Republican Institute (IRI), set up by the Republican Party, whose Chairman is John McCain,

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Republican presidential candidate in 2008; but it is also given substantial assistance from the National Democratic Institute (NDI), the IRI's counterpart in the Democratic Party, whose Chairman is Clinton Cold Warrior Madeleine Albright.

The activities of these (and other more shady) organisations in Venezuela have been well documented, and their direct or indirect involvement in the events leading to the short-lived coup against President Chavez in April 2002 are well known and have been widely reported.¹¹ The 2002 coup was in fact only one of the many destabilisation efforts that have been unleashed against the Venezuelan government.

The international success of US-led briefing against Chavez could be seen when the 2002 coup was almost unanimously welcomed by the world's corporate media, though this was specially true in the US.¹² In Spain, right-wing president Jose Maria Aznar gave the coup unequivocal support; and in Britain, Blair's minister for Latin American affairs Denis Mac Shane wrote an article for *The Times* in April 2002 in which he proclaimed no regrets at the departure of Chavez, and described him as a 'ranting, populist demagogue', and as a figure not dissimilar to Mussolini.¹³ The IMF very quickly issued a statement saying they were ready to collaborate with the new de facto government in Venezuela.

As we have seen, in 2003 the opposition organised an oil lock-out that lasted 64 days, which brought the nation to the brink of economic collapse (the losses were colossal - US\$14.4 billion, 27.7 per cent of GDP). Then in May 2004, Venezuelan police and military detected the invasion into Venezuelan territory of over a hundred Colombian paramilitaries wearing Venezuelan uniforms (153 were actually arrested). It was subsequently discovered that they had received logistical support from the police forces of Baruta, El Hatillo and the Metropolitan Police, all of which were under the political control of the opposition; and the detainees have declared they were given orders to storm the Presidential Palace of Miraflores and assassinate Chavez.¹⁴ In August 2004 the opposition planned to force the government to hold a recall referendum as a way of ousting Chavez, an initiative that was supported by the US but which, like the coup and the oil lock-out, failed. This was followed by the opposition boycott of the 2005 parliamentary elections, which had the very same aim.

The failure of all these efforts to violently oust Chavez does not mean that the effort has been abandoned. It remains an important option that comes to the fore

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every time there is an election in Venezuela.

To all of these threats we must add the US policy for countering narco-trafficking in the region, which works through establishing as many military bases in the region as possible. In 2009 the Bush administration signed a Defence Cooperation Agreement with Colombia's President Alvaro Uribe, in which it was agreed to add seven more US military bases to the three the US already had in Colombia. This took place in the context of Uribe's repeated provocations against Venezuela, which had brought the two countries to the brink of war on several occasions. The US also has military bases in Puerto Rico, Guantanamo, Aruba, Curacao, Honduras, El Salvador, the Bahamas, and Panama, as well as a huge military presence in Haiti (which could be deemed a *de facto* US military base). Additionally it has substantial military facilities in Florida. Furthermore, the US has resuscitated the Fourth Fleet - decommissioned in 1952 - for the patrolling of the Caribbean and the South Atlantic. And Hillary Clinton is currently proposing the militarisation of Mexico, *à la* Colombia, in order to counteract the consequences of narco-trafficking in that country.

Thus all the Latin American countries in the region find themselves heavily surrounded by US military forces. These are all under the control of the Pentagon's US Southern Command (SOUTHCOM), which issues annual reports in which it alleges that Islamic terrorists, narco-traffickers and radical populist administrations are all in cahoots in Latin America, and thereby represent a grave threat to the security of the US and to the whole region. Though these allegations are grand in scope they are very short on evidence, of which none has been supplied.¹⁵ It seems reasonable to assume that key sections of the US economic, political and military establishment have drawn the conclusion that, since it has proven so difficult to defeat Chavez, it is wise to be prepared for a military solution.

Venezuela's forthcoming presidential election, to be held on 7 October 2012, presents another opportunity for sections of the opposition and their supporters in the US to galvanize their forces and attempt another *coup de main*. Thus far the opposition candidate, Henrique Capriles Radonski, is trailing in the polls, at between 15 to 30 percentage points behind Chavez. The president, who has publicly said on many occasions that he will accept and respect the election result whatever it may be, has on as many occasions publicly called on the opposition to say that they too will accept the results. At the time of writing no leading

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opposition politician has heeded his call. Furthermore, Leopoldo Lopez, a key campaign manager for Capriles, has met with President Uribe in Colombia, and has asked him for advice on security questions. Lopez has also publicly praised Uribe's policy of 'Democratic Security' in Colombia, which many human rights campaigners have regarded as responsible for the thousands of extrajudicial killings that have taken place in recent years, and for a rise in paramilitarism. Though Capriles himself has recently sought to distance himself from Uribe, he has visited Colombia on several occasions as presidential candidate, and has been busily campaigning to win the elections in Venezuela ... in Bogota.

For the year 2012 the US decided to allocate US\$19 million, which does not include NED monies (about US\$1 million annually) to various Venezuela's opposition groups. The NED's \$104,000,000 budget for 2012 states:

In the Andean region, the Venezuelan presidential election scheduled for ... 2012 will have relevant consequences for the country and the neighbourhood, as President Chavez seeks re-election for an additional six-year term. NED will support civil society organizations in their efforts to enhance voter participation and promote free, fair and competitive elections.¹⁶

It is important, therefore, for the popular forces to remain vigilant. And the achievements of Venezuela are indeed, as Doreen suggests, also worth looking at for lessons for beleaguered Europeans. Perhaps the first lesson would be to appreciate the value of the Venezuelan and Latin American experience, and to significantly intensify our efforts to defend it. A return to twentieth-century practices, when the US ruled supreme and was able to crush any experiment in left alternatives, would make it much more difficult to struggle against the brutal neoliberal offensive that is underway in Europe. But there is an even more important lesson than that: neoliberal austerity brings about catastrophic consequences, as it did in Latin America in last three decades of the twentieth century. It does not work. The ongoing Latin American left experiments do work.

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Notes

1. Doreen Massey, *Learning from Latin America*, *Soundings* 50, spring 2012.
2. Since 1823, the year President Monroe proclaimed his famous doctrine, US governments have carried out at least 129 interventions against the sovereignty of its Southern neighbours. See Henry Suarez, *US interventions in Latin America*, Manifesto Press 2010, p6.
3. Economic Commission for Latin America and the Caribbean, *Social Panorama of Latin America 2009*, p48.
4. Francisco Dominguez, 'Venezuela's opposition: desperately seeking to overthrow Chavez', in Dominguez, Ludlam and Lievesley (eds.) *Right-Wing Politics in the New Latin America - Reaction and Revolt*, Zed Books 2011, p114.
5. Barry Cannon, *Hugo Chavez and the Bolivarian Revolution*, Manchester University Press, 2009, pp35-6.
6. All figures in this paragraph come from Nikolas Kozloff, *Hugo Chávez: Oil, Politics, and the Challenge to the U.S.*, Palgrave Macmillan 2007, pp10-11.
7. See The Economist, *The World in 2012*, p112.
8. Published as *Logros y avances del Gobierno Bolivariano 2011*, Ministerio para la Informacion y la Comunicacion 2012. All figures in this paragraph are from this document.
9. I personally visited one such *Infocentro* in a poor neighbourhood in Caracas, and the community leaders who ran it apologised because their centre had 'only' 130 computers.
10. There is an excellent analysis of this aspect of the US in Geraldine Lievesley, 'Unearthing the real subversives: the U.S. state, right-wing think tanks, and political intervention in contemporary Latin America', in Dominguez, Ludlam and Lievesley (eds), *Right-Wing Politics in the New Latin America - Reaction and Revolt*, Zed Books 2011.
11. See for example Eva Golinger, *The Chavez Code*, Pluto Press 2007.

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12. FAIR's Media Advisory, 'U.S. Papers Hail Venezuelan Coup as Pro-Democracy Move', 18 April 2002, www.fair.org/index.php?page=1867.

13. Quoted in Richard Gott, *Hugo Chavez and the Bolivarian Revolution*, 2011, p233.

14. Full details in Luis Britto Garcia and Miguel Angel Perez Pirela, *La invasion paramilitar*, Ediciones Correo del Orinoco, May 2012.

15. For details on this see Francisco Dominguez, 'No to the U.S. militarization of Latin America, Venezuela Under Threat', 2010.

16. Quoted in Eva Golinger, 'US: \$20 Million for the Venezuelan Opposition in 2012', Global Research, 1 August 2011, www.globalresearch.ca/index.php?context=va&raid=25984.