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# Why did **Chavismo fail?**

A balance sheet from the left opposition



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## About the authors



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# Introduction

Venezuela is the centre of an important global debate. The images of thousands of humble people claiming for food or medicine, crossing by foot the borders with Colombia and Brazil, escaping from the economic and social debacle, the news of looting and repression, they illustrate the free fall to which the government, headed by Hugo Chavez and continued by his heir Nicolas Maduro, led the country. All these facts fuel the discussion about the fate of Chavismo, a political project that a decade ago still aroused great enthusiasm in important sectors of youth, trade union, and left activism in Latin America and the world.

The title of this book is the question asked by hundreds of thousands of people who in one way or another sympathise with anti-imperialism and the left. Why did Chavismo fail? On the one hand, there are those who accept the theses of Maduro and Chavismo, attributing the debacle to various conspiracies and a supposed “economic war” of the “empire”. On the other hand, we have the big media and most of the governments and bourgeois political apparatus of the world, led by the United States, taking advantage of the disaster in Venezuela to conclude that “socialism” has again failed.

These two explanations are wrong since they do not correspond to the reality of the events that have taken place. All the evidence show that in the Venezuela of Chavismo there was neither socialism nor “economic war”. Starting from there we can approach a response that accounts for this other failure of a political and social model that claimed to be “progressive” and of the “left” but ruled without breaking with the capitalist frameworks and negotiating with multinationals.

Extracting lessons from what happened is an essential task for all those who really want the changes that would end the domination of capitalism and imperialism. This book aims to contribute to this necessary debate. We do so from the perspective of militancy in the International Workers Unity–Fourth International (IWU-FI), a revolutionary socialist current that claims as its teacher the Trotskyist leader Nahuel Moreno, who died in 1987.

We gather the experience and the struggle carried out and still being carried out by the militants of this current in Venezuela, which has the workers’ leader Orlando Chirino as its most representative figure.

“Morenism” exists in Venezuela since the 1970s when *Partido Socialista de los Trabajadores* (Socialist Workers Party – PST) was founded. At the end of that decade, there was the confluence of PST with the group headed by Orlando Chirino, Proletarian MIR, which published *La Chispa* [The Spark], whose militants mostly joined Morenism. The name PST was kept and the newspaper continued to be called *La Chispa*. In the 1990s there was a period of crisis and dispersion, although there always developed a militancy of workers and class. The emergence of the Chavez political phenomenon and the confrontation with the pro-imperialist coup of April 2001 led to a new reorganisation from a position of class independence. In August 2002, the organisation *Opcion de Izquierda Revolucionaria* (Revolutionary Left Option, OIR) was formed, which began to publish *Oír a los Trabajadores* [Listen to the Workers], with the participation of Orlando Chirino, members

of IWU–FI, and militant union fighters. In July 2005, *Partido Revolucion y Socialismo* (Revolution and Socialism Party, PRS) was founded to challenge Chavez for the banners of true socialism. In 2008 the members of IWU–FI form *Unidad Socialista de Izquierda* (Socialist Left Unity, USI), whose publication is *Voz de los Trabajadores* [Workers' Voice]. In December 2010 *Partido Socialismo y Libertad* (Socialism and Liberty Party, PSL) was founded, being the current section of IWU–FI.

Precisely the main protagonists of this book are the leaders and members of this current that today make up PSL in Venezuela. The book is the systematization of two decades of militant participation in the Venezuelan process, adverse from the left to both the Chavez government and the pro-Yankee bosses' opposition, now grouped in MUD. It was in the heat of intense struggles in the union, student, and popular arena, and also in the tenacious effort to build a revolutionary organisation, that the documents, statements, and overviews that make up most of the sources of this book were elaborated.

Thus, it is also no coincidence we dedicate this book to our seven working-class comrades killed by hired assassins linked to the union bureaucracy and the authorities of the Chavez government. Crimes which are still unpunished.

It is important to clarify to readers we completed this book in February 2018. It is not a minor clarification, for the reality of Venezuela changes from one day to the next in the dizzying debacle to which it was led by Chavismo. Anything can happen, the crisis is global, and nothing remains stable; from the rate of devaluation and hyperinflation, the number of Venezuelan refugees in the world, to the situation of Nicolas Maduro's own government.

What will not change is the depletion and failure of Chavismo as a reference for Latin American and world activism. And neither will the conviction of our current change that it will be the struggle of the Venezuelan workers and people for true socialism, the only way out of the social debacle and the humanitarian catastrophe that Venezuela is going through.

**The editors**

Buenos Aires, April 2018

We dedicate this book to the memory of Richard Gallardo, Luis Hernandez, and Carlos Requena, leaders of our organisation and of the National Union of Workers-Aragua, killed in the Massacre of the Crossroads on 27 November 2008, and Jerry Diaz, Luis Delgado, Esdras Vasquez, Ramiro Ponce and Carlos Mendez also martyrs of our Autonomous, Revolutionary, United Class Current (C-CURA)

## CHAPTER I

# Caracazo: a popular insurrection that changes the Country

On 27 February 1989, a social explosion known as the Caracazo took place in Venezuela. It was a popular insurrection in repudiation of the implementation of economic measures announced by President Carlos Andres Perez (popularly known as CAP) of the bourgeois *Accion Democratica* (Democratic Action – AD) party, of social democratic origin, whose members are known in Venezuela as “Adecos”. The measures, recommended by the International Monetary Fund (IMF), produced an abrupt rise in the prices of transport and of food in the basic basket.

The mass popular mobilisations of 27 February originated in Guarenas, a satellite city of Caracas in Miranda state, in the morning hours. They quickly spread to other areas of the metropolitan area of Caracas and the main cities of the interior of the country.

For that year, the Venezuelan economy suffered a contraction of 8.1 percent and the inflation rate reached 84.5 percent, while the poverty rate reached 62 percent of the population, and absolute poverty to 30 percent of them. Those who suffered the crisis and paid the plans of the IMF, the multinationals and the Venezuelan oligarchy were the working class and the popular sectors, the protagonists of the Caracazo.

It was a revolutionary mass action that would mark a before and after in the reality of Venezuela. Nothing would stay the same. The government of Carlos Andres Perez was mortally wounded and a serious political crisis opened in the bourgeois political regime. All bosses' parties and political leaders and their allied union leaders were questioned by the masses. There was a great political vacuum. Also, the armed and security forces, which had intervened to suppress the popular rebellion, were repudiated and went into crisis. Officially, the government acknowledged 327 deaths, but newspaper sources estimated over 1,500 victims of the repression, while a report by the Military Intelligence Division estimated 2,227 dead.<sup>1</sup> It would open a period of political instability and social confrontation. The savage repression of the Caracazo did not stop the strikes and social protests in the following years.

The political and social consequences of the Caracazo are what will create the conditions for the emergence, on the end of the 20th century, of a new mass political phenomenon, Chavismo.

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<sup>1</sup> Sonntag, Heinz. Venezuela: 4F 1992 Un análisis sociopolítico. [Venezuela: 4 February 1992 A sociopolitical analysis] Caracas, Nueva Sociedad, 1992.

## The illusion of “Saudi” Venezuela was over

Venezuela gained the nickname of “Saudi” after the oil boom of the 1970s. Entering the 1980s, the illusion of the so-called “Saudi Venezuela” began to vanish; a Latin American country which could bear without major upheavals the weight of the foreign debt, social inequality, and show, along with the great infrastructure works and the consumption of the middle and upper classes, a bourgeois democratic regime emerged in 1958.

Venezuela in 1989 was a country with almost 19 million inhabitants. In 2017 it would reach 32 million. In 1960 it had been the only non-Middle Eastern country among the founders of the Organisation of Petroleum Exporting Countries (OPEC), a permanent intergovernmental entity to protect the interests of the bourgeoisie of oil nations and negotiate in better conditions with the transnational imperialist companies. Its main driver was Venezuelan Juan Pablo Pérez Alfonso, who was then Minister of Mines and Hydrocarbons in the government of Romulo Betancourt. For this reason, he is considered the “father of OPEC”. The other founding members were Iran, Iraq, Kuwait and Saudi Arabia.

The Caracazo ends 30 years of political and social stability based on this oil power and the agreement between the main bourgeois parties, after the overthrow in 1958 of dictator Pérez Jiménez and before the elections of December of that same year. On 31 October 1958, the Punto Fijo Pact was signed, so called because the meeting was held at the residence bearing that name of the social-Christian Rafael Caldera in Caracas. The signers of the pact were the main leaders of *Acción Democrática*, the Republican Democratic Union (URD) and the Independent Electoral Political Organisation Committee (COPEI, social-Christian). The pact was aimed at achieving national unity, regardless of who win the elections. Over time the URD lost weight and the pact became a bourgeois bipartisan agreement. Fundamentally, the pact established the commitment to respect the electoral results and establish a government of national unity with the participation of the signatory parties and a common minimum program.

*Partido Socialista de los Trabajadores* (Socialist Workers Party – PST), coming from the international Trotskyist current founded by Nahuel Moreno,<sup>2</sup> and Proletarian MIR, from the also Trotskyist current led by Pierre Lambert, culminated a merger process in 1981. In a joint document they highlighted the beginning of the crisis years before the Caracazo: “The strikes and mobilisations of the Venezuelan working class represent, with their offensive strength for the first time seen since 1958-62, the full insertion of the proletariat and the oppressed masses of our country in the world rise of the proletariat [...]. The economic crisis that feeds the imperialist crisis at the global level, means for Venezuela the exhaustion of a certain balance between the classes that gave rise to a semi-parliamentary and semi-Bonapartist regime we have known since 1958 and whose pillars have been the bourgeois parties, AD and COPEI and their trade union bureaucracy, which keeps under its political control the bulk of the Venezuelan proletariat [...]. We live in the transition between the previous situation of relative social and political equilibrium and the perspective of a pre-revolutionary situation [...] the bourgeois regime in crisis, represented in the reactionary government of the Christian Democracy only survives thanks to the political control exercised by the great bourgeois parties over the workers’ movement.”<sup>3</sup>

In February 1983, the government of Luis Herrera Campins (COPEI) applied the first large devaluation, the so-called “Black Friday”, and opened an inflationary cycle. Jaime Lusinchi (AD) succeeded Herrera Campins amid great corruption scandals. All economic indicators worsened dramatically, inflation was 40.3 percent and 35.5 percent in 1987 and 1988. Poverty and social

2 Nahuel Moreno (1924-1987) was the most important Latin American Trotskyist leader. Over the decades he fought against the revisionist and opportunist sector headed by Ernest Mandel within the Fourth International. In 1979 Moreno and his current were definitively moved away from their ranks when Mandelism supported the repression and expulsion of the Simon Bolívar Brigade, which had taken part in the armed struggle against the dictator Somoza, by the Sandinista government in Nicaragua. For a couple of years, Moreno promoted a unification process with the Trotskyist current of Pierre Lambert, which finally failed in 1981.

3 Draft common declaration of PST and MIR Proletario, 1981 [www.archivoleontrotsky.org/detalhes.php?id=004631](http://www.archivoleontrotsky.org/detalhes.php?id=004631)

struggles increased, with the student movement as the main protagonist of popular mobilisations. The student and popular outbreak of 13 March 1987 in Merida was the first bell of the commotions to come.

Hiding the seriousness of the economic situation, especially the implications of the drastic fall in international reserves, Carlos Andres Perez won the presidential elections at the end of 1988, capitalising on the expectations that the good times which characterised his first government in the previous decade would return.

## The “coronation” of CAP, the praise of Fidel Castro and the outbreak

From the accession of the government to the social outbreak little over three weeks lapsed. This is how the coordinators of Ediciones La Chispa of PST described this historic breaking point:

“When the year 1989 begins, in Venezuela still lives the euphoria for the recent victory by Carlos Andres Perez, who achieved his second presidency with a high margin of voting. The democratic drunkenness made forget the bad years of Luis Herrera Campins and Jaime Lusinchi, who ruled in the interim. The majority cherished their hopes in the ‘new Venezuela’ that CAP had promised.

“Only a few months later the country is plunged into the greatest crisis in its history. There is no longer any euphoria; on the contrary, what exists is anguish, resentment, and annoyance. The CAP government, heading what was supposedly one of the most ‘stable’ countries in Latin America, moves in a blur of contradictions, marches and counter-marches, scandals and political crises. And what is more important, in the midst of a growing social mobilisation, with strikes and stoppages that mark the growing resistance to government policy. There is a new situation in the class struggle in our country.

“Such radical changes are seldom recorded in a country’s history. The starting point of this ‘turn of the page’ is the events of the week of 27 February, the insurrection known as the Caracazo.”<sup>4</sup>

The international magazine of the Morenist current described in this way the events that led to the social outbreak: “The explosion of popular anger that took place in Venezuela showed the extreme fragility of the great bourgeois democratic figures of the continent. Carlos Andres Perez [...] had assumed the presidency for the second time three weeks before the outbreak. Elected in December with a wide voting, he received the presidency in a ceremony so lavish that a journalist ironically clarified it was not an ‘imperial coronation’. [...] The local press and foreign dignitaries competed hard to pour praise on CAP. Of particular interest is Fidel Castro’s comment on Perez, expressed at a meeting with journalists at the Caracas Hilton on 3 February: ‘He has a very special calling power and is a leader who will always remain young to help the unity of Latin Americans. His rise to power in Venezuela is very important because it will be a factor of integration and solidarity [...]. We await him with open arms in Cuba.’ [...] On 22 February the government released the package of economic measures. The adjustment was brutal: the dollar increased double; increase in interest rates; 80 percent more in the price of petrol (of a high incidence on transportation costs); 40 percent increase in public services. The claim of the owners of public transport produced an even greater increase in that service. The blow to wages was not compensated by a squalid increase for the state workers, while the negotiations between the bosses organised in Fedecamaras and CTV (Workers Confederation of Venezuela, controlled by Democratic Action, the ruling party), for the increase for private sector workers, continued endlessly.”<sup>5</sup>

When the economic package was announced, Movement to Socialism (MAS, main leftist reformist party, born of a break in the Communist Party) called to reformulate or correct the terms of the adjustment, while PST in its newspaper *La Chispa* strongly rejected it: “PST and *La Chispa* call for the rejection of this plan and the mobilisation against its application. It is necessary that all

4 Taken from the presentation of *La insurrección de febrero. Un análisis para la lucha revolucionaria* [The February insurrection. An analysis for the revolutionary struggle], by Elio Colmenarez, Ediciones La Chispa, Caracas, 1989.

5 Luna, Ramon: “Chronicle of an insurrection”, *Correo Internacional* No. 41, July 1989.

those independent trade union leaders, CUTV, and unions such as SUTISS (Union of Workers of the SIDOR Steel Industry), and also the federations of student centres and popular organisations, join their efforts to call the workers' and popular mobilisation for the general increase in wages and salaries. For the mobile scale of wages, that is, that wages increase according to inflation. For unemployment insurance, against the rise in public services rates, and against the privatisation of service companies. But above all, due for the suspension of foreign debt payments and the rejection of the IMF's prescription.”<sup>6</sup>

## The Caracazo, a spontaneous insurrection

In *Correo Internacional*, Ramon Luna explained the way in which the outbreak took place: “In Caracas, the demonstrations (political, because they were directed against the government's economic plan, even if they did not propose its overthrow) preceded the revolts and both combined with the struggle of barricades and resistance to the armed repressive bodies of the regime. And while there was no passage of a part of the army to the insurrection, the chronicles are full of cases of hesitation, disobedience, and connivance of police (and even soldiers) with the people in the street [...]. The country had undergone a revolutionary crisis. For two days, the masses had taken control of the streets. And the country had changed: a revolutionary situation was open. The relationship of forces between classes had modified.”<sup>7</sup>

PST defined in March 1989 the February uprising as popular, lacking political direction, generalised and of anti-capitalist content, noting the crisis of the bourgeois repressive apparatus, a crisis that would later be expressed in the “Bolivarian” military uprisings of 1992. Thus PST formulated these characterisations:

“1. It was a *popular* insurrection since it involved hundreds of thousands of inhabitants of the popular neighbourhoods of the main cities of the country, and also workers, students, plebeian sectors of the middle class, etc.

“2. It was *generalised and spontaneous*, because although its centre was Caracas, all the important cities of the interior of the country, especially in the states of Carabobo, Aragua, Merida, and to a lesser extent Guayana and Lara (Barquisimeto), were shaken by the uprising. It had a spontaneous character, without direction or organisation.

“3. It was an insurrection against hunger and misery, against the economic package imposed by the government, the hatred of price increases, the shortage created by the hoarding of basic necessities, and also the enormous frustration to see that CAP did not bring the promised well-being and for whom they voted with hopes.

“4. It was a directly *anti-capitalist* insurrection because it rises against the policy of a ‘democratic’ government. That is, in this case, the masses do not protest against a dictatorship or Bonapartist regime. They rise up against a bourgeois democratic regime that definitely leads them to hunger and ruin [...].

“5. The insurrection opened a novel and of paramount importance event for the Venezuelan revolution: *it gave rise to the crisis of the repressive apparatus of the bourgeois state* manifested in the refusal by many soldiers to shoot or to go to the more rebel neighbourhoods; the participation of numerous police officers in the looting even organising the administration or the raid by women and children of the shops. This is the best expression that the forcefulness and massiveness of the rebellion moved the ranks of the repressive apparatuses, which are made up by *people in uniform* and dragged a sector to the ranks of the masses or neutralised a part of them.

“6. During the events of February, there was a general strike in fact, mainly in Caracas, which kept businesses and factories paralysed for almost a week.

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<sup>6</sup> La Chispa, in *Correo Internacional* No. 41, op. cit.

<sup>7</sup> Luna, Ramon: “Chronicle of an insurrection”, *Correo Internacional* No. 41, op. cit.

“7. The brutal repression unleashed by the government against the mobilisation of the masses left a balance of at least a thousand deaths not recognised by CAP. Even so and assuming the denied fact they were fewer, Venezuelan ‘democracy’ became the *bloodiest and most murderous* in Latin America. Sarney, Alfonsin, or Alan Garcia do not reach even the knees of the Latin American slaughterer, who in the name of democracy ordered to repress by fire and sword the protest of the popular masses, showing like no one else the repressive, bourgeois, exploitative essence of bourgeois democracy.”<sup>8</sup>

## The reformist left against the Caracazo

The popular uprising not only left badly wounded the bipartisan regime, which had no recourse other than repression to sustain itself, it also exposed the reformist left. MAS called to “restore public order without suspending guarantees”, but granting legitimacy to the repression by stating that the rebellion had “created a climate of anxiety, insecurity and fear.”<sup>9</sup> Cause R — to which we will refer later — also stood against the insurrection. Its secretary-general, Pablo Medina, condemned the looting: “We deplore all the events that have taken place and ratify the repudiation of those who carry out acts of vandalism and violence against small businesses and consumers.”<sup>10</sup>

The PST’s limited influence outside the union vanguard prevented it from playing a leading role during the outbreak. But the small revolutionary organisation vindicated the insurrection, although pointing out its inadequacies in organisational and political terms, advocating the general strike as the way to give continuity to the struggle: “On 27 and 28 February the Venezuelan people and their students came out, some to provide themselves with what being basic needs the governments were turning into luxury items, that is: oil, sugar, bread, meat, coffee, besides the prohibitive price of refrigerators and domestic appliances. The students came out, along with thousands of workers, to demand public transport tickets not be increased [...] just as we learned that we have to fight and mobilise, we also say that the struggle and mobilisation must be organised, seeking to strike the capitalists in the neuralgic centres, that is, in their factories and establishments. For this, it is necessary to prepare a general strike, accompanied by demonstrations where we say NO to the CAP-Tinoco-IMF package and we say NO to repression.”<sup>11</sup> This campaign is driven by PST and other sectors of the trade union left, and also the growing crisis within the ruling party and its union apparatus culminated with the realisation on 18 May of a general strike that CTV bureaucracy was forced to convene.

The Caracazo produced a political earthquake. What in Venezuela was known as “Puntofijismo” entered into crisis. In particular, it meant the beginning of the rupture of the workers’ and popular grassroots with AD and COPEI, the two traditional bourgeois parties. Millions stopped believing in them. The rupture by the ranks was the beginning of a rebellion of millions against their old political and union leaders. The radicalised masses were looking for an alternative to the left. Venezuelan Trotskyism organised in PST, with young workers’ leaders like Orlando Chirino, was an important but still vanguard expression. The Radical Cause (abbreviated as La Causa R) had its chance but failed because of its capitulations. Finally, it would be Hugo Chavez who would end up channelling the mass breakup almost 10 years after the Caracazo.

## Rise and fall of La Causa R

The crisis produced in the regime was also reflected in one of its fundamental support points, the CTV union apparatus controlled by the AD bureaucracy. This is how a leftist union opposition grows whose main reference was the leadership of the union of the workers of the iron and steel

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8 “27 February: a new stage”, a PST document, 31 March 1999, in *Correo Internacional* No. 41, op. cit.

9 *El Nacional*, 3 May 1989.

10 *Ultimas Noticias*, 3 May 1989.

11 *La Chispa*, quoted in *Correo Internacional* No. 41, op. cit.

industry of the state of Bolivar, and whose political direction was La Causa R, a party born at the beginning of the 1970s from a division of the Communist Party of Venezuela. This new union phenomenon would become political. In the regional and local elections of December 1989, La Causa R made a jump by conquering the governorship of Bolivar state and the mayoralty of Caroni municipality, seat of the basic iron and aluminium companies in the southeast of the country.

Because it presented itself as independent of bosses' parties and candidates, for its working-class ranks and, also, for its centre-leftist policy, the phenomenon of La Causa R bore similarities to the Brazilian Workers' Party that emerged from the heat of the construction of the Unified Workers' Central. This was how *Correo Internacional* evaluated it: "The [union] bureaucracy does not control, does not direct, and is increasingly hated by the masses. The vacuum is large, but not total. The workers, in their struggles, are looking for how to organise themselves and both in the political and in the union arena trying to build or organise in new leaderships. In the heat of this situation, an organisation emerged from the steel proletariat, La Causa Radical. Known as La Causa R, without a clear program, it has sprouted as a very dynamic element among the workers. They gain unions, they extend nationally, and in the past elections to governors. they achieved, with their working-class candidate, Andres Velasquez, the governorship of Bolivar state, the centre of the basic industries of the country. They were born as a party that promoted the fight against the corrupt union bureaucracy and thus they were identified by hundreds of thousands of workers. They developed widely when they won the union elections in Sutiss, the most powerful steel union in Venezuela [...]. The collapse of AD and the union bureaucracy open the possibility that in the heat of this organisation we can advance in a vast movement similar to that of Lula's PT in Brazil, sinking Accion Democratica and its bureaucratic henchmen forever."<sup>12</sup>

The trade unionist and leader of PST, Orlando Chirino, with an important leadership role in the textile sector, was one of the protagonists of this process of anti-bureaucratic rebellion. Thus, at the beginning of 1992, he described the advance of class unionism: "In Pequiven (a large petrochemical plant) a classist slate swept the bureaucracy of AD-COPEI-MEP-MAS. They had 16 years without elections. In Sidor (iron and steel) Causa R continues to beat AD and COPEI. Recently we put a comrade of our slate to the board and we hold rank and file delegates. Among telephone workers in Caracas, an independent slate of comrades presented for the first time and won [...] then came our victory in the second most important union in the country (Maracay textile)."<sup>13</sup>

Despite its union advances and its growth as a left political reference, Causa R was tied to a reformist political conception. Its focus was not mobilisation but the accumulation of forces through participation in elections and negotiation with the bosses.

They came to earn very important spaces such as the mayor's office of Libertador Municipality in Caracas, with Aristobulo Isturiz<sup>14</sup> and the re-election of Andres Velasquez in the governorship of Bolivar, in the regional elections of 1992. The highest point in the electoral development of Causa R and, at the same time, the point that marked its decline was the presidential election of 1993. With fraud, the official results gave as "winner" who would have come second, the former COPEI Rafael Caldera. Although the allegations of fraud were widespread and thousands of ballots with votes for Andres Velasquez had been found discarded, Causa R did not question the result and capitulated. This betrayal marked its end as an alternative to power and as an important leftist force. In their decadence, they began turning to the right. Causa R and Andres Velasquez himself would join the pro-Yankee opposition during the Chavez era. In 2015, Velasquez was elected as a national deputy by the Democratic Unity Roundtable (MUD), an opposition coalition of the centre-right.

12 "Venezuela: Something new has emerged", *Correo Internacional* No. 47, May 1990.

13 Chirino, Orlando: "Venezuela, a revolution in progress", *Correo Internacional* No. 58, May 1992.

14 Years later he would break with Causa R, joining the Patria Para Todos party and then the United Socialist Party of Venezuela created by Chavez, becoming Minister of Education with Chavez, governor, vice president of Nicolas Maduro in 2016, among other positions.

## The failed military coup of 1992 and the “for now” of Chavez

The absence of a political leadership that connected with the rupture of the masses that was taking place with the regime, the crisis of the repressive apparatus, and the growth of social struggles were the context in which took place the insubordination and rising of middle and low ranking military men, headed by Lieutenant Colonel Hugo Chavez, on 4 February 1992. “Only in the last quarter of 1991, there were 400 mobilisations and uprisings, 40 percent of them ending in clashes with the repressive forces. [...] Provea denounced, in 1991, 1437 cases of cruel treatment of detainees not linked to delinquency. In 1992, that figure was exceeded, with over 2000 cases of abuse and torture to civilian and military prisoners”, denounced *Correo Internacional* in 1992.<sup>15</sup>

Although Chavez failed militarily, the defeat would become, contradictorily, a first political victory. Until then, the lieutenant colonel was a stranger to the general public. He was born in Sabaneta de Barinas, on 28 July 1954. It has always been said he had signed up at the Military Academy in 1971 thinking it was a bridge to reach major league baseball.

His military action on 4 February had a great wave of popular sympathy because it proclaimed the goal of ending a government hated by the masses, the one of Carlos Andres Perez. In the memory of millions would be imprinted the phrase that Chavez launched in his first television appearance when, already arrested at Miraflores Palace, he called his rebellious military colleagues to surrender: “For now, the goals we set ourselves have not been achieved [...].” That “for now” would become an expectation of change for the punished Venezuelan people.

The PST rejected the military rebellion, although knowing that among the workers it was received with enthusiasm. This is how the party’s position was expressed in the face of the irruption of the rebel military on the political scene: “The attempted coup of 4 February, although it failed, produced a political earthquake. A mass nationalist phenomenon has arisen around the coup leaders. This gave a certain political unity to the mass movement in its fight against the government, overflowing a revolutionary process against a parliamentary regime of 34 years and leaving fractured the armed forces, the last guarantor of the bourgeois state. Its international effects have not been minor. Yankee imperialism threatened to occupy the oil wells if ‘Chavismo’ is victorious, while the pro-imperialist governments of the continent began to seriously worry [...]. ‘Chavismo’ emerges as a political expression of the armed forces crisis, and indirectly reflects the revolutionary rise.”<sup>16</sup>

At the same time that the progressive aspects of the emergence of Chavismo were evaluated as a reflection of the rise of the masses, it warned about the dangers of the capitulation of the left to the Bolivarian military: “The old and new reformist left of the country are trying to convince the workers that ‘the history of the country is different as of the action of the patriot officers’.”<sup>17</sup>

Despite not supporting the military uprisings, the Trotskyists denounced the murderous repression of the CAP government and the operations of “social cleansing” within the framework of the suspension of constitutional guarantees, such as the murder of 56 prisoners in the Reten de Catia penitentiary during the coup attempt on November of the same year. They also criticised the support of MAS and Causa R for the suspension of constitutional guarantees on 5 February.

In a flyer at the end of 1992, PST proposed the exit of CAP, not through a military coup or the regional elections of 1993 to which the whole spectrum of the political organisations of the regime was committed but by the popular mobilisation: “Our method and policy is that the masses overthrow CAP, using their trade union and popular organisations, using mobilisations and general strikes, and putting the workers’ movement at the head of the people. We believe the Venezuelan masses can defeat CAP and follow the path of the Brazilian masses, which with their mobilisations in the streets expelled the CAP of Brazil: Collor de Melo. The government is taking advantage of the results of the coup attempt to repress violently, suspending democratic freedoms,

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15 Chirino, Orlando: “Venezuela, a revolution in progress”, *Correo Internacional* No. 58, op. cit.

16 Ibid.

17 Ibid.

invading universities and brutally beating the student movement [...] We denounce it and call to defeat the repression of CAP!”<sup>18</sup>

Perez could no longer hold on to power. In November, there is a second military uprising. The bourgeoisie and imperialism decide to let go of his hand and in March 1993 the Supreme Court of Justice dismisses him from the presidency for “misappropriation of public funds” and elections are called for December seeking to ease the crisis. Already out of power, CAP was sentenced in 1996 to two and a half years but with “house arrest”. In 1999, he would take the path of a new exile in Miami, where he would die almost unnoticed on Christmas 2010. He was 88 years old and had an extradition request to which the United States never agreed.

In December 1993, the presidential elections reflected the decline of bipartisanship. Velasquez, the candidate of Causa R, would have been first and second Rafael Caldera, who had broken with COPEI and headed a front supported by leftist reformist organisations like MAS, MEP (Electoral Movement of the People), Socialist Party, and the Communist Party of Venezuela (PCV). The traditional parties came third and fourth. The bourgeoisie, fearful of the arrival of Causa R to the government, through the already mentioned fraud, imposed Caldera. Caldera’s entire government will be of crisis, with a minority in the parliament and with the task of carrying out privatisations, the delivery of the oil industry to transnational capital, and the labour reform that Carlos Andres Perez failed to execute. In 1996 a policy was adopted to reverse the nationalisation of oil through the “Oil Opening” through the hand of his Minister of Planning, the former guerrilla Teodoro Petkoff, who would be a future member of the pro-Yankee opposition to Chavez and director of the newspaper *Tal Cual*. The price of petrol increases by 800 percent and an aggressive reform of social benefits is undertaken, embodied in 1997 in a new Organic Labour Law, with the complicity of the AD and COPEI trade union bureaucracy, which signed the “Tripartite Agreement on Integral Social Security and Salary Policy” with the government. Inflation would reach unprecedented levels of over 100 percent per year, while corruption during the banking crisis that began in 1993 would further sink traditional political parties.

During his first year in office, Rafael Caldera fulfilled his electoral promise to free Hugo Chavez. From then on a new moment begins for the emergence of Chavismo as a political movement.

As Orlando Chirino explained: “Chavez is placed on the crest of the wave precisely because of the crisis of leadership, because of the existing vacuum, and because his action (the failed coup of 1992) found an echo among the population because it raised three great aspirations: people did not want the economic model designed by the IMF anymore; they clamoured for the overcoming of the bipartisan political regime of Punto Fijo through a constituent assembly to reorder the country, and, finally, they hoped the armed forces would be on their side and they would not be repressed as in February 1989. These conditions are what explain the meteoric rise of Chavez and the creation of a broad movement that quickly could stand as an alternative leadership.”<sup>19</sup>

18 “Military coup and the crisis of the regime”, *Correo Internacional* No. 61, January-February 1993.

19 *Orlando Chirino replies...*, Caracas, 2005, p. 35.

## CHAPTER II

# 1999: The first presidency of Chavez begins

On 6 December 1998, Hugo Chavez wins the presidential elections with 56.2 percent of the votes (3,673,685), defeating a coalition of AD, COPEI, and the right-wing party Proyecto Venezuela, whose standard-bearer and candidate, Henrique Salas Romer gets 39.97 percent of the votes (2,613,161). Chavez wins as a candidate of the Fifth Republic Movement (MVR), adopting the name of the clandestine conspiratorial movement with which he had carried out the 1992 coup attempt, the MBR-200 [Revolutionary Bolivarian Movement-200].

Under the articulation of Luis Miquilena, who years later would break with Chavismo going to the bourgeois opposition, the Patriotic Pole is formed, an alliance of parties that seconded MVR, among them MAS and PCV which came from having supported the government of Rafael Caldera; Patria Para Todos (Homeland for All, PPT), which was a division of Causa R, and other minor parties such as the People's Electoral Movement (MEP).

This is how the political phenomenon that Chavismo meant in Venezuela and in Latin America began. The electoral victory opened a period of great expectations among the masses that had been involved in the Caracazo. Chavez and his new "Bolivarian" political alliance capitalised on the hatred of millions of workers and popular sectors against the old pro-Yankee and corrupt bosses' parties which had increased the fall in the standard of living, unemployment, and the handing over of the country. Millions who for decades voted AD and COPEI break and move to Chavez.

Chavez began to fill the political void left by the Caracazo. And he could only do so by raising an anti-imperialist speech, against poverty, against the IMF, "savage capitalism", and, above all, against the old bosses' parties and leaders that ruled until then. His program, the *Bolivarian Alternative Agenda* was a compendium of generalities and reforms, focused on the criticism of the corrupt bipartisan regime, the proposal of a total or partial moratorium on the foreign debt, and whose most striking aspect was the nationalisation of the oil industry.<sup>1</sup>

Chavez's victory was the result of the political crisis opened by the Caracazo, the left turn of the masses, and the popularity that Chavez was accumulating since the failed coup of 1992. The young lieutenant colonel and the officers who accompanied him to prison reflected this crisis in the Armed Forces and sectors of the bourgeoisie and petty bourgeoisie that sought to give an outlet to the political and social crisis of the country. Thus, Chavez initiated the political shift, which would take place in a convulsed Latin America, towards variations of pseudo-progressive or class conciliation governments as were Lula in Brazil, Evo Morales in Bolivia, or the Kirchners in Argentina.

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<sup>1</sup> Chavez Frias, Hugo: *Agenda Alternativa Bolivariana* [Alternative Bolivarian Agenda], Caracas, Ediciones Correo del Orinoco, 2014. [www.imprentanacional.gob.ve/web/libros/libros/Libro-Rojo-11-2-14-fs-web.pdf](http://www.imprentanacional.gob.ve/web/libros/libros/Libro-Rojo-11-2-14-fs-web.pdf).

## Chavez's popularity continued growing since 1992

Chavez's electoral victory in 1998 was brewing to the beat of the growth of his popularity among the masses. Due to social pressure and in the face of an economic and social crisis that worsened, the government of Rafael Caldera had pardoned him on 26 March 1994. In that year the nation suffered the onslaught of a crisis which maintained high inflation and included a bank debacle, the suspension of economic guarantees and a greater degree of misery for the most vulnerable sectors.

"The Bolivarian Revolutionary Movement 200 goes to the streets, charging on, to take political power in Venezuela. It will show the Venezuelan political intriguers how a people are being driven towards their true destiny", were Chavez's words when coming out of Yare prison.<sup>2</sup>

During the next four years, Chavez dedicated himself to touring the country. As part of his positioning on the left, he travels for the first time in his life to Havana, Cuba, in December 1994. Surprisingly, he is received at the airport by Fidel Castro, almost with the honours of a president in office, which produced an enormous political impact and added greater sympathies among the masses. The Venezuelan newspaper *El Nacional* reviewed the meeting on its cover of 15 December under the title "Two commanders gathered". Chavez declared: "For me, as a soldier, as a Bolivarian, today a dream of many years becomes reality and I must tell all Cubans that I am very honoured to be in Cuba and even more honoured that President Castro is here receiving us." Asked about the honours given to Chavez, Fidel declared: "There is nothing strange about that. I wish I had many opportunities to receive such important personalities as him."<sup>3</sup>

Fidel Castro, with his great political instinct, again placed the Cuban leadership encouraging a political project that could be the winner in a convulsed Venezuela. He sought to repeat the experience he had already played in the Nicaraguan revolution, with Daniel Ortega and Sandinism, using his influence to encourage a reformist course that did not break the barrier of capitalism. What better than doing it from a pseudo-leftist discourse and using the prestige of the Cuban revolution? Thus, a political unity of what we defined as "Castro-Chavismo" was conceived, which we will develop in other chapters.

Chavez in his speech at the University of Havana, with the presence of Fidel Castro, would anticipate the start of this political project: "This greeting, this passion that moves me tonight, a long-term strategic project, in which Cubans have and would have a lot to contribute, a lot to discuss with us, it is a project of a horizon at 20 to 40 years, a sovereign economic model, we do not want to continue being a colonial economy, a complementary economic model."<sup>4</sup> He was still four years away from creating the Fifth Republic Movement party and the Patriotic Pole electoral front, and from winning the presidential elections.

## In Caracas, Fidel advises: "Do not do what we did"

With Chavez recently elected, at the beginning of 1999, Fidel travels to Venezuela and clearly points out, before a crowd of left students at the Central University of Venezuela, the Venezuelan process should not advance towards socialism as at the time Cuba had: "You cannot do what we did in 1959. You will have to have much more patience than we did, and I am referring to that part of the population that is desirous of immediate radical social and economic changes in the country. [...] Right now we are involved in a great struggle of ideas, of transmitting ideas everywhere; it is our job. Today we would not think of telling someone: Make a revolution like ours, because we could not, in the circumstances we know, in our opinion, quite well, suggest: Do what we did.

<sup>2</sup> "26 March, the day Chavez left Yare for Miraflores", *Noticias24*, 26 March 2015.

<sup>3</sup> Elizalde, Rosa Miriam and Baez, Luis: *El Encuentro* [The Encounter], Publications Office of the Council of State, 2005.

<sup>4</sup> Quoted in *El Encuentro* [The Encounter], op. cit.

Maybe if we were at that time we would say: Do what we did, but at that time the world was different and the experiences were different.”<sup>5</sup>

He would repeat the same political advice on a new visit the following year: “I have always believed that with an efficient and honest administration, Venezuela would have achieved in the last 40 years an economic development similar to that of Sweden. [...] Is it possible to do so within the newly created and approved constitutional and political model? My answer is yes. [...] Can a level of social justice be greater than what currently exists under the scheme of a market economy? I am a convinced Marxist and a socialist. I think the market economy breeds inequality, selfishness, consumerism, squandering, and chaos. A minimum planning of economic development and priorities is essential. But I think in a country with the enormous resources available to Venezuela [...] it would be within the reach of that government to completely eradicate illiteracy in a few years, to achieve high-quality education for all children, adolescents, and young people, a high general culture for most of the population; to guarantee optimal medical assistance to all citizens, provide employment for all young people, eliminate misappropriation, minimise crime and provide decent housing to all Venezuelans [...] A rational distribution of wealth through appropriate tax systems is possible within a market economy [...] [Venezuela] need not nationalise anything [...]. To be objective, I need to add my opinion that today in Venezuela only one man could lead such a complex process: Hugo Chavez.”<sup>6</sup>

Besides demonstrating his abandonment of the revolutionary and socialist perspective, the background of Fidel’s enthusiasm was the great economic support that Venezuela began to offer Cuba, in the exchange called “doctors for oil”. The reformist illusion that the Venezuelan economy could develop to a level comparable to that of the Scandinavian countries — without breaking with the capitalist production relations, maintaining the insertion of Venezuela in semi-colonial conditions in world capitalism, simply with a “minimum of planning” and by eradicating corruption — would be at the very base of the Chavista ideology, which from 2005 would be called “socialism of the 21st century”. As the facts would relentlessly show, the lack of structural changes led to the squandering of a huge oil bonanza during the Chavez government and, after 2013 under the reins of Maduro, to the total collapse of the country.

## **The National Constituent Assembly votes a new constitution**

Chavez starts his government on 2 February 1999 after “crashing” the old pro-Yankee bosses’ parties at the ballot box with 56 percent of the votes. Supported by this broad popular support and amid a strong “revolutionary” rhetoric and denunciation to “savage capitalism”, he seeks to consolidate his power by announcing a “popular constituent process”, which must culminate in a new constitution. Chavez speaks of a re-foundation of the republic and the opening of an era of “participatory and protagonist democracy”.

On 25 April 1999, the convening of the National Constituent Assembly (ANC) was overwhelmingly approved by referendum and three months later Chavismo won 125 of 131 seats, which allowed it to draft a new text with practically no opposition.

The new constitution drafted by the Constituent Assembly includes a series of democratic and social measures but does not break with the capitalist order. It does not advance even with the nationalisation of oil, it includes joint ventures, and it does not mention the issue of foreign debt or the re-nationalisation of companies privatised during previous governments.

At the same time, it is raised to constitutional rank the set of commitments acquired by the country with the capitalist order and multilateral organisations, including those of an economic nature, such as the conventions of the International Labour Organisation (ILO) or the Treaty

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5 Speech by Fidel Castro in the Great Hall of the Central University of Venezuela, on 3 February 1999, official transcript, [www.cuba.cu/gobierno/discursos/1999/esp/f030299e.html](http://www.cuba.cu/gobierno/discursos/1999/esp/f030299e.html).

6 Speech by Fidel Castro to the National Assembly of Venezuela, on 27 October 2000, official transcript, [www.cuba.cu/gobierno/discursos/2000/esp/f271000e.html](http://www.cuba.cu/gobierno/discursos/2000/esp/f271000e.html).

against Double Taxation subscribed with the USA in the last days of the Caldera government and ratified by Chavez.

Less than a year after the adoption of the new constitution, Orlando Chirino warned the progress embodied in it would be difficult to implement in a bourgeois framework: “The ‘Bolivarian’ constitution meant a formal extension of democratic guarantees and human rights; it incorporated progressive articles such as revocation of mandates, binding referendum, unicameralism, universal social insurance, reaffirmation of free education and health. It meant formal advances in terms of indigenous people, children and women ... But all this is unworkable in a subordinate capitalist order, guaranteed by the same constitution that, on the other hand, contains quite a few militaristic elements. The offer of a popular constituent process was false. The constitution was drafted and approved in a hasty manner, without basic democratic participation. The people just voted ‘yes’ or ‘no’, led by the charisma of the ‘commander’.”<sup>7</sup>

The bourgeois opposition, represented mainly by Fedecamaras, CTV, and NGOs grouped generically under the name of “civil society” and secondarily by AD, COPEI, new centre-right parties like Primero Justicia [Justice First], and parties of the centre-left like Causa R, made a campaign against the approval of the constitutional text wielding a repertoire of anti-communist slogans. It failed miserably because the referendum of 15 December 1999 gave the “Bolivarian” constitution a 71.78 percent of the approving votes, which reflected the broad popular expectations in Chavismo.

Already with the approved constitutional text, Chavez calls for new general elections, held on 30 July 2000. In them, he again prevails in the presidency with 59.76 percent of the votes, defeating his former comrade in arms, Francisco Arias Cardenas. In addition, Chavismo wins most of the governorships and mayorships, and also most of the National Assembly.

## **The Enabling Law, concessions to the masses, and new frictions with pro-imperialist sectors**

The popularity of “Commander” Chavez continues to grow in the heat of his speeches on behalf of the “Bolivarian revolution” in progress, supported by Fidel Castro and denouncing the old bourgeoisie and the CTV union bureaucracy.

His government increasingly displays strong political friction with Yankee imperialism, then under the leadership of George W. Bush. Chavez prohibits overflights of US military aircraft under the pretext of fighting drug trafficking. Venezuela denounces the blockade of Cuba and Chavez speaks of a possible Latin American NATO without the US. In July 2001, a new disagreement with the Yankees took place due to Venezuela’s opposition to the installation of an aerospace platform in the territory under the claim of Essequibo, currently under the sovereignty of Guyana.

In this context, in November 2001, Chavez launches a series of decrees-law after being allowed to legislate by parliament through an Enabling Law. These had important concessions for the mass movement. The reforms within the new laws, although they were modest, do not stop having progressive aspects that were well seen by the workers, by the small producers of the countryside and of the fisheries, and also by broad popular sectors. And they were badly seen and repudiated by broad sectors of the pro-imperialist big bosses.

A Land Law was imposed that allowed the expropriation of idle land exceeding 5,000 hectares and its adjudication without property to the peasants and agricultural workers without land. The Fisheries Law favoured small fisheries and extended the number of retirement miles for trawling and the Coastal Law declared public patrimony a strip of 80 meters of beach shoreline. A greater share of credits for agricultural development and for small and medium enterprises was imposed on private banks. Taxes were raised to transnational corporations nestled in the oil industry.

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<sup>7</sup> Chirino, Orlando and Gomez, Gonzalo: “Venezuela: The Chavez phenomenon. Reflection and deviation of a revolutionary process”, *Correspondencia Internacional* No. 13, August-October 2000.

The package of laws also had regressive aspects. For example, the Law on the Statute of Civil Service limited the right to strike if wage claims exceeded the financial limits established by the government.

The political confrontation around the new laws gained large proportions quickly. The bosses' guild (Fedecámaras), the CTV union bureaucracy, the Catholic Church, and the parties of the right denounced that they were not consulted about the content of the new laws, that the country was turning towards "Castro-communism", and that it did not recognise business and personal private property.

The George W. Bush government joined in these allegations. Chávez counterattacked by denouncing the bombings against Afghanistan in late 2001 and criticising Bush for responding to the 11 September terror with more terror.

The intensification of the confrontations between the government and the pro-Yankee bosses' opposition led to the realisation of the first business lockout on 10 December 2001. It was convened by Fedecámaras and CTV to demand the repeal of 49 laws enacted by Chávez. Especially, the Land Law, which they considered motivated a deepening of peasant mobilisation and the occupation of unproductive estates, thus threatening private property.

Chávez responded by calling for a massive mobilisation of peasants over Caracas and in the Barinas region — from where he was a native — in support of the Land Law. After a large popular rally in Plaza Caracas, thousands of protesters moved to the headquarters of Fedecámaras, closing it. The Venezuelan members of IWU–FI<sup>8</sup> supported the mobilisation from an independent policy, with their own slogans: "[The] revolutionaries have to mark a clear distance from the reactionary opposition and the Chávez government. The bosses and the reaction press and ask the government for 'rectification', but this rectification does not suit the people; the changes we require are others and we can only achieve them with our mobilisation." Along the same lines, they proposed to the trade union movement the creation of a workers' constituent to adopt the following positions before the government:

"— Consultation of laws and decrees to workers, peasants, and popular organisations, through mass meetings and mechanisms of participation from the ranks.

"— No concession to Fedecámaras and the oligarchy. No step back in the progressive aspects of the Enabling Law. Elimination of the laws of the Enabling Law that undermine the rights and achievements of the workers.

"— Non-payment of the illegal and illegitimate foreign debt, to allocate resources to social development.

"— Solidarity call to the Argentine people and other Latin American peoples to promote a 'Bolivarian front' against the payment of the debt and against the FTAA (Free Trade Area of the Americas).

"— Nationalisation of banking, to end the flight of hard currencies and speculative interest rates. Strong taxes on capital to invest resources according to the people.

"— Respect and improvement of collective agreements and salaries in accordance with the loss of purchasing power and the value of the basic basket. Stop the attempts to establish private pension funds. Defence of a public and supportive Social Security.

"— Rejection of the United States interference in the internal affairs of Venezuela. Ambassador Donna Hrinak, leave our country."<sup>9</sup>

The offensive of the big bosses and the right, supported by imperialism, would continue. But the flip side was that the Bolivarian government did not adopt measures to support the process of mobilisation and popular self-organisation, as demanded by the union leaders linked to IWU–FI.

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8 The International Workers Unity – Fourth International (IWU–FI) was founded in April 1995 by a sector of Nahuel Moreno supporters and began publishing the magazine *Correspondencia Internacional*.

9 "An independent policy", *Correspondencia Internacional* No. 17, January 2002.

They did not even apply the measures contemplated by the laws of the Enabling Law, for example against the landlords who promoted the coup. Thus, the clash government–bosses opposition would develop until its climax with the April 2002 coup d'état and the oil sabotage-strike from December 2002 to January 2003.

## CHAPTER III

# The popular victory against the April 2002 coup and the oil sabotage

Yankee imperialism joined the repudiation of most of the old bourgeoisie to the taxes and confiscatory mechanisms established in the Land Law or the increase of taxes on oil transnationals.

The government of George W. Bush observed with great alarm that Venezuela stopped being a docile satellite to adopt an increasingly independent and challenging position. In addition to the rapprochement with Cuba, Iraq, Iran, and Libya, it was established the prohibition of Yankee military overflights in operations against drug trafficking.

A coalition between the business chamber, the old bosses' parties, the leadership of the Catholic Church, the CTV union bureaucracy, and the generalcy, with the support of the US government and, to a lesser extent, the government of the Spanish State, carried out the military coup of April 2002 against Chavez. A clearly pro-imperialist uprising that ultimately failed. The coup leaders only held power for 72 hours. The revolutionary mobilisation of the masses defeated that counter-revolutionary putsch, an unprecedented fact in Latin America. For the first time, the masses managed to defeat a pro-Yankee military coup.

*Correspondencia Internacional*, the international magazine of IWU–FI, commented on the decision of imperialism and the most important sectors of the Venezuelan bourgeoisie to bet on the coup d'état: "The Venezuelan oligarchy and the US want to get rid of the Hugo Chavez government because it does not respond directly to their dictates. Chavez heads a government with populist traits and bourgeois-nationalism, which approves some progressive measures such as Land, Fishing, or Hydrocarbons laws, which places hurdles to a total privatisation of oil, which revitalized OPEC to defend oil prices. It sells oil to Cuba, ignoring the Yankee blockade, criticises Plan Colombia and opposes the FTAA [...]."<sup>1</sup>

Fedecamaras, CTV, and the Catholic Church hold a meeting on 5 March at the Quinta Esmeralda in Caracas, in which they subscribe the document *Bases for a democratic agreement*, which establishes the political agreements for the April coup. It is signed by Pedro Carmona Estanga for Fedecamaras and Carlos Ortega for CTV. For the Catholic Church, Luis Ugalde, the vice-chancellor of the Andres Bello Catholic University (UCAB), takes part as mediator and guarantor. Ten days later, PDVSA managers call for an oil strike, escalating the conflict with Gaston Parra, the president of the company appointed by the government at the beginning of February. After several weeks of pressure between the oil management and the government, the bourgeois opposition calls a 24-hour bosses' strike on 6 April for 9 April. Most workers did not heed the call by the union bureaucracy. Chavez responds the next day announcing the dismissal of seven managers and the retirement of twelve more. With the support and advice of the Bush administration, the decision to overthrow the government through a coup was already taken.

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<sup>1</sup> Ayala, Rodrigo: "A revolution defeated the coup leaders and imperialism", *Correspondencia Internacional* No. 18, June-September 2002.

## The coup is set in motion

The strike of 9 April was extended to 48 hours and on the night of 10 April, it was declared “indefinite”, along with the announcement of a march from Parque del Este to the administrative facilities of PDVSA in the Caracas area of Chuao. On 11 April, the military coup would be consummated.

Chavez, trusting in the military and the administrative state apparatuses and not in the popular mobilisation, dismissed the coup threat: “Those minorities do not have how to get us out of here. They represent no real threat to us. They are a minority [...] they will be like Methuselah waiting for a coup against Chavez.”<sup>2</sup>

The opposition demonstration, which would have exceeded 200,000 people, mainly from the middle class, was redirected to the Miraflores Palace, the seat of power. There were armed skirmishes among the crowd that surrounded the palace in support of the government and elite groups of the Metropolitan Police (PM), under the orders of pro-coup mayor Alfredo Peña, and also snipers, which left 18 people murdered in the vicinity of the palace. The PM repression in the 23 de Enero neighbourhood left one more fatal victim.

The coup military personnel took control of the Fort Tiuna complex, the La Carlota military airport in Caracas, and other military installations. The Inspector General of the Armed Forces, Lucas Rincon Romero, announced in the early hours of 12 April that “the members of the Military High Command of the Bolivarian Republic of Venezuela deplore the unfortunate events that took place in the capital city yesterday. In view of these facts, the President of the Republic was asked to resign his position, which he accepted. The members of the High Command place their offices to the order which we will deliver to the officers who are appointed by the new authorities.”<sup>3</sup>

## Fidel Castro advises Chavez

Chavez agreed with the coup plotters to resign in exchange for being allowed to go to Cuba with his family. Fidel Castro would admit in an interview with Ignacio Ramonet that he advised Chavez, in a telephone conversation on the night of 11 April, to give himself up in exchange for being allowed to leave the country. “In Fidel’s words, Chavez’s alternatives were: to entrench himself in Miraflores and resist until death, leave the palace and try to meet with the people to unleash a national resistance with very little chance of success in those circumstances, or leave the country without resigning or resigning to resume the fight ... Fidel Castro suggested the third.”<sup>4</sup>

However, once Chavez surrenders, the coup plotters undo the agreement and keep him in custody.

Ten years after the coup, Orlando Chirino and Miguel Angel Hernandez, of *Partido Socialismo y Libertad* (Socialism and Liberty Party, Venezuelan section of IWU–FI), commented that “the 12 April will be recorded in history as the moment in which Chavez and the top leadership of their political movement, as political drivers of the vast majorities of the country, did not pass the test of events. They bowed down and meekly yielded the government to the opposition without giving battle to the native coup leaders and their international advisers entrenched in the embassy of the United States in Caracas.”<sup>5</sup>

Pedro Carmona, as head of the de facto government, in his first decree already drafted on 10 April, dissolves the National Assembly, the Supreme Court of Justice, and the National Electoral Council; dismisses the attorney general, the comptroller, the ombudsman, and also governors,

<sup>2</sup> *El Universal*, Caracas, 10 April 2002.

<sup>3</sup> Villegas Poljak, Ernesto: *Abril, golpe adentro* [April, inside the coup], Editorial Galac, Caracas, 2009.

<sup>4</sup> Ibid.

<sup>5</sup> Chirino, Orlando; Hernandez, Miguel Angel: “The counter-revolutionary coup of April 2002”; 11 April 2012, <http://web.LaClase.info/content/el-golpe-contrarrevolucionario-de-abril-de-2002>.

mayors, and councillors elected by popular vote. It repeals the 49 laws passed in November 2001 and changes the constitution, eliminating the denomination of “Bolivarian Republic”. The brief government assassinated dozens of people on 12 and 13 April in the repression of protests by those opposed to the coup and fomented actions such as the siege of the Cuban embassy or dozens of arrests of community activists and militants of Chavismo.

From the 11 April rally around Miraflores in resistance against the coup manoeuvres, up to the mobilisations of 12 and 13 April against the de facto government of businessmen, soldiers, union bureaucrats and the church, all these actions were promoted by the working people without guidance from the government or MVR, whose leadership first dismissed the danger, trusting the armed forces and then dispersed in disarray in face of the coup victory and the arrest of Chavez.

## **The mobilised people defeat the coup**

The great mobilisation of 13 April, in which hundreds of thousands of people took to the streets in the main cities of the country against the coup, surrounding the barracks and government buildings, created a crack in the coup structure and in a few hours brought down the dictatorship of Carmona.

This was reflected in the writing by IWU–FI members: “The masses rose up without any recognised leadership. They filled the streets, confronted the coup plotters in the vicinity of Miraflores, surrounded the barracks and motivated the military insubordination of the troops, retook the state television channel and put into operation rudimentary but effective systems of intercommunication [...]. When the putschist military leadership spotted the real danger represented by the mobilised masses and the insubordination of the troops in the barracks, it tried to retreat by asking Pedro Carmona to reverse the measure of dissolution of the National Assembly, but it was too late. The masses had opened a deep and deathly wound in the newborn dictatorship, generating a revolutionary crisis. [...] This is why we say it was essentially a powerful revolution, of a democratic nature, which allowed the recovery of the freedoms suppressed by the coup plotters and the restoration of the Bolivarian institutional order. In a matter of hours, the National Assembly regained its place; its president was in charge of reinstating Chavez. The barracks were put under the control of anti-coup officers and troops. [...] it must be said that, besides putting the coup leaders out of the game and giving a terrible defeat to imperialism, it also exposed the serious flaws of the Chavez government, its inconsequence and its vulnerability as a serious political project that is an alternative and a reference for the revolutionary processes underway throughout the world and in particular in Latin America.”<sup>6</sup>

On 13 April, some 50,000 people gathered outside the Miraflores Palace, the seat of government. They went with sticks, pieces of iron, hammers, bottles of gasoline, and even some firearms. Under popular pressure, the troops of Casa Militar [Military House], took control of Miraflores and the coup plotters fled. On that dawn, Chavez returned to Miraflores.<sup>7</sup>

IWU–FI polemicized with the Chavista propaganda that described the defeat of the coup as a “civic-military” action, oversizing the role of the military to legitimise its growing prominence in the government and the regime. It was precisely the popular mobilisation to the barracks what played a decisive role in pressing on sectors of the military officers and non-commissioned officers.

The actions of the masses achieved the neutrality of some barracks and others to turn against the coup. The most outstanding case occurred in Maracay, where the seat of the 42nd Parachute Brigade, whose commander was General Raul Baduel. Thousands gathered in front of the barracks challenging the risk of repression. “Viva Chavez”, “Parachutists, parachutists”, and “Chavez endure, the people rise up” were the most chanted slogans. Finally, Baduel and the 42 Brigade publicly announced their attachment to the constitution, indirectly denouncing the coup. In 2006,

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<sup>6</sup> Ayala, Rodrigo, *Correspondencia Internacional* No. 18, op. cit.

<sup>7</sup> *The revolution will not be televised* is a 2003 documentary directed by Kim Bartley and Donnacha O'Brian that portrays these events.

Baduel was promoted to the rank of general in chief and appointed Minister of Defence by Chavez, but he lasted less than a year. He fell “in disgrace” for disagreeing with some of Chavez’s measures. Displaced, he would join the bosses’ opposition. He was imprisoned in April 2009 and sentenced to eight years in prison on corruption charges.

“Colonel Hugo Chavez, in an interview at the end of December 2001, explained his conception that the Venezuelan armed forces as an institution are revolutionary and one of the basic supports of his government (*Le Monde Diplomatique*). [...] The events of April have shown a reality opposite to the one described by President Chavez in the interview [...] an important sector of the army officers turned to the coup. And they also show that neither Chavez nor the bulk of the officers who did not actively join the conspiracy took any initiative to resist it. The mobilisation that made it possible to defeat the coup and reinstate the president arose from the workers and popular ranks [...]. Thus it was possible to prevent repression, turn the troops and the non-commissioned officers against the coup leaders until they were defeated”, concluded Mercedes Petit in *Correspondencia Internacional*.<sup>8</sup>

## Orlando Chirino and the current *Voz de los Trabajadores* defended the Chavez government against the coup

The Venezuelan Trotskyists followed the same tactics of the unity of democratic and anti-imperialist action applied by Nahuel Moreno and his organisation, for example in 1955 in Argentina, when the gorilla and pro-Yankee coup against the nationalist-bourgeois government of Juan Domingo Peron took place. In that opportunity, the coup triumphed. The revolutionaries in these exceptional cases, in the face of a pro-Yankee military coup, defend these bourgeois nationalist governments without giving them political support and betting on the workers’ and popular mobilisation.

Orlando Chirino and the revolutionary current *Voz de los Trabajadores* [Workers’ Voice] had an outstanding participation in the fight against the coup. They promoted the mobilisation throughout the country from the workers’ movement. Chirino was with his comrades in front of the barracks of Maracay parachutists and was part of a caravan of cars that went to Caracas to join the popular rebellion. On the way, Chirino and his comrades had a serious car accident that prevented them from reaching their destination.

The Trotskyists were a prominent part of the workers’ vanguard against the coup, as reflected in *Correspondencia Internacional*: “The union organisations made pronouncements denouncing the bosses and putschist character of the call for a national strike by CTV and backed by Fedecamaras. This led to the workers refusing to participate in the bosses’ stoppage. [...] [From Maracay and Valencia the workers] mobilised to Caracas to participate in the resistance. On 12 April, despite the witch hunt that had started against political and union activists, this was not an obstacle for actions to be taken in several cities. The workers were not intimidated when in the companies, the emboldened bosses, arrogantly said the party was over, that they were preparing for the dismissals and the union turnover. On Saturday 13 April, in Maracay, it was the workers, organised by union, who gathered with popular sectors around the Parachute Brigade and taking the tolls, generating a solid unity that spread throughout the country.”<sup>9</sup>

The Class and Democratic Trade Union Bloc of Carabobo state, whose leaders included Orlando Chirino, played an important role in confronting the policy of the coup plotters. “The stoppage was a failure because the workers went to their jobs. The majority of unionised workers saw the dangers and goals of the lockout and refused to observe it. In the oil installations, where the coup plotters had their highest hopes, they met with the repudiation of the workers and their organisations and saw how the workers and the popular sectors faced in the vicinity of the refineries the gangs paid by the executives, who wanted at all costs to guarantee the bosses’ lockout. But it was

<sup>8</sup> Petit, Mercedes: “Revolutionary armed forces?”, *Correspondencia Internacional* No 18, op. cit.

<sup>9</sup> “Building a National, of Class, and Democratic Tendency”, *Correspondencia Internacional* No. 18, op. cit.

not just a response of workers' strength. It was also ideologically, politically, and programmatically revolutionary. This was understood by the pro-coup newspapers in Carabobo, who raised a hue and cry and denounced as Jurassic and outdated Trotskyism the trade union bulletin issued by the Class and Democratic Trade Union Bloc in that state, in which the workers were called to oppose the bosses' strike and expropriate all those entrepreneurs who promoted it.”<sup>10</sup>

A decisive fact was the non-stoppage of the oil workers. As Jose Bodas, the main reference of revolutionary oil trade unionism, reports: “our actions on 11 April were decisive, because they wanted to stop the plants and we faced the technocracy [...] let us recall that these gentlemen since 9 April, when the strike is decreed, they really abandoned the plants and these were left under the responsibility of the workers, of the plant operators. We held discussions, because we really had the conviction, and it was a point of honour, that the plants, i.e. Puerto La Cruz Refinery and its docks, were not going to be paralysed, they were not going to endorse that coup that both Fedecamaras and CTV were pushing, of course, as a guest and ally of Fedecamaras, with American imperialism.”<sup>11</sup>

## **Chavez forgives the coup plotters**

Chavez, who had been detained by the coup plotters in the military installations of La Orchila Island, used his first public address after his restitution to the presidency, on the dawn of 14 April, to invoke crucifix in hand the national reconciliation in a sadly famous speech. Carmona, who had been arrested hours after the end of his brief de facto government, was allowed to escape from house arrest and take refuge in the Colombian embassy. Then his departure from the country was authorised with a safe-conduct. The coup leaders who did not flee the country were benefited by a tacit pact of impunity; the trials opened against them did not advance. The prosecutor who handled the cases, Danilo Anderson, was killed in a terrorist bomb attack in November 2004 and the cases were shelved. The masterminds of the crime were never brought to trial. The Supreme Court of Justice, with a majority of judges aligned with the pro-coup minister Miquilena, ruled in August 2002 that no coup had taken place but rather a “power vacuum.” Chavez would end up decreeing an amnesty in December 2007 to seal the impunity. This government line immediately after the coup allowed the regrouping of the right, which had been almost disintegrated, and that would resume the offensive with oil sabotage.

The members of IWU–FI focused their denunciations after the defeat of the coup in the danger of that impunity promoted by the government. Their demands are summarised in the following flyer:

“*Prison to the coup plotters.* Permanent mobilisation and struggle in defence of the democratic freedoms enshrined in the constitution. The conspiracy is orchestrated to defeat the revolutionary process opened since 1989 and prevent the advance of our conquests. [...] The conciliation with those responsible for the coup is to give them the opportunity to continue trying.

“*Denunciation of anyone who commits acts of corruption.* Trial and punishment to anyone responsible for malicious acts in the administration of state resources. [...]

“*No to the payment of the foreign debt.* Over 30 percent of the budget is spent paying a debt, which on many occasions President Chavez has said is ‘fraudulent and must be reviewed’. Now is the time. With that money we can cancel the social debt had with the exploited and oppressed sectors; improve health services, construct popular housing, hospitals and schools, increase salaries to compensate the purchasing power lost by inflation, generate jobs and subsidise unemployment. [...] Venezuela must take the initiative and President Chavez should lead the mobilisation and

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10 Ayala, Rodrigo: “A revolution defeated the coup plotters and imperialism”, *Correspondencia Internacional* No. 18, op. cit.

11 *Testimonios de un rescate* [Testimonies of a rescue], published by the Public Affairs Corporate Management of PDVSA, 2004. It is a book of over 400 pages with interviews to workers and technicians who took part in the front ranks in the fight against employer sabotage.

formation of a front of debtor countries that oppose the Yankee FTAA project and breaks with the IMF and imperialism.”<sup>12</sup>

Consistent with these positions, IWU–FI members continued their confrontation with the government, demanding that measures be taken against the coup plotters and promoting the mobilisation despite Chavez’s demobilising line, which even opposed the workers’ carrying out an aggressive anti-coup march on May Day. This was picked up by a narrative in *Correspondencia Internacional*: “In the face of the constant hesitation by the government and the union leaders who are followers of Chavez to commemorate May Day, the grassroots workers along with the popular sectors ended up imposing its realisation, the route, and the slogans. A human river of over half a million people, under the fiery sun of Caracas, in a strenuous journey of over 15 kilometres, started in the Poliedro de Caracas located in El Valle, in front of Fort Tiuna, and to the vicinity of the Palacio Miraflores, did not tire of agitating the slogans of jail and punishment to the guilty, no concession to the coup, down with US imperialism, and nationalisation of the media. All this although the government insisted on not carrying out the march to avoid further provocations or confrontations.”<sup>13</sup>

It warned that both the coup leaders and the government sought the popular demobilisation: “The events of May Day, the large mobilisation on 24 August to protest the decision of the TSJ [Supreme Tribunal of Justice] (acquittal of the coup plotters) and the concentrations of Aragua, Zulia, and Carabobo to face the regional mobilisations summoned by the conspirators, evidenced in a forceful way the rejection of the coup plotters [...]. Imperialism and the national oligarchy, until now, do not have the strength to crush the masses and they take care not to cause a confrontation with unpredictable consequences. They are afraid of the revolutionary action of the workers, of the popular sectors, of the unemployed, of the peasants, of those excluded from society by Puntofijismo. On the other hand, they are afraid of a division of the army where most of the troops, with weapons in their hands, take a place next to these sectors. [...] Now they are looking for political negotiation, but with the same goal: to liquidate the rise of the Venezuelan people. This is expressed in the principles of the Tripartite Working Group (OAS, UNDP, Carter) calling for the installation of a dialogue table.”<sup>14</sup>

In this context, on 24 August 2002, over 100 activists from *La Chispa*, *La Jornada* Class Movement, with members of IWU–FI and other leftist groups gathered at the headquarters of the Electrical Union of Valencia, founded the *Organizacion de Izquierda Revolucionaria* (Organisation of the Revolutionary Left, OIR), continuing the fight for the construction of a revolutionary organisation to confront the coup leaders from a position independent from the Chavez government.

## The bosses’ oil sabotage is defeated by the workers

PDVSA’s putschist managers, grouped in the Petroleum People group, were reinstated to their posts. This concession of the Chavista government facilitated their counterattack at the end of the same year. The government pinned its hopes on a national dialogue table for a way out of the crisis agreed with the Democratic Coordinating Committee; the front conformed in June by the parties that supported the coup.

From the workers’ and people’s movement, the process of self-organisation continued to advance. In September, the National Assembly of Workers for Trade Union Re-foundation was held, with claim resolutions such as the extension of the decree of labour immovability, the reopening under workers’ control of the companies closed by the bosses, the non-payment of foreign debt and the repudiation of FTAA, and also firm positions against the coup and official conciliation. There is

12 “Unitary Declaration”, *La Chispa*, *Opcion*, *La Jornada* and others. Quoted in *Correspondencia Internacional* No. 18, op. cit.

13 Ayala, Rodrigo. *Correspondencia Internacional* No. 18, op. cit.

14 Bastidas, Emilio: “Process of the revolution in Venezuela”, *Correspondencia Internacional* No. 19, December 2002–March 2003.

also a major National Meeting of Popular Organisations and a strike broke out in the Metropolitan Police, dividing one of the repressive strongholds of the coup forces.

On 10 October, the Democratic Coordinating Committee set 21 October as the date for a new bosses' strike. On the 22nd of the same month, military coup leaders set up a permanent camp in Plaza Altamira in Caracas, from where they agitated the armed forces to revolt against the government.

Finally, on 2 December 2002, Fedecamaras and CTV began a new bosses' stoppage, while PDVSA's management undertook oil sabotage. Giving continuity to the coup strategy, the Democratic Coordinating Committee played to economically strangle the government by paralysing the oil industry. Through the intervention of the automated processes of the industry and the desertion of command posts, the use of shock groups to prevent the entry of workers to their workplaces, the high jacking of oil tankers, and other similar methods, they achieved to partially stop the oil industry.

Most of the oil workers, however, joined their tasks. Jose Bodas, oil leader and plant operator of Puerto La Cruz Refinery (located 500 km east of Caracas, in the state of Anzoategui), who we already mentioned for his role in the mobilisation that defeated the April coup, explained the confrontation that developed between the workers and the managerial staff: "These people abandoned the facilities and not only that, they blocked them, because let us recall all this is an automated system, and they blocked the computers, closed the valves, the keys of this system, as they wanted to shield all their sabotage activities, all their criminal activities, so that there was no way to avoid this [...]. With the workers and those comrades who knew the plant, together with the communities that were around it, we rescued the system. First, we passed the system to manual and later even to automatic, and they, with the technological warfare that they had, truly sabotaged the system, because they got through the Internet in this one. Remember, these gentlemen had at their disposal the latest technology and it was a complete plan. The biggest blow we gave them was in Puerto La Cruz, during the whole contingency of December, starting on the 7th or 8th, we rescued the whole Storage Plant, there was always petrol, and from this part of Puerto La Cruz we took petrol for the whole east."<sup>15</sup>

## The refinery of Puerto La Cruz was the vanguard

By keeping operations under workers' control, the oil workers of Puerto La Cruz became a reference in the fight against oil sabotage. "During all the events in December, Puerto La Cruz Refinery was always at the forefront, its male and female workers gave a resounding defeat to the technocracy, Yankee imperialism and all the bosses, the Oil Chamber and all the coup leaders of this country. It was an overwhelming fact that Puerto La Cruz Refinery became a national reference because the East did not have such a petrol crisis as terrible as we observed through the media the people queuing in a service station, which really was painful for us what happened to them. How they used a resource, a company that belongs to the Venezuelan people, how they used it as a weapon of war against this people [...] the president of the republic always referred to the Puerto La Cruz Refinery, to the fact that since independence it had always played an important role in the struggles of the people [...] and for the revolutionary movement of this country",<sup>16</sup> Bodas explained.

This quest had to overcome the resistance of Chavez himself, who did not stop favouring negotiations with the coup plotters to the independent action of the workers. While these were recovering production in the oil fields and refineries, the government was negotiating with the saboteur managers to return to their jobs. In the case of the Puerto La Cruz Refinery, the managers put as a condition for their reincorporation that the workers gave up the positions they occupied and stopped the operations. The workers and their revolutionary leaders refused to accept the negotiating terms developed by the Chavez government. The oil leader Hector Rincon, who

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15 *Testimonios de un rescate* [Testimonies of a rescue], op. cit.

16 Ibid.

together with Bodas promoted the *La Jornada* group, narrates what happened: “[...] we received a call from a deputy, Angel Rodriguez, where he told us that Caracas was also negotiating this and to stay calm, that we stopped all the operations and questions [...]. We told him how was this possible, that it was non-negotiable [...] The comrade told us it did not matter, that the government was already aware of this and it had a whole structured plan and another alternate emergency plan. [...] We strongly refused that.”<sup>17</sup>

Bodas highlights that through this experience, the workers demonstrated their capacity to manage a complex and highly technical industry, without bureaucrats or businessmen. The workers democratically elected the supervisors of the operations in mass meetings: “We held the discussion and the ability, the experience, the years of service of the comrades who were at the head of that decision always prevailed [...]. We do have the technical capacity, we do have the scientific capacity and, as we have said, it is not a utopia that we can direct better than the technocracy; we can direct better than the bourgeoisie the companies where we work. Of that, we do not have the least doubt and we demonstrated it. If we could do it with a company as complex, as automated as Petroleos de Venezuela (PDVSA), then we can do it with this country, we can do it in any country, and we can do it in the world. The working class, the workers are capable, we have the capacity [...] it was shown duringthis crisis, in these difficult times where there were so many pressures.”<sup>18</sup>

So important was the role of the oil workers of Puerto La Cruz that President Chavez himself decorated Jose Bodas, along with thirty-nine others, with the orders Francisco de Miranda, Liberator and Merit in Work.

## The coup plotters were defeated again

Despite the ravages of the bosses’ oil sabotage and lockout, such as the shortage of food and basic consumer products, the huge queues of people in front of petrol stations or the purchase of domestic gas bottles, the workers managed to recover gradually oil production in the places where it was affected. On 21 December it was set in motion the oil tanker “Pilin Leon” which blocked the navigation channel of Lake Maracaibo, where an important part of oil exports comes out, which represented an important setback for the coup plotters. Already at the beginning of January, it was clear that the bosses’ stoppage and oil sabotage were very weak. On 3 February 2003, the coup leaders admit their defeat with the announcement of a “loosening of the stoppage”.

Significant consequences would come out of the workers’ and popular victories against the coup of April and the oil sabotage of December 2002. For the masses that led these struggles, these successes would preserve the democratic rights conquered in the 1999 constitution and the continuity of a process of popular and workers’ mobilisation and self-organisation within the framework of the historical period opened after the Caracazo. The most important organisational achievement, a direct consequence of the defeat of the coup and the confrontation of the workers with the putschist bureaucracy of CTV, was the founding of the National Union of Workers, on 5 April 2003. The victories would also be translated into social conquests with welfare programs called “social missions”.

But, contradictorily, the central political consequence of this process is that the government of Hugo Chavez would be strengthened. His figure would consolidate before the Venezuelan masses and would open great expectations in the world’s vanguard. Although Chavez never broke with capitalism, he relied on an anti-imperialist and socialist discourse and his popularity would reach very high points in the following years.

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17 Ibid.

18 Ibid.

## CHAPTER IV

# From the Missions to the false “socialism of the 21st century”

After the counter-revolutionary attempts of 2002-03 were defeated, Chavez continued to increase his popularity. There were important social conquests such as the Missions, and his anti-imperialist and anti-capitalist discourse hardened. In May 2005 he proclaimed his supposed “socialism of the 21st century”. His ongoing attacks on Bush, his questioning of the FTAA, his support for the Palestinians, his vindication of Cuba and Fidel Castro, his calls for Latin American unity “against the empire”, and even his references to Lenin or Trotsky, won the sympathy and expectation of millions in the world who seek to defeat imperialism and achieve a fundamental change against capitalist exploitation. But “Chavismo” did not go beyond an anti-imperialist discourse. It never advanced with effective measures against the bourgeoisie and capitalism.

### The Missions were a conquest of the mobilisation of the masses

Las Misiones arose in 2003 as a plan by the national government to get stronger popular support in the face of the onslaught of the pro-Yankee right. At the same time, the conquests of the mobilisation of the masses were what forced Chavez, after the failure of the coup, to respond to the disaster inherited from the previous capitalist regimes in health, education, and in the feeding of millions.

From 2003 until the recall referendum of 15 August 2004, eight Missions were launched: Mission Barrio Adentro (primary health care); in education, Missions Robinson I and II (literacy and completion of primary studies), Mission Ribas (culmination of secondary education) and Mission Sucre (access to university studies); Mission Mercal (sale of food at subsidised prices); Mission Vuelvan Caras (training in productive work with education in cooperativism), and Mission Habitat (land, housing and urban projects). The Missions were part of an agreement with Cuba that contributed a large part of its personnel and was financed with PDVSA funds. Cuba always charged in cash and with oil delivery at a subsidised price. It is estimated there were some 40,000 Cubans serving in the 24 states of Venezuela.

In the early years, the missions were successful and had a great impact; especially those of health and education. In the health area with the Mission Milagro, for example, two and a half million Venezuelans with visual problems would have been operated, totally free of charge, traveling to Cuba. In the education sector, through Mission Robinson I and II, 2.8 million Venezuelans were taught to read and reach the sixth grade, respectively. But over time the missions deteriorated and their initial impact on the popular sectors fell. At the end of 2009, for example, a third of the Barrio Adentro modules were abandoned due to the cut in social spending that Chavez applied. In the following years, the situation would only get worse.

Both health and education missions were patches that met urgent needs, but there were no substantive changes in the deteriorating health system and traditional state and public education, which remained low on budget and coexisting with private health and education, recipient of

significant state subsidies. Under Chavez and because of the deterioration of hospitals in the public system there were hundreds of strikes by health workers. Already with Maduro, the health system collapsed completely.

## The recall referendum of 2004 consolidates Chavez's popularity

The coup and pro-Yankee sectors were defeated with the mobilisation but when Chavez did not go thoroughly against this bourgeois sector, it gave them a certain air. Chavez himself had made it popular to call them "squalid". Indeed, they were so regarding their political past. From the Caracazo, the two big bosses' parties, Accion Democratica and COPEI, had fallen into decay and exploded in various parties. They were repudiated by the popular sectors that, mostly, became the social base of Chavismo. A decade later, due to the economic and political failure of Chavismo, these "squalid" again "fattened" to the point that in the legislative elections of 2015, united in MUD (Democratic Unity Roundtable), they defeat Chavismo and achieve two-thirds of the National Assembly.

In July 2002, the bosses' opposition is grouped in the Democratic Coordinating Committee. After the failure of the oil sabotage, the putschist route was exhausted, so the opposition bloc would take advantage of the figure of the recall referendum, a democratic clause contained in the new constitution that opens the possibility of revoking any elected official by popular vote when reaching the middle of their term. To call the referendum requires the signature of 20 percent of the voters on the electoral roll.

After a series of delays, Chavez agrees to its realisation to use it in his favour. A few weeks before the referendum, he meets with former Yankee president Jimmy Carter, whose organisation had played a prominent mediating role in Venezuela, and the tycoon Gustavo Cisneros, the country's leading capitalist and one of the main promoters of the coup. Three years later, Chavez declared that because of the agreements reached in that meeting, "Cisneros understood he can coexist, that is, his company, he and his family with this project."<sup>1</sup>

The campaign for the NO to the revocation of the presidential mandate becomes a great mobilisation of the masses, in a new anti-imperialist demonstration. Chavez intelligently installs a campaign for "No to Bush" and "No to the coup plotters". "I'm going to connect a home run", Chavez said using baseball terms, "to the gringos on the day of the referendum, you'll see." An international movement of support for the NO against imperialism was created. Millions organised in Venezuela to vote for NO and guarantee the control of the ballot boxes against the supposed danger of fraud by the "empire". On August 15, on the day of the vote, reveille was played at 5 am in all the popular districts of the country, which was the call of Chavismo, so that people would go out to vote. The enthusiasm of the workers and the people in support of the president was evident.

In the previous chapter, we said the members of IWU-FI at that time were part of the OIR (Organisation of the Revolutionary Left). They did not hesitate to support the call to vote for the NO and were protagonists of the campaign, especially among the workers. Leaders of IWU-FI moved to Venezuela to join the campaign, among them Miguel Sorans of Argentina and the national deputy Baba of PSOL of Brazil. Both participated in rallies of oil workers in Puerto La Cruz and in the working and popular neighbourhoods of Aragua and Carabobo. They were also part of the international delegations that participated in the *Hello President* program, which Chavez himself coordinated on Sundays for long hours.

The newspaper *OIR a los Trabajadores*,<sup>2</sup> in the special issue of 31 July, reproduced its statement for "Vote NO". It expressed its support in the context of their differences with the government

<sup>1</sup> *Private media can coexist with the Revolution*, Presidential Press brief of the interview with Chavez by Eleazar Diaz Rangel, 25 July 2007, [www.aporrea.org/medios/n97140.html](http://www.aporrea.org/medios/n97140.html).

<sup>2</sup> This is a play on words in Spanish. OIR are the initials of Organisation of the Revolutionary Left, and it also means "listen", so the name of the paper can be interpreted as "From OIR to the workers" or as "Listen to the Workers">> [Translator.]

and its warnings: “The oligarchic and pro-imperialist minority has managed to get their way, with the approval of the CNE [National Electoral Commission] and the national government, in a sad performance that legitimises impunity and puts the conquests at risk [...]. The referendum [...] is the electoral continuation of the counter-revolutionary policy of imperialism and the opposition. [...] Therefore, beyond the differences that separate us from the Chavez government, the revolutionaries grouped in OIR [...] do not hesitate to [...] call to vote NO [...] [with the aim of] accompanying and contesting the leadership of that immense majority of workers and popular fighters who still believe in Chavez’s policy, but we are sure, will advance when, through facts, they see the limitations of a government [...] with the insurmountable contradiction of not wanting to break with the system of capitalist exploitation. [...] Voting NO means ratifying Chavez as president.” But OIR also pointed out what the NO should connote: “No to foreign interference, to the multinationals, to the business community, to the landlords [...] so the workers and the people fight and exercise power directly, imposing a regime based on workers’ democracy.”

On 15 August 2004, Chavez would prevail with 59.1 percent in the recall referendum, with 5,800,629 votes. YES had 3,989,008, 40.64 percent. Thus begins a period of consolidation and high national and international popularity of Chavez’s figure.

## The false “socialism of the 21st century”

Chavez announced at the ceremony on May Day, 2005, on Bolivar Avenue in Caracas and before a crowd of workers, that the transit “towards socialism of the 21st century” had begun in Venezuela. This speech, after years of alleged “death of socialism” following the dissolution of the former USSR, causes a great impact on the world’s fighters. Since then, the debate opened and a series of questions about what “21st-century socialism” meant. A large part of the global left immediately supported it. Our international current and the militants of IWU–FI in Venezuela from the start took distance from that definition and warned with the blunt facts that were taking place that the path to socialism had not started. We were categorical, there could be no transition to socialism without breaking with capitalism, paying the foreign debt and handing over natural resources to the transnationals.

Thus we pointed out shortly after Chavez’s announcement: “But is Chavez really leading the construction of socialism in Venezuela? Are we in a new experience like Cuba of the 1960s? We categorically say no. [...] The bases of capitalist domination and exploitation in Venezuela have not been changed, among them the timely payment of the foreign debt or the concessions to the Yankee and European multinationals in strategic areas such as oil, gas, and mining.”<sup>3</sup>

To ratify it, we quoted German-Mexican professor Heinz Dieterich, who was then, along with Chilean Marta Harnecker,<sup>4</sup> one of the main advisers to President Hugo Chavez. Dieterich called himself the “creator” of this new “theory” which he developed in the book *Hugo Chavez and Socialism of the 21st Century*. Dieterich himself clarified it was far from socialism: “To say there is socialism here, does not find a basis, a science. Here there is no socialism in the historical sense of the term. [...] It is just that there are no objective conditions here to make a socialist project to nationalise the economy; that would only lead to failure.”<sup>5</sup>

Replying to a journalist’s question about whether his proposal would include the abolition of private property, Dieterich responds that “in the first phase, no, and this stage can be very long. [...] Minimum would take about 30 years, in which all forms of productive property are required.”

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3 Sorans, Miguel: “Is Venezuela going to socialism?”, pamphlet *La revolucion venezolana* [The Venezuelan Revolution], Ediciones El Socialista, October 2005.

4 Marta Harnecker is a Chilean sociologist, author of many works in which she attempts to theoretically support Latin American reformism, especially Castroism. For almost two decades she has been an adviser to the Chavista government. In 2014 she received the Libertador Award for Critical Thinking from the Maduro government.

5 Report from *El Nacional*, 24 May 2005.

For Dieterich, in Venezuela there is “a bourgeois anticolonial revolution [...] a proposal like this one of traditional sectors of the left that continue thinking as if we were in the 1960s, with a government of workers and peasants; it is nonsense.”

In fact, Dieterich did not discover any new theory but instead re-floated the old treacherous policy of the “revolution by stages”, which Stalinism always defended. We refer to the reformist conception that every revolution had to go through a long period of decades of common government of the working class and the left with a supposed “democratic” and “progressive” bourgeoisie, for after 30 or 40 years to move to socialism. With this lie, social democracy and Stalinism betrayed most of the revolutions of the 20th century.

On 12 November 2004, months before the announcement, President Chavez gave a speech during a three-day meeting at the Military Academy Theatre at Fort Tiuna in Caracas, with regional and local authorities, deputies, ministers, chairmen of companies, high military commanders, and senior officials of the government party, MVR. His speech was then edited and disseminated under titles such as “The new national strategic map” or “The leap forward”. There Chavez outlined the foundations of his strategic redefinition, later conceptualized as “socialism of the 21st century”: “The long-term goal, in the economic area, no one can have any doubt about it, is to transcend the capitalist model. The capitalist economic model is unfeasible ... Is communism the alternative? No! It is not raised at this time; here we have the great features of the Bolivarian Constitution, the social economic model, the humanist economy, the egalitarian economy. We are not considering eliminating private property, communist planning. We do not go so far.”<sup>6</sup>

## Against the FTAA and the speech at the UN against “devil” Bush

Since 2004, Chavez had been radicalising his speech against Bush. Millions believed Chavez was effectively going to the left and would retake socialist banners. But it was the opposite. On the one hand, Chavez’s tough speeches were a screen to cover his agreements and pacts with multinationals, especially oil companies, and with big businessmen like Cisneros. But, on the other hand, they also reflected minor frictions with imperialism and the need of a large part of the Latin American bourgeoisie to negotiate on better terms with the multinationals. That is why in 2005 there was an agreement with the governments of Lula and Kirchner not to sign the FTAA free trade proposal of the US.

On 5 November 2005, the refusal by Presidents Nestor Kirchner (Argentina), Lula da Silva (Brazil), Hugo Chavez (Venezuela), Nicanor Duarte Frutos (Paraguay), and Tabare Vazquez (Uruguay) to enter the Free Trade Area of the Americas, promoted by the President of the United States, George W. Bush, at the 4th Summit of the Americas in Mar del Plata, marked a historic milestone in the region.

In parallel, the so-called “people’s summit”, known as “No to the FTAA”, was developed in the seaside city. Headed by Venezuelan Hugo Chavez, it counted on presences such as Bolivian Evo Morales, who a year later would be elected president, Diego Maradona, and Nobel Peace Prize winner, Adolfo Perez Esquivel. During his speech, before a crowd in a football stadium, the Venezuelan president expressed a phrase that remained as an indelible symbol of that rejection: “FTAA, FTAA, to hell!”.

However, he combined it with a very wrong vindication of the Alliance for Progress of imperialist Kennedy. In the pages of the newspaper of *Izquierda Socialista* (Socialist Left, IWU-FI section in Argentina) it said: “From Mar del Plata, President Chavez expressed a strong rejection of Bush and the FTAA, with which we fully agree. On the contrary, we consider wrong the counterproposal launched towards the end of his long speech: to resume the Alliance for Progress promoted by President Kennedy at the Punta del Este conference on August 1961. According to Chavez, ‘Kennedy proposed and it was approved’ an alliance for the ‘agrarian reform, delivery of

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<sup>6</sup> “Strategic lines of action for the coming years”, *Rebelion.org*. [www.rebelion.org/noticia.php?id=10448](http://www.rebelion.org/noticia.php?id=10448).

land to the peasants. Kennedy proposed tax reforms; tax the richest, to redistribute income' and would have offered 20 billion dollars 'to contribute to development, to the fight against poverty'.”<sup>7</sup>

Although it seems hard to believe, in full anti-FTAA mobilisation, Chavez vindicated President Kennedy and painted him as a promoter of the redistribution of wealth. He himself had to remember the Cuban delegation, headed by Ernesto Guevara, denounced it and did not sign the final declaration.

Neither Chavez nor Lula nor Kirchner proposed any alternative anti-imperialist measure. On the contrary, his plan was to integrate Venezuela into Mercosur, a free trade agreement created in the 1990s under the auspices of the transnationals.

Another of his remembered speeches was the one he made on 21 September 2006 at the UN General Assembly. One day after the then president of the United States, George W. Bush had spoken. Chavez compared him to the devil and left his famous phrase: "smells like sulphur". "Yesterday the devil came here; yesterday the devil was here, in this same place. This table where I have to talk still smells of sulphur! Yesterday, ladies and gentlemen, from this very rostrum the President of the United States, whom I call the devil, came here speaking as the owner of the world", he said. Chavez questioned that the spokesman of imperialism gave his prescriptions to maintain the scheme of domination, exploitation and plundering of the peoples of the world. "For a film by Alfred Hitchcock it would be good, even I would propose a title: *The prescription of the Devil*", he said.

The flip side of these harsh anti-imperialist speeches by Chavez was that his government never proposed setting up a front for debtor countries to stop paying the foreign debt and turn those funds to provide wages, jobs, health, education, and housing. He did not expel the multinationals; on the contrary, he remained associated with Chevron, Shell, Total, Repsol, Mitsubishi, General Motors, Nestle, and Coca-Cola.

## The founding of PRS

We already recalled that shortly before launching his double discourse on "socialism of the 21st century", Chavez took care both in the text of the new constitution and in that important meeting of November 2004 to make it clear that it was not the goal of his government to break with capitalism. For their part, the members of IWU–FI immediately began to explicitly dispute him the socialist banners.

In mid-2005, they promoted the formation of a left-wing party independent of the government, uniting various class and left-wing trade union leaders and activists who assumed a true program for socialism and of fighting to "get the government to be exercised directly and democratically by the workers".<sup>8</sup>

On 9 July 2005, at the Imperial Theatre in Caracas, the launching ceremony of *Partido Revolucion y Socialismo* (Revolution and Socialism Party – PRS) was held. In its "Political Declaration", it took part in the debate pointing out that "socialism is incompatible with the idea there are national or international businessmen committed to the development of the nation. The interests of the exploited and the exploiters cannot be reconciled; in this way, we will only arrive at a caricature of the revolution. Because of this strategic difference with this reformist and of class conciliation discourse, the construction of the revolutionary party is justified."<sup>9</sup>

Its program proposed to stop paying the foreign debt, to nationalise banking, cancel the oil concessions to the multinationals, among other measures.

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7 Petit, Mercedes: "Once again the 'Alliance for Progress'", *El Socialista* No. 205, 11 September 2014.

8 Hernandez, Miguel Angel; Bastidas, Emilio: "The revolutionary process in Venezuela updates the debate on socialism and the political alternative in Latin America", *Aporrea.org*, 28 August 2005, [www.aporrea.org/ideologia/a16293.html](http://www.aporrea.org/ideologia/a16293.html).

9 "Political declaration of *Partido Revolucion y Socialismo*, July 2005, in pamphlet *La revolucion venezolana* [The Venezuelan Revolution], op. cit.

"Certainly, what Chavez is posing as 'socialism' has short legs. In fact, it is a kind of capitalism where class collaboration would prevail, what would do is to achieve a supposed and impossible 'social function' of capital. [...] The socialism proposed by the president is an unachievable chimaera which has materialised nowhere in the world."<sup>10</sup>

We clearly pointed out the definition of the bourgeois nationalist character of the government and that it was not on the road to socialism: "We can say Chavez has contact points with Juan Domingo Peron and Peronism in their early years. At that time it was a bourgeois nationalist government, or as Trotsky would say, a Bonapartist *sui generis* government. [...] It is evident that Peronism had its limitations because it did not leave the capitalist framework. [...] This is the danger posed in Venezuela, both in the present and for the future. As long as Chavez and his government remain, as it is their project, within the framework of capitalism, there is a risk that the important and partial democratic and social conquests achieved will begin to go backwards."<sup>11</sup>

Beyond anti-imperialist discourses, calls for "socialism", and real friction with Yankee imperialism and opposition bourgeois sectors, regrettably this prognosis was fulfilled. Chavez never advanced to socialist measures. He used a double discourse that confused millions while he agreed with the multinationals, with large national bourgeois sectors such as the Cisneros Group, and promoted the formation of new bourgeois or new rich, the so-called Bolibourgeoisie. On the other hand, he attacked the workers' standard of living and we went backwards in the partial social gains achieved.

While some criticisms of the Chavez government by the bosses' opposition pointed to its excessive "statism", reality evolved in a reverse direction. The economist and former Chavista Minister of Industries, Victor Alvarez, demonstrated in 2009, based on official data from the Central Bank of Venezuela that in the Venezuelan economy the private sector gained more weight after a decade. In 1999, 35.2 percent of GDP corresponded to the state sector, while by the end of 2014 the private sector accounted for 70.1 percent and the public sector only 29.1 percent. Within the private sector, the so-called "social economy" of cooperatives and small productions represented around 1 percent.<sup>12</sup> Although with the crisis the private sector contracted more than the public, in 2014 still over 64 percent of GDP corresponded to the private sector.<sup>13</sup> The resources earmarked for micro-credits for cooperatives and small enterprises did not go beyond being a mechanism of clientelism, while those negotiated with the state were fattening the emerging "Bolibourgeoisie". Among the numerous transnational corporations and large capitalist groups that continued activities in Venezuela under Chavista "socialism", we can mention Chevron, Repsol, ENI, General Motors, Chrysler, Nestle, Mitsubishi, Grupo Cisneros, Polar, Procter & Gamble, Telefonica, Toyota, PepsiCo, Coca-Cola, McDonald's, Johnson & Johnson, Roche, Halliburton, Maersk, Kraft Heinz, and Schlumberger. "Just the European Union, for example, accounted for over 2,000 companies from its member countries in Venezuela in 2016, while in 2015 there were over 150 Yankee companies in the country," said *Correspondencia Internacional*.<sup>14</sup>

After a decade of Chavista government, the failure of the agrarian policy was notorious: "Over 70 percent of the food we consume is imported. The lack of political will by the current government to liquidate the large-scale landholding, and the action of hitmen in the service of the landowners, have combined to leave a balance of over 200 peasants murdered for recovering idle lands, crimes that in almost all cases remain unpunished. A very undemocratic concentration of

<sup>10</sup> Hernandez, Miguel Angel: "The Venezuelan Revolution at the Crossroads", from the pamphlet *La revolucion venezolana* [The Venezuelan Revolution], op. cit.

<sup>11</sup> Sorans, Miguel: "Where is the Bolivarian Revolution going?", *Correspondencia Internacional* No. 22, December 2004-March 2005.

<sup>12</sup> Alvarez, Victor: "In 10 years of revolution, capitalism has grown", *Ultimas Noticias*, 21 June 2009.

<sup>13</sup> Sutherland, Manuel: *Criticism of the economic policy of "socialism of the 21st century": the private appropriation of oil rent, import policy and capital flight*, Latin American Studies, Autonomous University of Mexico. 2016, <http://revistas.unam.mx/index.php/rel/article/view/57456/50986>.

<sup>14</sup> Rodriguez Porras, Simon: "Venezuela is of all ... the transnational capital", *International Correspondence* No. 40, August-December 2017, p. 5

the land is maintained: 1 percent of the states, with an average of 2,727 hectares per state, take up 40 percent of the agricultural area; while 70 percent of the states or farms occupy scarcely 5 percent of the agricultural area, with an average of 5 hectares per state. The Seventh Agricultural Census, carried out by the government in 2007-2008, shows that 80 percent of agricultural production units (states, farms) lack technical support, and 87 percent lack access to credit.”<sup>15</sup>

Banking was not nationalised. The financial sector between 2002 and 2012 tripled its share of GDP. The non-breaking with capitalism and the resurgence of the semicolonial dynamics of the Venezuelan economy with one of the most impressive looting in its history, the destruction of the scant industrial park and failing to carry out an agrarian reform explain the overwhelming failure of Chavismo, as supposed “popular and socialist” project, in two decades of government.

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15 “Political program of the presidential candidate Orlando Chirino”, *LaClase.info*, 9 September 2012, <http://LaClase.info/content/programa-politico-del-candidato-presidencial-orlando-chirino/>.

## CHAPTER V

# The debate within the left and the Trotskyist movement

Since Hugo Chavez assumed government a debate opened in the world left about what position to take before him.

Most of the world left supported the government and Chavez's project of false socialism; starting with a large part of the Venezuelan reformist left, headed by the Communist Party of Venezuela (PCV), which had a minister in the Chavez government, David Velasquez, and also parliamentarians. We have already referred to the decisive support of Fidel Castro and the Cuban Communist Party.

Since its founding in the 1930s, Venezuelan Stalinism defined that the insufficient capitalist development of the country forced a long-term alliance with "nationalist" bourgeois sectors, during a stage denominated as of "national liberation", within the mentioned stageist conception adapted to semi-colonial countries. In the "Discussion thesis about the Party of the Revolution", document approved at the Thirteenth Extraordinary Congress of PCV, in March 2007, they propose their strategy of support to the Chavez government and alliance with bourgeois sectors in the following terms: "This phase of the revolutionary process, demands the broadest national anti-imperialist unity, which is objectively given by the construction of a multifaceted alliance of classes and social strata, which goes from the non-monopolistic bourgeoisie (the one that does not keep subordination links to the great transnational imperialist capital), the petty bourgeoisie, the middle classes, the working class and other sectors of workers, the peasantry and other exploited social strata. This is an alliance of classes that present internally, non-antagonistic contradictions that allow its tactical unity, and antagonistic contradictions which will be defined in the future [...]. This bloc or alliance, by its own multiclass nature, demands the fulfilment of the tasks of national liberation, an instance of integration [...]. We define this structure as a Broad National Patriotic Front [...] led by President Hugo Chavez Frias."<sup>1</sup> To justify their support for Chavez and later for Maduro, similar reasoning is put forward by the Marxist-Leninist Communist Party of Venezuela (PCMLV), a follower of the Stalinist bureaucrat of Albania Enver Hoxha and whose union current is Gayones,

At the international level, the Stalinist left composed of most of the self-styled Communist parties or their recycled variants, the Guevarist and pro-Castro currents, encouraged by the Communist Party of Cuba, assumed positions in the same line of unconditional support for Chavismo.

On the other hand, there was strong support from social democratic sectors and the so-called new autonomist, "broad", or "anti-capitalist" left like Syriza in Greece, the Left Front of Melenchon in France, or Podemos, in the Spanish State. In the case of Podemos, intellectuals linked to that party like Juan Carlos Monedero or Alfredo Serrano Mantilla, author of the book *El pensamiento económico de Chavez* [The economic thought of Chavez], served as government advisers, elaborating

<sup>1</sup> "Discussion thesis about the Party of the Revolution", *Rebelion.org*, 26 February 2007, [www.rebelion.org/noticia.php?id=47341](http://www.rebelion.org/noticia.php?id=47341).

“Gramscian” justifications for the economic failures of Chavismo in the name of the so-called “Economic war”.

## Opportunism and sectarianism

Although the strategy of class collaboration is a characteristic feature of Stalinism, there were also currents within the Trotskyist movement that called for political support for the Chavez government and the integration into PSUV, such as the current The Militant, led by the British Alan Woods; *Marea Socialista* (Socialist Tide, linked to MES-PSOL of Brazil and MST of Argentina) or the current directed by Mandelism (former United Secretariat) that has hegemony in NPA of France and integrates PSOL.

Other currents of Trotskyism assumed a sectarian position before the Venezuelan process, such as Brazilian *Partido Socialista dos Trabalhadores Unificado* (Unified Workers’ Socialist Party, PSTU), or *Partido de los Trabajadores Socialistas* (Party of Socialist Workers, PTS) and *Partido Obrero* (Workers’ Party, PO) of Argentina, which reduced their policy during the Chavismo boom period to denounce the capitalist character of the Chavez government, refraining from dialogue with the fiery vanguard that had expectations in Chavez and Chavismo. *Juventud de Izquierda Revolucionaria* (Revolutionary Left Youth, JIR), of Venezuela, linked to Trotskyist Faction and Argentine PTS, for example, considered that “the excuse of ‘dialogue’ with the masses and ‘accompanying’ them in their political experience with Chavez” was equivalent to “a policy that can only be described as opportunistic and diluting”.<sup>2</sup>

As Chavismo’s political decline deepened, after Chavez’s death in March 2013, both PO and PTS took a surprising turn, going from sectarianism to making important political concessions to Chavismo and Maduro. Thus, for example, *Liga de los Trabajadores Socialistas* (League of Socialist Workers, LTS) of Venezuela, former JIR, linked to PTS, adapted to the official discourse that masked the adjustment against the workers, alleging the existence of an “economic war” by businessmen against the Maduro government. According to this group, in Venezuela, “the disinvestment and sabotage of the economy by the national bourgeoisie has intensified [...] what the government has done is to let run the crisis that hits the workers and the poor people”.<sup>3</sup>

The reality was totally different. Far from “letting the crisis run”, the Maduro government applied a huge inflation adjustment that between 2013 and 2018 reduced the minimum wage to less than USD\$ 5 a month, as denounced by our current, and even leftist economists such as Manuel Sutherland and Omar Vazquez Heredia.<sup>4</sup> Moreover, LTS adapted itself to the discourse of “critical Chavismo” by asserting that Maduro was backing off in relation to a supposed “oil sovereignty” of Chavez.

PO, for its part, adhered to the denunciations of “coup d’état” carried out by the Maduro government in the face of the protests of April 2013, after the tight result of the presidential elections, also during the protests of February-April 2014 and April-July 2017. Its leader, Jorge Altamira, even coined a new category, “chronic putschism”, to refer to the Venezuelan situation. Altamira agrees with the Chavista government, which permanently denounces “putschism” against any protest

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2 In *Clave Obrera* No.7, October 2006.

3 Statement by LTS reproduced by *La Izquierda Diario* ([www.laizquierdadiario.com](http://www.laizquierdadiario.com)), 20 November 2015.

4 “The reduction in the supply of goods is basically the result of the application by the Chavista government bloc of a reactionary economic adjustment, which involves the vertical reduction of imports intending to dispose of the foreign currency required for payment of the foreign debt. In 2012, the state apparatus allocated USD\$71,083 million to import productive and final consumer goods, in 2016 it allocated only USD\$17,177 million, a brutal contraction that made possible the high levels of scarcity and inflation which are suffered in the country.” Vazquez Heredia, Omar: “The government of Maduro and the constituent laws. The continuity of the reactionary economic adjustment”, *Aporrea.org*, 8 September 2017, [www.aporrea.org/economia/a252016.html](http://www.aporrea.org/economia/a252016.html).

when establishing this peculiar definition: “One of the characteristics of the history of Chavista Venezuela is the state of permanent putschism.”<sup>5</sup>

## A consistent position from the class and revolutionary point of view

The position defended by our current was always of political and organisational independence from the bourgeois nationalist government of Chavez, of support and impetus to the struggles, of denunciation of all his anti-worker policies and his upholding of capitalism and agreements with multinationals. However, we had a firm position of defence of the government before the coup attempts or any imperialist aggression. This is already documented extensively in the previous chapters.

IWU-FI and its leaders and members in Venezuela have always lived a singular paradox because of this consistent class and revolutionary position before the Chavez government. We have been attacked politically, almost with the same vehemence, both by the opportunists and capitulators of the “Chavista left” and by the sectarian sectors that claim to be Trotskyist, such as International Workers’ League (IWL, headed by Brazilian PSTU), Trotskyist Faction (headed by Argentine PTS), or Partido Obrero de Argentina. The first, opportunists and capitulators, accuse us of “playing into the hands of the right”,<sup>6</sup> for not supporting the Chavez government.

For their part, the latter attribute us an alleged “support” to the Chavez government, which never existed, and qualify us as capitulators. According to some of them, our current would have “dragged by Chavismo for almost a decade” and we were “until recently, more or less fanatical supporters of Chavismo, which they even saw as a possible embodiment of the proletarian revolution”.<sup>7</sup> A sectarian delirium.

In the first years, of great expectations of the masses in Chavez and his government, we developed a tactic of accompanying them in their experience, from a position of political independence of class and criticism, giving no support to the government or creating expectations that Chavez would advance towards socialism.

This has always confused the sectarians who, as Trotsky said in the *Transitional Program*, only know how to distinguish “two colours, black and red”. For them, there are no nuances or complex and contradictory realities. These sectors took a fact in an abstract and absolute way, that the Chavez government was bourgeois, a definition with which we agree. But they forgot Trotsky’s recommendation not to put an equal sign among all bourgeois governments, but to specify their differences in order to have the right policies and tactics. And, thus, they had a policy similar to the one they had on the face of other capitalist governments, making a point in denouncing this bourgeois character. But the Chavez government was not in its first years the same as most of the bourgeois governments of the planet. It had the peculiarity, very studied by the Marxists, of being a different bourgeois government, Bonapartist *sui generis*. A government analogous to those of “popular front” or class collaboration like those of Peron, Cardenas, and Allende, which had the widest support of workers and popular sectors.

Leon Trotsky defined that a Bonapartist *sui generis* regime in a backward country could have progressive positions “where it is directed against imperialism [...]. This does not mean we support the national bourgeoisie. In any case, where there is a frontal struggle against foreign imperialism or its reactionary fascist agents, we give revolutionary support, preserving the total political independence of our organisation, our program, our party and a total freedom of criticism.”<sup>8</sup>

<sup>5</sup> Altamira, Jorge: “Venezuela: Chronic putschism”, *Prensa Obrera* online, 28 February 2015, [www.po.org.ar/prensaObrera/online/internacionales/venezuela-golpismo-cronico](http://www.po.org.ar/prensaObrera/online/internacionales/venezuela-golpismo-cronico).

<sup>6</sup> Pedro Fuentes, leader of MES-PSOL of Brazil in the magazine *Movimiento* No 6, 2006, published by Marea Socialista de Venezuela, MES and MST of Argentina.

<sup>7</sup> Jorge Altamira, *Partido Obrero* [Workers Party], Argentina. *Prensa Obrera* No 238, 6 September 2012.

<sup>8</sup> Trotsky, Leon: “Discussion on Latin America”, 11 April 1938, *Sobre la liberacion nacional* [On national liberation], Editorial Pluma, p. 124.

Something similar said Nahuel Moreno about the experiences of the Sandinista Nicaragua of the 1980s and the Libya of Gaddafi:

"In order to consistently defend the independent countries, we need to unmask these historically counter-revolutionary leaderships before the masses [...]. But it is obvious that our tactics towards the Sandinistas [...] cannot be the same as towards the governments that are agents of imperialism in the semi-colonies. We propose a total confrontation with the imperialist agents. Instead, as long as they have the support of the masses, we criticise the independent governments for being inconsistent and demand they take the revolutionary measures necessary to advance or defend the independence of the country. [...] There is a fundamental aspect for which we do not propose a policy of demands but of confrontation. We call on the workers' movement not to accept any sacrifice while Nicaragua remains a capitalist state. We demand the full right to strike [...]." The strategy was the "path of permanent mobilisation [...] until the socialist revolution is achieved."<sup>9</sup>

Although Moreno defined in the same letter Gaddafi's Libya as an independent country, he clearly stated that "we are mortal enemies of the bourgeois state of Gaddafi and, therefore, of the Gaddafi government. And we seek the alliance of the workers and the Libyan people against Gaddafi, his state and his government."<sup>10</sup>

In other words, we revolutionaries do not give political support to nationalist-bourgeois or Bonapartist *sui generis* governments, but we must have an adequate tactic of denunciations and demands to the extent that they have friction with imperialism and great support from the masses. A tactic different from the one we develop against governments that are direct agents of imperialism. This was our position against the Chavez government in the first years and especially from the years of a harder clash with Yankee imperialism and its national agents, given the strong popularity it had after the defeat of the pro-Yankee coup and the oil sabotage of the period 2002–2003.

We can say our current followed, almost verbatim, the recommendations of Trotsky in the case of the stance towards the Chavez government. The sectarian groups, in their closure to have a policy towards the masses, caricatured this revolutionary policy as a direct support to the Chavez government. From the struggle against the failed coup of April 2002 and the sabotage strike, through the recall referendum of 2004 and the critical support for the candidacy of Chavez in 2006, we accompanied the expectations of the masses from our independent position, pointing out that it was not a revolutionary government or socialist or of the workers. And that tactic is always applied from the organisations of the workers' movement, the new unions we built from the Autonomous, Revolutionary, United Class Current (C-CURA) of the National Union of Workers, and promoting the mobilisation for their demands, the occupation of factories, and confrontations with the government bureaucracy. We never integrated any Chavista political organisation, neither MVR nor PSUV, whose founding we criticised in 2007, denouncing its multi-class and anti-democratic character, and direct an appendix of the bourgeois government.

We have already seen that our current, under the names of *Voz de los Trabajadores* (Workers' Voice) and *Opcion de Izquierda Revolucionaria* (Option of the Revolutionary Left, OIR), repudiated the Bush coup, the strike-sabotage, and the recall referendum promoted by the right-wing opposition in August 2004. Always with our own transitional program, demanding to deepen the revolutionary process by imprisoning the coup plotters, confiscating the multinationals and the coup media, nationalising the banking and foreign trade, not paying the foreign debt, nationalising the oil industry and expelling the multinationals, advocating workers' and popular self-organisation, workers' control and full union autonomy and democracy, all as part of the struggle for "a genuine government of the workers".<sup>11</sup>

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9 Moreno, Nahuel: "Independent countries: Allied Nations?", *Correo Internacional* No. 20, June 1986.

10 Ibid.

11 See "Platform approved in Plenary of union and political leaders" of Carabobo, 24 April 2004, *Correspondencia Internacional*, No 21, June 2004.

As we have already said, in July 2005, in one of the moments of Chavez' greatest popularity, to contest against his false socialism proclaimed in May of that year, we were promoters of the founding of *Partido Revolucion y Socialismo* (Revolution and Socialism Party, PRS), as opposed to Chavista political organisations grouped in the Patriotic Pole and headed by MVR. Then our independence was clearly pointed out before the Chavez government: "We accompany the workers and the people in their experience with this government, but actually pointing towards the perspective of the development of a working-class, peasant, popular, participative, and protagonist power, until the government is exercised directly and democratically by the workers."<sup>12</sup>

Within the workers' movement, our position of independence was always clear, as Chirino pointed out: "Those of us who think differently, that this is not a workers' government or we do not agree with the government's plans and policies, will present our ideas and do the best of our efforts, in the framework of respect for democracy, to convince the workers about our positions. Of course, we will fight to not accept impositions or someone to say because the president said it then it must be done."<sup>13</sup>

## The critical vote in the presidential elections of 2006

In the presidential elections of 2006, we critically accompanied the vote to Hugo Chavez, to the extent that the working class and most of the people still had enormous expectations, within a framework in which the debate on "socialism of the 21st century" was taking place, and it was extremely important to clarify the position the revolutionaries had on how to move towards a revolutionary change in the country, for a true transition to socialism. This is how we explained our tactical position in the face of those elections: "We start from the reality that most of the people and the workers follow the leadership of Chavez. We want to keep a dialogue with millions of workers who have been making the experience with the current government. Raising no kind of trust or hope in the Chavez government, we accompany the workers and the people in the electoral struggle. We do it by posing a set of demands, through which they can make their experience, continue to achieve wins, which will favour the advancement of political consciousness [...]."<sup>14</sup>

Then we campaigned with the slogan "For a socialist Venezuela, without bosses, landowners, bureaucrats, or the corrupt". Demanding "to advance in the rupture with imperialism", proposing the nationalisation of the oil industry and that "the oil revenue stops going to the payment of the foreign debt and for credits to businessmen, going instead to a general emergency increase of wages and salaries", among other measures.<sup>15</sup>

Keeping pace with the growth of the class struggle and the increasingly anti-workers and anti-union turn of Chavez and his conciliation with the multinationals and the big businessmen and bankers, which caused discontent with the government to grow and the emergence of the first elements of workers' political rupture, our current continued to deepen its confrontation with the government.

This earned our current all kinds of persecutions, such as the dismissal of Chirino from PDVSA and the murder by hired assassins of important workers' leaders of our current as Richard Gallardo, Luis Hernandez, Carlos Requena, and Jerry Diaz, among others of UNT of Aragua between the years 2006 and 2010.

Since then, we have continued to confront the government in the workers' and popular struggles and to advance in the construction of a revolutionary party. After OIR we did this with PRS, as *Unidad Socialista de Izquierda* (Socialist Left Unity, USI, 2008), and later as *Partido Socialismo y Libertad* (Socialism and Liberty Party, PSL, 2010). PSL achieved its recognition as a national party by the National Electoral Commission (CNE).

<sup>12</sup> Political Declaration by PRS, public rally at the Imperial Theatre, 9 July 2005.

<sup>13</sup> In the book *Orlando Chirino replies...* Caracas, 2005, p. 61.

<sup>14</sup> Hernandez, Miguel Angel, interview published in *Correspondencia Internacional*, No. 23, October 2006.

<sup>15</sup> Ibid.

In the presidential elections of 7 October 2012, PSL had the audacity to present itself with the presidential candidacy of Orlando Chirino against Hugo Chavez himself and the candidate of the bosses' opposition (MUD), Henrique Capriles. This was another way to continue the fight to achieve a political alternative for the workers and the people to fight for true socialism. Chirino was the only presidential candidate who did not sign the agreement proposed by the CNE called "Commitment to Democracy", because in no way did PSL accept to sign a "blank check" to the electoral body about the democratic guarantees of the election. Instead, the MUD did sign it, along with Chavismo. The campaign by Chirino and PSL was clear in its slogans of class independence. The central theme was "Workers must rule". Along with the slogans, "Chavez does not go to any socialism" and "Capriles and the right are no way out".<sup>16</sup>

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<sup>16</sup> "Political program of the presidential candidate Orlando Chirino", *LaClase.info*, 9 September 2012, <http://LaClase.info/content/programa-politico-del-candidato-presidencial-orlando-chirino/>.

## CHAPTER VI

# The workers' movement and Chavismo

After the defeat of the bosses' strike and oil sabotage, the massive break of union rank and file with the Confederation of Workers of Venezuela (CTV) and its bureaucratic leadership gains organic expression. A new confederation would emerge, the National Union of Workers (UNT).

Unlike the revolutionary popular mobilisation of April 2002 that defeats the coup, in the fight against oil sabotage, the leading role was played by the Venezuelan working class, especially the oil workers who set the industry to work as it should. They went directly against the guidelines of the old and hated union bureaucracy headed by Carlos Ortega, oil leader, president of CTV and member of AD.

As Orlando Chirino would later recall, it was a milestone in the framework of the revolutionary stage opened in 1989: “[...] the working class exercised workers' control over production for several days, not only in PDVSA but also in the basic companies, the electricity sector and many more. This, for me, has been until now the most important event that the workers and the trade union movement have played as a social class during these years of revolutionary process.”<sup>1</sup>

The rupture with the “Adeca” union bureaucracy was of masses: “Before the eyes of millions of workers it will be evident CTV was no more, that Carlos Ortega, Manuel Cova, Froilan Barrios had definitively gone over to the side of imperialism, and that the leadership of that confederation was the deadly enemy of the workers and the conquests achieved between 1998 and 2002. Therefore, I believe the great success, which allowed us to tip the scales in favour of the construction of UNT, was the victory over the bosses' strike-sabotage.”<sup>2</sup>

From this victory, new unions and new groups would sprout as mushrooms. The anti-bureaucratic process, which already existed, became massive. In a short time, bureaucrats of years fell due to rank and file movements in only 20 or 30 days.

It was a massive and combative movement of the working class but it had a great weakness in its strong expectations of Chavez. Expectations fuelled logically by his speeches against the Ortegas and the old Adeca union bureaucracy. Within this great movement acted a true class sector which was the Trotskyist current led by Orlando Chirino, who from his role as leader of the textile workers of Aragua, had been fighting against the union bureaucracy and bosses' governments for decades. Because of his long experience of struggle, he quickly gained a very important role in the new process of the Venezuelan working class. Chavez would not meet those expectations of most of the workers. Chavismo would go against workers' gains and would consolidate a new “red-red” union bureaucracy, as Chavez liked to say.

<sup>1</sup> Chirino, Orlando: “Employer strike-sabotage, a counter-revolutionary action to overthrow the government”; Aporrea.org, 26 October 2005, [www.aporrea.org/tra-bajadores/a17554.html](http://www.aporrea.org/tra-bajadores/a17554.html). Chirino, Orlando: “Employer strike-sabotage, a counter-revolutionary action to overthrow the government”; Aporrea.org, 26 October 2005, [www.aporrea.org/tra-bajadores/a17554.html](http://www.aporrea.org/tra-bajadores/a17554.html).

<sup>2</sup> Orlando Chirino replies..., op cit., p. 11.

## A new confederation of workers emerges, UNT

On 5 April 2003, the founding meeting of the National Union of Workers<sup>3</sup> was held in Caracas, with the participation of the Bolivarian Workers' Force, Union Autonomy, the Class and Democratic Union Bloc of Carabobo, important federations such as of the public sector, and unions like the Caracas Metro. The first congress was held in Caracas five months later, on 1 and 2 August, with over 1,500 delegates, 120 unions, and 25 regional federations, designating a transitory coordination and a program that included the nationalisation of the banks, occupation and workers' administration of the factories abandoned by the entrepreneurs, non-payment of the fraudulent foreign debt, reduction of the workweek to 36 hours, among other claims. Its declaration of principles establishes its character as "autonomous, democratic, of solidarity, and internationalist, of class, independent, unitary (representing the entire working class), with equality for men and women and fighting for a new model of anticapitalistic and autonomous development that emancipate human beings from class exploitation, oppression, discrimination and exclusion."<sup>4</sup> Such was the imprint of the intense process of struggle in the new confederation, and the weight of the Trotskyist union leaders in its leadership.

UNT emerged with great strength, as recounted by Richard Gallardo, union leader of Aragua and a member of the current headed by Chirino: "In its first appearance in public, on May Day, the demonstration called by UNT had ten times more participants than the joint effort of the Democratic Coordinating Committee and CTV. [...] In June, the first regional federations began to emerge. In Aragua, an extraordinary rally of struggle that had over 1,000 participants formed the Regional Union of Workers. In Miranda, Lara, Yaracuy, and lately in Carabobo, new federations have emerged; bringing together the best of the Venezuelan trade union movement, and it is planned that in the remainder of the year all the states will be able to build federations. [...] It is clear the birth of the new confederation should not only respond to the workers' demands for collective bargaining, wages, and trade union rights. UNT is called to be the protagonist of the revolutionary process underway [...]."<sup>5</sup>

At the close of UNT's first congress, Orlando Chirino, who would assume the position of national coordinator of the provisional board of directors, highlighted in his speech the requirement of nationalisation under workers' control of the factories occupied by the workers, and also the expulsion of the imperialist transnationals and the non-payment of the foreign debt: "The comrades of the National Valve Construction, of Los Teques, for example, have occupied the factory. [...] I think we have to face this problem; we have to demand the government nationalise the company, that it has confidence that the workers, like many workers in Argentina do, are capable of putting it to work for the majority and for the people. [...] Here are the comrades of Venepal. [...] The comrades of the Perfume Industry of Caracas have occupied the factory too. We have the same policy, comrades: we have to put companies to work under the control of the workers and we demand this from the government! [...] We must ask the Chavez government to start raising the proposal of the debtors' club in international forums. We cannot keep paying the foreign debt; we cannot continue to allow the hands of imperialism in our countries. Out imperialism from Venezuela!"<sup>6</sup>

The new confederation and its management were very heterogeneous. Several sectors joined the anti-bureaucratic wave and also the political change headed by Chavez. There were diverse

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3 The new federation originally took UNT as its acronym; however the subsequent legalisation with the same acronym of the electoral slate of the centre-right party *Un Nuevo Tiempo* [A New Era] prompted the leaders of the federation to change their initials to UNETE. In this book both acronyms are used.

4 Lamas, Miguel: "UNT: new class and anti-imperialist federation is already a majority", *Correspondencia Internacional* No. 22, op. cit.

5 *Correspondencia Internacional* No. 20, August-October 2003.

6 Chirino, Orlando: "Speech at the closing of the First Congress of the National Union of Workers", *Correspondencia Internacional* No. 20, op. cit.

currents or groupings, many of them directly centrist and Chavistas, although the sector of leaders and class activists headed by Orlando Chirino had a very strong presence and influence.

When UNT was formed, the two most visible heads of the national coordination were Orlando Chirino and Marcela Maspero, daughter of Emilio Maspero, an Argentine union leader based in Venezuela and founder of Latin American Workers Central (CLAT), a social-Christian trade union movement linked in Venezuela to COPEI. She had been formed in that current and now was part of the leaders who broke with the old union bureaucracy. With time Marcela Maspero took distance from the class current and was joining the positions of Chavismo and its bureaucratic groupings. In 2016, she would break with Chavismo to join the right-wing opposition party, *Voluntad Popular* [People's Will].

The government pressures were growing, seeking to isolate the class sector headed by Chirino, trying to consolidate in the new confederation an addicted majority subordinated to the orders of Chavez and MVR.

Emilio Bastidas and Ricardo Acevedo described in these terms this battle for the leadership of the workers' movement between the class movement led by the Trotskyists and Chavismo: "On the one hand, the sectors from the family tree of the old Adeca and Copeian trade union bureaucracy, rooted in some unions in the public sector and headed by Franklin Rondon (public servants), Machuca (Siderurgica del Orinoco), and Torrealba (Caracas Metro Union) feel it is time to put themselves at the head of UNT to play the role of intermediaries and negotiators between the government and the bosses. [...] On the other hand and simultaneously, [...] the new Chavista bureaucracy within the trade union movement [...] [subordinates] the defence of the workers' interests [...] to the needs and policies of the government; they label as ultraleftism the goal of punishing the coup plotters of 11 April 2002 and of the bosses' strike-sabotage or of demanding from the Chavez government the expropriation and nationalisation of companies closed by the bosses. [...] UNT today is the scene of a strong dispute over its leadership, in which three major branches compete, two bureaucratic and a third one that, despite its dispersion and lack of political and organisational cohesion, is clearly a majority and wants make UNT an independent, democratic, autonomous, classist, of solidarity and internationalist union structure. [...] This current of class is the most committed to achieving union unity in the oil sector; to confront the privatising and exclusionary policies that the administration of Cadafe (public company of the electricity sector) is currently developing; the current that most consistently mobilises and solidarizes with the workers of the company Venepal, demanding its nationalisation and that its workers control and administer it. [...] The currents of class are the most committed to the realisation and success of the current national financial campaign, to get sufficient resources without having to depend for their activities on the contributions made by the government or officials, as they have understood this is the basis for the real independence and autonomy of UNT."<sup>7</sup>

## **The founding of C-CURA, Chavez's offensive against union autonomy**

In the three years following the founding of UNT, this internal confrontation deepened between the class sector and the sectors that wanted to subordinate the confederation to the national government's policy.

Because of this, the class sector headed by Chirino set up a national movement to fight for union autonomy against the government and its union allies.

On 17 and 18 February 2006 is held in Caracas the national workers' gathering that gives birth to the Autonomous, Revolutionary, United Class Current (C-CURA), which would consolidate as the majority tendency of UNT, grouping hundreds of leaders of classist unionism and sectors that although sympathised with Chavez were nonetheless combative and shared the perspective of an autonomous, democratic, and of struggle UNT. Although President Chavez held prestige

<sup>7</sup> Acevedo, Ricardo and Bastidas, Emilio (Coordinators of UNT in the state of Aragua): "2005: a crucial year for UNT", *Correspondencia Internacional* No. 22, op. cit.

in the workers' ranks, his government as a whole received harsh questions in the discussions of the gathering, with no governor or mayor being saved from criticism. The process of dialogue and agreements with the business community was questioned while the government refused to respond to the demands of UNT.

"It was even raised the need to coordinate actions with other social sectors in struggle to make a mobilisation to Miraflores to demand compliance with the workers' and people's demands not yet satisfied", as recorded in the reports published later.<sup>8</sup> Although the growing radicalisation of important sections of union activism did not come to a break with the figure of Chavez, C-CURA leaders argued against the false notion that the regressive policies of the government were due to the isolated actions of high and middle officials: "From our point of view, bureaucratism and corruption are not isolated phenomena, attributable to misguided leaders or Adecos with a red beret. These shortcomings persist because the system of capitalist exploitation and the structures of the bourgeois state continue to be kept."<sup>9</sup> By virtue of this characterisation of the state and the Chavez government, C-CURA rejected that "union representatives of UNT have a dual function: representatives of the state, of the bosses, at the same time union representatives".<sup>10</sup>

The decisive aspect of the delimitation of C-CURA from the officialist currents was its defence of an autonomous and of class unionism with a view to regulating the confederation that the second congress should adopt: "The statutes of UNT must guarantee that in all its organisational and policy aspects, UNT will be autonomous in its decision making. We must question that state agencies manage the electoral processes or those responsible for resolving the internal contradictions of the organisation."<sup>11</sup> C-CURA also adopted an internationalist definition, proposing to promote "the creation of a new continental organisation of the workers and reorganise or found a world unitary organisation of the trade union movement".<sup>12</sup>

Chavez tried to isolate class unionism and set up an official majority in the second congress of UNT, where the operation of the confederation was to be regulated and regularised. As Miguel Angel Hernandez explained, this is "a situation where they try to show that the referendum and electoral processes [...] is the political and peaceful solution to the current confrontation. Democratic counter-revolution consists precisely of this. The aim is to prevent the consciousness of the masses from advancing, from overflowing the narrow framework of bourgeois democracy and go directly to a process of expropriation, control of companies, nationalisation of banking, foreign trade, the construction of a true revolutionary party, and the installation of a genuine class government, made up of workers', peasants' and popular organisations."<sup>13</sup>

The government had had the need to rely on these organisms of workers' and popular self-organisation given its defensive position against the coup, but once defeated the coup sectors in 2002, 2003, and definitely in the recall referendum of August 2004, Chavez achieved for the first time pacts with bourgeois of weight like Cisneros and increased the confrontation with UNT and its policy, in which Chirino's sector had been hegemonic.

This political dispute was evident in the different positions against anti-worker measures of the government, such as imposing limitations on the right to strike in the partial reform of the Criminal Code, the dissolution of trade unions, and outsourcing through cooperatives in nationalised companies, or the monetary devaluation and its impact on inflation and real wages. While classism faced these measures of the government, the Chavista bureaucracy defended and

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8 "Workers arm themselves politically and programmatically", in the pamphlet *Documents, Debates, and Conclusions*; National Meeting of the Autonomous, Revolutionary, United Class Current (C-CURA) of the National Union of Workers, Caracas, 17 and 18 February 2006.

9 "National Juncture"; in the pamphlet *Documents, Debates and Conclusions*, op. cit.

10 "UNT we the workers need "; in the pamphlet *Documents, Debates and Conclusions*, op. cit.

11 "Statutes at the service of the democratisation of UNT", in the pamphlet *Documents, Debates and Conclusions*, op. cit.

12 "UNT we the workers need"; in the pamphlet *Documents, Debates and Conclusions*, op. cit.

13 Hernandez, Miguel Angel: *Correspondencia Internacional* No. 20, op. cit.

justified them, generally with the refrain it was necessary to support the “commander” so as not to “play the game of the right”.

## The second congress and the division of UNT

We reach the second congress of UNT, after several postponements, in August 2006. The then deputy Marcela Maspero, leading the government sector, manoeuvred to inflate the number of delegates and even proposed to hold the Congress in military installations. She was granted these abusive conditions to ensure the realisation of the Congress. During the Congress, Maspero tried to use the figure of President Chavez once again, setting the campaign for the presidential re-election in December against the possibility of holding elections for the board of directors of the confederation. In addition to the Collective of Workers in Revolution (CTR) led by Maspero, who had the support of the executive vice-presidency of the government, accompanied this effort Franklin Rondon, public sector union bureaucrat also from COPEI, the Bolivarian Socialist Workers Force (FSBT) headed by Oswaldo Vera, and the trade union arm of PPT, *Autonomía Sindical* (Trade Union Autonomy). Their slogan was “Chavez first”, while most of the delegates identified themselves with the slogan of “elections now” in UNT.

But the main event, the fight between the sector of C-CURA and Chirino and the wing of Maspero and the other groups, was to define the new confederation for its independence or not from the Chavez government.

For C-CURA, the decisive factor was that the confederation cemented its autonomy in an authentic workers’ democracy. “What mortgages UNT and turns it into an appendix of the government is that it is intended to impose guidelines from Miraflores or from any political party. We respect all the positions and our criterion is that they present themselves to the meetings of the workers, to their plenary sessions, to their congresses and that it be the workers, and only them, who define what is done and what is not done”, stated Chirino.<sup>14</sup>

As Chirino explained, in the Congress “2000 delegates took part representing one million affiliated workers. [...] When the bureaucracy felt defeated, it left the Congress with the intention of illegitimate it, but it did not achieve this either. [...] A small faction, which did not exceed 200 people, ended up meeting in the surrounding gardens (of the Military Circle). [...] I believe the manoeuvres developed by the official bureaucracy were aimed at preventing most of the delegates from adopting two momentous decisions for the life of the Venezuelan trade union movement: first, to define that the National Union of Workers is fully autonomous. [...] And second, the immediate realisation of general elections to legitimise the leadership of the confederation.”<sup>15</sup>

When they realised they were in a clear minority, the bureaucratic and pro-government sectors made a last and desperate attempt to interrupt the deliberations, physically attacking the majority, throwing chairs and punching. They achieved the goal of blowing up the Congress and UNT was divided in two.

Faced with the defeat of its union agents, the government would opt for a much more systematic offensive against the workers’ movement.

<sup>14</sup> Orlando Chirino replies..., op. cit., p. 61 and 62.

<sup>15</sup> “A historical victory of the ranks: Interview with Orlando Chirino”, *Correspondencia Internacional* No. 23, July-October 2006.

## CHAPTER VII

# The creation of PSUV: co-opting and repression against the workers' vanguard

The Chavista union bureaucracy intensified its attacks and slanders against C-CURA and relied on its connection with the state apparatus to neutralise it. Their allies in the Ministry of Labour took on the task of torpedoing administratively any action undertaken by the militant sectors of UNT. The government, on the other hand, began to feed the project of a "Bolivarian" confederation with the launching of the United Socialist Party of Venezuela (PSUV).

Re-elected in December 2006, Chavez announced the creation of PSUV, dissolving MVR and summoning the other grassroots parties of his government (PCV, PPT and Podemos mainly) to dissolve. Although formally these parties did not dissolve, he did manage to divide them and co-opt many of their leaders and militants. Something similar would happen in the unions and the union currents.

Despite the important experiences developed by the workers' movement in those five years since the April 2002 coup, the overwhelming majority of its fighting vanguard still had great expectations in Chavez, whom they differentiated from the rest of his government. Chavez's pressure had its consequences even in the class tendency C-CURA and in the left, unified in PRS, which resisted subordination to the government's class conciliation policy.

At the launch ceremony of PSUV, on 27 March 2007, Chavez was forceful against union autonomy, describing its supporters as "counter-revolutionaries".

Both in PRS and in C-CURA, a centrist tendency, headed by Stalin Perez Borges and Gonzalo Gomez, was inclined to comply with Chavez's order to join PSUV. These Trotskyist leaders, who came from PST-La Chispa, linked to MST of Argentina and the MES of PSOL of Brazil, opted to break with PRS and C-CURA and join PSUV, making up the current *Marea Socialista* [Socialist Tide]. On the union level, the leaders Cristian Pereira, of the automotive workers' federation and Jose Melendez, of the iron and steel union SUTISS, joined this position. Both would then bureaucratise, defending the bosses' policy of the government and would be repudiated by their ranks.

In PRS, where the two C-CURA tendencies coexisted along with other currents, the issue was resolved on 21 April and the decision to not dissolve the party or enter PSUV was adopted by a large majority.<sup>1</sup> It was the current led by Orlando Chirino that battled and fought against the dissolution, saying: "PSUV is neither a workers' party nor a party to deepen the revolution [...] it does not have a defined political horizon because 'capitalists and socialist landowners' are becoming members."<sup>2</sup>

Among the leaders who rejected entry to PSUV were Jose Bodas, Richard Gallardo, Jose Villegas, Javier Arellano, Johnny Parra, Mariela Navarro, Armando Guerra, Emilio Bastidas, Jackson Bautista and Miguel Angel Hernandez.

The other currents that had founded UNT also joined PSUV. All the trade union currents that joined, except for CTR of Maspero, would later swell the corporate Bolivarian Socialist Workers

1 "Partido Revolucion y Socialismo [Revolution and Socialism Party] does not dissolve or join PSUV, National Committee for the Promotion of PRS, *Aporrea.org*, 25 April 2007, [www.aporrea.org/trabajadores/n93810.html](http://www.aporrea.org/trabajadores/n93810.html).

2 *Correspondencia Internacional* No. 24, June 2007.

Central (CBST), founded by Chavez in 2011. *Marea Socialista* [Socialist Tide], which initially gave “freedom of action” to its members to remain in UNT or to enter CBST, advocated the unification of both confederations, until joining the government confederation in 2012, thus closing its process of political co-optation.<sup>3</sup> Maspero, as she lost support in the Maduro government, briefly turned to critical and independent positions during 2014. But by 2016 she had joined the right-wing opposition party *Voluntad Popular* [Popular Will]. *Marea Socialista*, for its part, only at the end of 2015 undertook a critical distancing from the Maduro government. But most of its union leaders aligned with a right-wing break in mid-2016, headed by Perez Borges and Pereira, who supported Maduro.<sup>4</sup>

In January 2007, Chavez appoints one of his union agents of the Bolivarian Socialist Workers’ Force (FSBT), Deputy Jose Ramon Rivero, as Labour Minister. The use by the ministry of all kinds of illegal manoeuvres exacerbated, as Chirino denounced: “The Ministry of Labour, in compliance with the guidelines of the national government, has become the liquidation board of the union organisations and the workers’ conquests. [...] The complaints made by UNT Carabobo comrades are tangible proof of what I am asserting. In Firestone, the Labour Inspector orders the company to discuss the collective agreement with a union that only represents 10 percent of the workers. In food company Mavesa, a union with 34 signatures in a universe of 750 workers is registered in record time. In Coca-Cola, after signing a collective agreement, the Labour Inspectorate partially ratifies the contract leaving 15 clauses pending. In Ford, after the union prepares and presents a draft contract, the Inspectorate dilates the procedures, intending to put workers against their union. [...] We have found that in all these cases, the Labour Inspectorate acts in a perverse way to favour minority groups identified with FSBT to set up parallel unions. And so there is no doubt, the Inspector herself tells the class union leaders she has the order to stop all the unions that identify with C-CURA.”<sup>5</sup>

One of the most notorious cases was the attempt by C-CURA union leaders in the public sector to introduce a draft collective agreement before the Ministry of Labour offices in Caracas in August 2007. Given the boycott by the officials who refused to receive the draft agreement, the leaders refused to leave until they were taken care of. After six days, during which they were cut off power and water, they are attacked and expelled by a PSUV shock group.<sup>6</sup>

The government deepens its offensive. On 27 September, it attacks with bullets a mobilisation of oil workers in Puerto La Cruz, in the northeast of the country, led by Jose Bodas of C-CURA and secretary general of the Oil Workers Federation of Anzoategui (Fedepepetrol), seriously injuring a worker in the back. On 9 October, the National Guard in a military operation expelled from his offices William Diaz, the general secretary of the workers’ union of the National Assembly, Unraelan, a C-CURA militant who had been illegally fired. On 19 November, a coordinated attack between a clash group and the police evicts the workers from the Solid Waste Treatment Plant in Merida, which had been occupied for two months demanding the end of the outsourcing through a cooperative and that it became managed by the workers and the state. In the course of this struggle, the most prominent workers and student activists had become linked to C-CURA.<sup>7</sup> All these attacks on the most advanced struggles are part of a more general orientation of criminalisation of protest that gains strength as of 2007, and which would take hundreds of union leaders to court for carrying out strikes or protests.

3 *Correspondencia Internacional* No. 24, June 2007.

4 “We separated from Marea Socialista and stopped calling ourselves Marea Socialista Original Line”, *Aporrea.org*, 19 July 2016, [www.aporrea.org/ideologia/a231090.html](http://www.aporrea.org/ideologia/a231090.html).

5 “Mintrass is a ‘Liquidating Board’ of the trade union movement and the workers’ conquests”, *Aporrea.org*, 21 September 2007, [www.aporrea.org/actualidad/n101725.html](http://www.aporrea.org/actualidad/n101725.html).

6 Rodriguez Porras, Simon: “Jose Ramon Rivero and the Ministry of Treason”, *Aporrea.org*, 29 August 2007, [www.aporrea.org/trabajadores/a40397.html](http://www.aporrea.org/trabajadores/a40397.html).

7 Rodriguez Porras, Simon: “Links in the chain of repression against workers in Venezuela”, *LaClase.info*, 2 February 2009, <https://LaClase.info/content/eslabones-en-la-cadena-de-la-represion-contra-los-trabajadores-en-venezuela/>.

## The dismissal of Orlando Chirino from PDVSA

On 27 December 2007, the government fired Orlando Chirino from PDVSA, which he had joined after his participation in the fight against the oil stoppage–sabotage. The dismissal takes place as retaliation for having called for a blank vote in the constitutional reform promoted by Chavez and was part of Chavez's offensive against C-CURA, union autonomy, and leftist political dissidence. The dismissal was carried out in violation of his trade union immunity as director of UNT and of the oil union Sinutrapetrol, and also the decree of labour immovability which protected him for earning less than three minimum wages.

Orlando Chirino has been defending the working class and as a Trotskyist political activist for decades. From a very young age, he was a textile worker at the Celanese Company, where he became the leader of a union which in the 1970s and 1980s would be a class reference in the region of Aragua and Carabobo. He always fought against the bosses and the union bureaucracy. Due to his career and the recognition of the workers, PDVSA employed him with a salary of a common worker. He was part of the founding, against the old union bureaucracy, of the Sinutrapetrol union.

In 2006 he travelled to Geneva, to the meeting of the International Labour Organisation (ILO) on behalf of the new confederation to respond to the imperialist campaign against Venezuela that sought to impose the repudiated CTV as the main trade union confederation.

In the face of his dismissal, an important international solidarity campaign was held demanding the reinstatement of Chirino, with the support of hundreds of trade union leaders, and left-wing organisations and political leaders from Latin America, Europe, North America and Australia. Among the personalities who signed were the Colombian writer Laura Restrepo, the historic Peruvian peasant leader Hugo Blanco, the Cuban Trotskyist Celia Hart, the Argentine economist Claudio Katz, and others. In Brazil, Argentina, and Panama, delegations of workers and activists presented pronouncements in the Venezuelan embassies demanding his reinstatement and on 20 February 2008, a rally was held in Caracas with 350 union leaders and social activists in solidarity with Chirino. Among the main figures was deputy Luis Tascon, who had been expelled from PSUV for making allegations of corruption against Diosdado Cabello and his brother.

Under the management of Minister of Labour Roberto Hernandez, a re-engagement order was issued in favour of Chirino at the end of 2008. However, PDVSA and the government never complied with the re-engagement order and the attacks against C-CURA continued.

On 4 April 2008, Armando Guerra, leader of C-CURA, director of the union of [water utility company] Hidrocapital, and member of the leadership of USI, was also fired.

Increasingly, the government encourages the trade union mafias of the construction sector, identified as “Bolivarian” and with political coverage by PSUV, to attack the unions of other sectors with the methods of extortion, blackmail, and hired killers who until then had been developing with impunity for territorial control and the sale of construction work quotas. On 23 October 2007 hit-men linked to the Chavista trade union mafia grouped under the acronym Sineitracom assassinate trade union leader Carlos Mendez, a C-CURA militant in the state of Merida. The same mafia had already killed the trade unionist Carlos Avila.<sup>8</sup> The government would also use the Red Wall gang to attack the unions of the Empresas Basicas de Guayana<sup>9</sup> and would use hit men of PSUV to interrupt the election of the electoral commission of the union of Ferrominera in 2011, murdering a worker.

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<sup>8</sup> Two years later, seven members of Sineitracom received sentences of three to five years in prison for the murder of Mendez and Avila. Its leader, Ivan Parra for years had acted with total impunity but fell into disgrace with the government by running outside PSUV for mayor of Campo Elias de Merida municipality in the 2008 elections. Since 2009 he is fugitive and on the list of wanted by Interpol.

<sup>9</sup> Empresas Basicas de Guayana [Basic Companies of Guayana] is a conglomerate of companies, belonging to the Venezuelan State, located in Ciudad Guayana, Bolivar State. This industrial complex is responsible for operating the mining resources of the area, such as iron, bauxite, gold, diamonds and other minerals, and also managing forest and hydroelectric resources. [Translator]

## The strike of Sidor wins and Chavez has to yield

In April 2008, the government suffered a major defeat in the conflict in Sidor, where the steelworkers' strike achieved the re-nationalisation of the company and the expulsion of the Argentine transnational Techint, which led to the dismissal of Minister Rivero.

The company Sidor (formerly Ternium-Sidor) is the main steel company in Venezuela and in the Andean region and the Caribbean. It is located in the city of Puerto Ordaz, capital of the state of Bolívar, about 800 kilometres southeast of Caracas. It belonged to the state until the end of the 1990s, when the government of Rafael Caldera, having as minister the former guerrilla Teodoro Petkoff, privatised it, passing into the hands of the Argentine multinational Techint. During the first years of privatisation, it received free iron, energy, and water. The company had 15,000 workers, which after privatisation were reduced to 5,000. Since 1998, under the Chavez government, nearly 9,000 outsourced workers of over 200 contractors were incorporated to do the same work but outside the collective agreement, in more precarious labour and wage conditions. In other words, the exploitation of those 10 years was extensive and proportional to the super-profits the bosses achieved, which also had services subsidised by the Chavez government. Despite many strikes and complaints about this situation and demanding the re-nationalisation of Sidor, the Chavez government turned a deaf ear. The agreement with the businessman Paolo Rocca, the owner of Techint, was part of the negotiations with the Argentine president, the Peronist Nestor Kirchner.

Finally, in March 2008, the workers, who had not had a wage increase for two years, said "enough is enough! Following a brutal repression on 14 March, in a mass meeting called by the Single Trade Union of Workers of the SIDOR Steel Industry (SUTIIS), headed by Jose "Acarigua" Rodriguez, a plan of struggle was launched with staggered stoppages and massive marches. Minister Rivero accused the strike of "putschist" and threatened an arbitration ruling. He intended to launch a referendum to impose his salary proposal. The workers rejected this and SUTIIS made an autonomous consultation. For not accepting the proposal of the government and the company there were 3,338 votes; for accepting it only 65 votes.

On 29 March, in the city of San Felix, Bolívar State, an important national solidarity union gathering was held. At SUTIIS headquarters over one hundred unions from all over the country gathered. Among those representatives were Orlando Chirino, coordinator of UNT and leader of C-CURA, along with other leaders of this current such as Jose Barreto of UNT of Carabobo and Richard Gallardo of UNT of Aragua. There was international solidarity from organisations in Brazil and Argentina (those of the Body of Delegates of the railway workers of the TBA company of the Sarmiento and Mitre lines and of *Izquierda Socialista* [Socialist Left], headed by deputy Liliana Olivero of Cordoba).

Finally, each of the proposals of the so-called "Guayana Declaration" was voted by a show of hands. The points approved were: a measure of national struggle in support of the Sidor workers; to demand that Labour Minister Jose Ramon Rivero resign; to declare as an enemy of the workers the Chavista governor of Bolívar state; to demand that President Chavez pronounce himself on the conflict and against the repression of 14 March; to carry out a march to Caracas with these points and form solidarity committees in all states.

Faced with the workers' intransigence and the threat of extending the conflict to the national level, Chavez yields and announces a few days later the nationalisation of Sidor, the replacement of Minister Rivero, and a negotiating table.

However, the victory of the Sidor workers was partial. They did not manage to cause a change in the fight for a classist and autonomous trade union leadership. The leadership of SUTIIS withdrew and was yielding to the pressures of Chavez. Although the nationalisation and the conquest of the demands of the workers in the contractual discussion were achieved, later the government would destroy those achievements, taking the company to historical production lows, freezing wages and contractual discussions, and even judicially taking control of the union to prevent the

holding of elections. During the decade after nationalisation, workers would be forced to carry out many strikes in defence of their rights. In September 2014, as part of a strike to defend the collective bargaining agreement, three workers, Heberto Bastardo, Rederick Leiva, and Lennys Quijada, were arrested by the Bolivarian National Intelligence Service. They were arrested for eight months. In October 2017, a new strike of several weeks was launched claiming for salaries, now to the Maduro government. Not even the shadow of the 2008 conquests remained.

Prior to the 2008 Sidor strike, Minister Rivero had announced the creation of a new “Bolivarian” confederation. But he was overshadowed by the victory of the Sidor workers and the appointment of a new minister, Roberto Hernandez, from PCV, who threatened with a “trade union constituent” that never took place. The project of the Chavista union confederation would take years to resume. It never had much weight in PSUV. Chavez opted to have not even a strong bureaucratic, addicted union confederation; he preferred to leave weakened and divided the union movement and have a union bureaucracy limited to his orders, with little weight to put pressure on his political regime of the bosses and authoritarian.

## The heroic combat of the class current in UNT of Aragua

Chavez's offensive against the workers' movement and its fighting vanguard had its greatest resistance in the state of Aragua. In its capital, Maracay, just barely 100 kilometres from Caracas, was the main bastion of C-CURA.

In the industrial sectors of the Aragua state, in the centre of the country, classism became hegemonic, displacing the old Adeco bureaucracy and the bureaucracy that emerged or was recycled in Chavismo. UNT of Aragua was headed by Richard Gallardo, Trotskyist workers' leader, a member of USI and IWU-FI.

UNT of Aragua was an example of militancy, of application of union democracy and class independence. On 26 April 2006, UNT-Aragua mobilised in Maracay, capital of the state, over 5000 workers of about 90 unions that addressed their demands to the Chavista state government and the legislative council. “The bosses ignore the unions and they run over labour immovability. The governor, closely linked to several companies, whenever a dispute arises, authorises the police to attack us. The deputies of MVR, PPT, and Podemos make common cause with the union bureaucracy of the old CTV or that of the red beret, to diminish the influence of class unionism”, denounced Richard Gallardo.<sup>10</sup>

At the end of 2006, the 500 workers of Sanitarios Maracay, supported by UNT, take the company in the face of the bosses' attempt to close it. They begin a plan of struggle and initiate self-managed production, demanding Chavez immediate nationalisation under control of the workers. The government responded with an offensive by the union bureaucracy, headed by Marcela Maspero, to divide the struggle and with brutal repression on 24 April 2007, with an attack by the National Guard that left 12 injured and 20 arrested.

UNT-Aragua counterattacked with the first regional strike against the Chavista government on 22 May, with over 120 unions stopping their labour for a day against repression, in defence of workers' rights and union autonomy, against the pro bosses politics of the Ministry of Labour, for the nationalisation under workers' control of Sanitarios Maracay, and for the resignation of the Aragua governor, the Chavista Didalco Bolivar.<sup>11</sup> This was how the historic day was described in *Correspondencia International*: “Since the early morning, there were 3000 workers in the streets making 19 barricades and organising the stoppage in 90 percent of the companies. The workers of most of the companies and factories of Maracay, Cagua, La Victoria, Palo Negro, Turmero, Tocoron, Tejerias, and other industrial zones of Aragua, joined the strike, decision that was assumed after

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<sup>10</sup> Gamez, Nelson: “The foundations of Venezuelan syndicalism shake”, *Correspondencia Internacional* No. 23, July-October 2006.

<sup>11</sup> UNETE-Aragua: “The regional strike in the state of Aragua began”, *Aporrea.org*, 22 May 2007, [www.aporrea.org/actualidad/n95250.html](http://www.aporrea.org/actualidad/n95250.html).

mass meetings had been held in all the companies.”<sup>12</sup> At the end of the strike, a mass meeting was held with over 500 workers at the Sanitarios Maracay facilities. The government tried to accuse them of being destabilisers and counter-revolutionaries.

On 27 November 2007, UNT-Aragua held elections of the ranks for its directorate, in a new demonstration of strength, with 18,000 members of about 80 unions taking part in about a hundred voting centres. In the face of the boycott by the other currents of UNT, the single slate headed by Richard Gallardo, also integrated by Luis Hernandez of the Pepsi Cola union, Ricardo Acevedo of Industries Iberia, Emilio Bastidas of the National Institute of Agricultural Investigations and Jose Villegas of Sanitarios Maracay was victorious.

The leaders of UNT of Aragua not only stood out defending the workers against the bosses and the Chavista government, they also had the courage to confront Chavismo on the political plane, fighting for class independence. In Aragua the leaders of UNT gathered hundreds of signatures in the factories and in the working and popular neighbourhoods to register, in January 2008, the party *Unidad Socialista de Izquierda* [Socialist Left Unity, USI] to take part in the regional elections of that year. USI was the name assumed then by the revolutionary party that members of IWU-FI were building throughout the country and which edited the newspaper *Voz de los Trabajadores* [Voice of the Workers]. USI took part in the municipal elections on 23 November, with Luis Hernandez as a candidate for mayor in the Zamora municipality, facing the candidates of Chavismo and the pro-Yankee bosses’ opposition and achieving 7.43 percent of the votes.

## **The massacre of La Encrucijada, an unpunished crime**

On the night of November 27, 2008, exactly one year after the historic elections of UNT-Aragua, the workers’ movement and classism, and also the struggle of IWU-FI Trotskyists for building a revolutionary political leadership, received a very important blow when a hitman shot and killed Richard Gallardo, Luis Hernandez, and Carlos Requena in a restaurant in La Encrucijada de Cagua, in Aragua.

The three workers’ leaders had been supporting the struggle of the 400 workers of Colombian multinational Alpina, a dairy processor. The bosses had lowered the end-of-year bonus and threatened to close the plant if the leadership of the company union was not deposed. Faced with these abuses, the workers occupied the facilities of the factory. Around 1:30 p.m., Aragua state police stormed the inside of the plant and brutally attacked the workers, wounding four. Despite this attempt to evict, the plant was recovered by the workers, with support from the population of Villa de Cura, convened by Luis Hernandez. A few hours later he was killed along with his two comrades.

The day after the massacre, large workers’ protests crisscrossed Aragua with the paralysis of tasks, general mass meetings in all the companies and popular neighbourhoods. There were 17 rallies in different cities of the state, with large portraits of the murdered comrades, demanding speed and transparency in the investigation and the exemplary punishing of those responsible for the crime.

Hundreds of workers and humble people gathered on Saturday 29 to pay tribute and give the last salute to the murdered workers’ leaders. They were three almost simultaneous burials. In Villa de Cura, the presence was massive to farewell Luis Hernandez. In the place of the vigil, there were two blocks full of people and there was a queue to enter the room. Later, the funeral procession was transformed into a march to the municipal cemetery of Zamora. They were the same humble people and workers who almost took the city in repudiation of the crime. The scenes of pain and contained anger were repeated at the funeral of Carlos Requena and Richard Gallardo, in Maracay. Relatives, friends and workers gathered to farewell Requena in the cemetery. A comrade spoke words of homage and farewell in the middle of a warm applause.

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12 “General Strike in Aragua”, *Correspondencia Internacional* No. 24, June-September 2007.

At the time of farewelling Richard, the workers carried the coffin on their shoulders and march through the streets of Maracay to Plaza Bolivar. The procession was made with music by Ali Primera, the popular Venezuelan singer who sang “Richard lives! Justice, justice! UNETE, UNETE! In front of the government house, an act of homage was paid to Richard, Luis and Carlos. Speaking, among others, leaders of UNT of Aragua, Orlando Chirino, Jose Bodas on behalf of the oil workers of Anzoategui; Miguel Sorans on behalf of IWU and *Izquierda Socialista* of Argentina; and a leader of Conlutias of Brazil.

Trying to dilute the regional strike called for 2 December, Chavez travelled to Maracay and gave a speech in which he said the crime would be investigated, Sanitarios Maracay would be “nationalised” and the Aragua police would be purged. None of the announcements was honoured, but neither did they detract from the strike organised by UNT-Aragua, accompanied by dozens of roadblocks. That same day, just hours after agreeing with the authorities to set up an investigative commission with the participation of relatives of the victims and union organisations, Interior Minister Tareck El Aissami, who in 2017 would be appointed vice president to Maduro, assured that the motive of the murder was the “settling of accounts” and accused a Pepsi Cola worker in the factory at the time of the crime.

In fact, the main suspicions fell on the government itself. On 23 November, an armed group linked to Aldo Lovera, the elected mayor of Villa de Cura, had fired and issued threats in front of the Pepsi Cola plant. Tomas Perez, leader of a “Bolivarian” construction trade union mafia and the main suspect of the intellectual authorship of the crime, was never investigated and appeared on 23 May 2010 in the television program *Hello President* moderated by Chavez himself. Less than a month before that appearance, on 25 April, another C-CURA leader, Jerry Diaz, from the Manpa company, had been killed by a hit man.<sup>13</sup>

Prior to the La Encrucijada Massacre, the Chavista trade union bureaucracy had murdered three fighters of the class current, Luis Delgado, Ramiro Ponce and Esdras Vazquez, to guarantee union control over the construction of the Puerto Cabello – La Encrucijada railway.

Besides the eight leaders of C-CURA killed by hired gunmen, other militant leaders like Argenis Vazquez of Toyota, in the eastern city of Cumana, had also fallen victims of the “Bolivarian” hired killers. But on 1 August 2010, the president said in his opinion column *Chavez’s lines* that “in Bolivarian Venezuela, we do not have murdered unionists”;<sup>14</sup> a further example of the official commitment at the highest level to this murderous policy.

The loss was terrible. Richard Gallardo was a fundamental leader. He had started his political career in the 1980s as a textile worker and member of *Partido Socialista de los Trabajadores* (Socialist Workers Party, PST). He had become a union leader of the Flexilon company, where the Trotskyists had defeated the Adeco trade union bureaucracy and its armed gangs. He had been at the forefront of the main workers’ struggles and the construction of UNT-Aragua, the only regional federation of the confederation that held elections and two congresses. Luis Hernandez had led a famous sit-in of the Pepsi Cola plant in 2003, a victorious strike that prevented mass layoffs and was featured by international news agencies, and besides leading the union he was a prominent community leader. Carlos Requena was a young worker of the Produvisa company and delegate of prevention. The three were exceptional workers’ cadres from both UNT-Aragua and C-CURA and the international current IWU–FI, which promoted the construction of USI at that time.

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13 The assassination of Jerry Diaz took place as part of the Chavista bureaucracy’s attempt to take control of the Manpa paper company, underpinning a parallel union. The murder was preceded by an attack on another leader of the majority union, of which Diaz was a member, and also the refusal by the Ministry of Labour to recognise a union referendum in the company in which the ruling bureaucracy was defeated by a broad margin.

14 “The Chavez’s Lines: 56!”, *Cubadebate*, 1 August 2010, [www.cubadebate.cu/especiales/2010/08/01/las-lineas-de-chavez-56/#.WL7nO1V97Dc](http://www.cubadebate.cu/especiales/2010/08/01/las-lineas-de-chavez-56/#.WL7nO1V97Dc).

## Dispersion and retreat of the workers' movement

Other militant sectors, like Singetram, the union of the Mitsubishi assembling plant in Barcelona, were also victims of repression. On 29 January 2009, the police, under the command of a PSUV governor, Tarek William Saab, who Maduro would appoint as attorney general, shot and killed two workers, Javier Marcano and Pedro Suarez, while trying to evict a strike and factory occupation.<sup>15</sup> Chavez justified the repression by suggesting the workers were armed. In September of that year, the Ministry of Labour endorsed the dismissal of Singetram's directors.

Although a small sector continued to claim the initials UNT, basically the Chavista sector of Marcela Maspero, at the beginning of 2009 it was clear the confederation had been liquidated. The situation of the workers' movement was one of retreat.

On 6 March of that year, Chavez threatened the workers of Caracas Metro and the basic companies of Guayana with persecuting them with the political police and the military police if they went on strike: "Some petty unionists are out there, agitating the workers. I'm going to start pointing them out with the first and last name. I'm going to get into that battle, there, body and soul. Union leaders who want to collect astronomical figures in addition without working. Workers who want to be rich and believe the company belongs to them, that company belongs to no one, those companies belong to everyone, it belongs to the people, they belong to the people. [...] I make a call to the workers because there are still many vices of the past, irresponsible trade unionism many times. There were those of the Caracas Metro recently, who were going to stop the Metro. I let them know: if you stop the Metro I militarize the Metro but I will not accept you to stop the Metro. [...] Do you think I am going to take the money, for example, from the Mothers of the Neighbourhood or the Ribas Mission or the Barrio Adentro Mission to give it to unions who want to earn good three million bolivars, five million bolivars and distribute some bonuses and vacations for five months? What is that, man? That is called gross voracity. [...] The one who stops a state company here is getting involved with the head of the state or the one that threatens to stop it or to sabotage it."<sup>16</sup>

Several opposition trade unionists spoke in repudiation, including Orlando Chirino, resulting a few months later in a defensive trade union front in the face of government attacks, with strictly minimal union agreements, under the name of Labour Solidarity Movement. In November 2010, the front expanded after the break with the government of the Polar beer and food factory union in Caracas, led by Frank Quijada, and Juan Crespo de Fetraharina, changing its name to Autonomous Front in Defence of the Salary and the Unions (Fadess). Fadess had the merit of being the driving force of important mobilisations that contributed to achieving full freedom for Ruben Gonzalez, union leader of Ferrominera del Orinoco who was imprisoned between 2009 and 2011 for having led a strike. Gonzalez came from Chavismo, even to hold a position as an elected councillor on PSUV list. However, shortly after Quijada re-joined Chavismo, while Crespo and Gonzalez folded to the bosses' opposition. Once the possibilities of development of that space were exhausted, C-CURA withdraws from Fadess in the middle of 2013. Other attempts of articulation with independent union groups further to the left, like *Patria Obrera* [Workers' Fatherland] headed by Jose "Acarigua" Rodriguez, union leader of Sidor at the time of its re-nationalisation, and Oscar Battaglini, with whom joint tours were held and the possibility of convening a national workers' assembly was discussed. They did not advance either due to the lack of political and union definitions of that group.

Despite the difficulties and setbacks, C-CURA remained firm in its struggle against the government of Chavez and his bureaucratic allies. In October 2009, the slate of C-CURA Petroleum, headed by Jose Bodas, achieved a spectacular second place in the elections of the Unitary Federation

<sup>15</sup> Rodriguez Porras, Simon: "Links in the chain of repression against workers in Venezuela", *Aporrea.org*, 3 February 2009, [www.aporrea.org/trabajadores/a71670.html](http://www.aporrea.org/trabajadores/a71670.html).

<sup>16</sup> "Speech by Commander President Hugo Chavez during the beginning of the large-scale earthworks for the construction of the New National Iron and Steel Works", 6 March 2009, <http://todochavez.enlaweb.gob.ve/todochavez/1159-intervencion-del-comandante-hugo-chavez-en-el-inicio-del-movimiento-de-tierra-a-gran-escala-para-la-construccion-de-la-nueva-siderurgica-nacional>.

of Oil Workers of Venezuela (FUTPV) out of nine slates. For the majority Chavista slate, Wills Rangel becomes president. While Jose Bodas, with almost 28 percent of the votes, becomes general secretary.

The government managed to impose the labour counter-reform contained in the Organic Law of Labour and Workers (Lottt), through a decree law promulgated by President Chavez in 2012, further curtailing freedom of association and increasing the interference of the Ministry of Labour in the process of registration of unions. “Chavez turned union leaders into his Chinese vases”, said Orlando Chirino referring to the decorative role of PSUV union bureaucracy in the face of the labour reform.<sup>17</sup>

Already other norms, like the Organic Law of Sovereignty and Food Security, the “anti-terrorism law”, and military security zones restricted the right to strike in sectors such as agro-industry, basic companies, the oil industry, and the transport sector. Chavez’s promise to restore the method of calculating social benefits prior to the 1997 reform was definitively buried.<sup>18</sup> At the time of his death in 2013, Chavez had achieved a high degree of success in his project to consolidate a union bureaucracy addicted to the government and to atomise the rest of the workers’ movement. Thanks to this, his successor since December 2012, Nicolas Maduro applied an impressive inflationary adjustment, reducing wages in the following years to the lowest levels in history and subjecting workers to semi-slave labour conditions. In that process, there was very little resistance from the workers’ movement, deeply weakened by the setbacks suffered at the hands of Chavismo.

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17 *El Universal*, 30 April 2011.

18 Rodriguez Porras, Simon: “State control over unions in Venezuela advances”, *Desinformemonos*, 6 October 2013, <https://desinformemonos.org/avanza-el-control-estatal-sobre-los-sindicatos-en-venezuela/>.

## CHAPTER VIII

# The Bolibourgeoisie and the Bolivarian Armed Forces

Contrary to what thousands and thousands of fighters in the world believed, Venezuela took a course opposed to that of the revolutionary Cuba of the 1960s, during Che's life, when the first socialist country in Latin America was proclaimed. Chavez, when he was strongest and with the greatest support from the masses, took the opposite path, that of the pact with well-known Venezuelan big bourgeois like in the case of the Cisneros group and the promotion of new bourgeois sectors that were part of his social base of support, what was popularised as "Bolibourgeoisie". It was a social sector that grew among civilian and military Chavistas who claimed to be "socialist", under cover of the perks and negotiated oil income.

### The covenant with businessman Cisneros

Gustavo Cisneros is one of the great tycoons of the world. He was a friend of Ronald Reagan, George Bush (father), and Mexican Vicente Fox. He is the heir of the emporium which began in 1929 his father Diego Cisneros, who was for decades the representative of PepsiCo in Venezuela, among other businesses. He owns telecommunications and related companies, the most important being Venevision International, Venevision Productions, and Movida in the United States, and Venevision, Digitel, and Cerveceria Regional in Venezuela, all grouped under the tutelage of the Cisneros Organisation. In addition, he owns the baseball team Leones del Caracas and has significant participation in DirecTV and Canadian mining company Barrick Gold, and dozens of other companies. The companies that make up the Cisneros Organisation operate in over 50 countries in the Americas, Asia, and Europe. Over 30,000 people work for the Cisneros conglomerate in the United States. His channel Venevision played an important role in the defeated coup d'état of 2002. Chavez himself in a speech on 10 January 2003, referred to Cisneros in forceful terms: "Over there by the United Nations, very close to the highest instances, there is one of them, there is a fascist, there is a coup leader and he owns a television station here in Venezuela, who is called Gustavo Cisneros and one of the most responsible for what is happening here in Venezuela, one of the most responsible and I accuse him before the people and before the world as putschist and fascist."<sup>1</sup>

As already mentioned, on 18 June 2004, two months before the recall referendum, the Chavez-Carter-Cisneros meeting was held. The capitalist understood Chavez was going to impose himself electorally and the president was interested in negotiating with the heavyweight of the bourgeoisie. "Two days after the meeting, explaining his interview with the businessman, Chavez changed the qualifiers of 'putschist' and 'fascist' to that of 'Mister': 'I told Mr Cisneros and shook his hand, welcome, welcome and what a pleasure it gives me that we can sit down to talk because you are a Venezuelan, and we are going to have a coffee and we are going to talk, and I would do it with

<sup>1</sup> Quoted in Uzcategui, Rafael: "Cisneros Gustavo: from 'fascist' to 'Bolivarian'", *LaClase.info*, 28 January 2010, <http://LaClase.info/content/gustavo-cisneros-de-fascista-bolivariano/>.

any Venezuelan who really wants to come and talk about serious things. Within the constitution anything, without it absolutely nothing.”<sup>2</sup>

Cisneros also gave his account of the meeting: “For my part, I insisted that once the referendum process was over, the national dialogue should focus on the search for solutions (to the problem of poverty). I stated that Venezuelans should direct their efforts to improve education and stimulate national entrepreneurial skills, in order to compete successfully in world markets.”<sup>3</sup>

As a consequence of the Chavez-Cisneros covenant, Venevision was modifying its editorial line in a favourable sense to the government, coming to be praised by spokespersons of the Chavista government as “balanced”. In the year 2007, when the broadcast licenses of several private television channels expired, there was considerable popular pressure for the non-renewal of licenses for the channels that had participated in the coup d'état. The Chavez government chose not to renew only the license for Radio Caracas Television (RCTV), favouring with the measure Venevision, which went on to cover most of the advertising market of its previous competitor, becoming the channel with the highest audience.

The agreements were extended to other traditional entrepreneurs such as, for example, Alberto Vollmer, a great oligarch owner of Santa Teresa Rum. On 28 January 2008, Chavez presided over the First Socialist Productive Gathering of the Bicentennial Fund, with the purpose of granting subsidies to entrepreneurs with resources obtained from the devaluation of the bolivar. That is, the government put its hand in the pockets of workers to give credit to the entrepreneurs with a “preferential” dollar. Chavez once again summoned the businessmen: “The private company that is going to live with us, [...] Cudemus, Belandria, Perez Abad, Vollmer, all have taken the decision to live together. We’re going with audacity.” Vollmer, of Santa Teresa Rum, then took the floor to support: “After these measures for exporters, not only for the rum manufacturers, it is easier to compete.”<sup>4</sup>

## **The Bolibourgeoisie: the new rich**

If there is a character representative of what it means to be a “Bolibourgeois”, it is entrepreneur Wilmer Ruperti. After resigning as a PDVSA technician, he set up in 1994 a small shipping company, Nautica Ship Brokers, which provided transport services to PDVSA and other companies. Today he is a Venezuelan shipping tycoon.

The leap to entrepreneur takes place after the oil stoppage-sabotage. Ruperti does not join the bosses’ stoppage but takes advantage of the need to transport oil and hires several Russian tankers. For this service, he presented a strong bill to be paid in millions of dollars from PDVSA. Since then, by getting favours from the Chavista government, his contracts and profits grew and he went on to constitute a large international shipping company, Sudamericana de Transportes de Petroleo, establishing the holding company responsible for managing all its properties, the Global Ship Management, entity of which he is the only shareholder. The company he runs has contracts with PDVSA for the distribution of crude oil in the rest of Latin America and the Caribbean. From there Ruperti ventures into other business areas. In 2005 he bought from singer Jose Luis Rodriguez “El Puma” the Puma TV channel. He founded Channel I where it is estimated he has invested USD\$ 21 million.

After years of low profile, Ruperti had a public reappearance in 2016 when it became known he paid the fees for the defence lawyers of President Nicolas Maduro’s nephews accused in the United States of conspiring to traffic 800 kilograms of cocaine. Ruperti clarified he covered these expenses for “patriotic reasons, in solidarity with Nicolas Maduro”. “This disturbs the tranquillity

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2 Ibid.

3 Ibid.

4 Quotes reproduced from *Correspondencia Internacional* No. 28, March 2010.

of the presidential family. One needs the president to be calm [...]. I am helping to preserve the constitutional government of Venezuela.”<sup>5</sup>

Diego Salazar Carreño, aka the “Golden Red”, son of a guerrilla and poet of the 1960s and cousin of the former president of PDVSA and former minister Rafael Ramirez, is another case. Salazar Carreño went from insurance policy salesman to become one of the richest men in Venezuela, all thanks to his powerful relative, who gave him the multimillion-dollar contract of the insurance and reinsurance policy of PDVSA. At the end of 2017, with the political split of Ramirez with Maduro, Salazar Carreño was accused by the government of corruption.

Others were already bourgeois but their relations with the government resulted in an unusual growth of their profits and influence. Like banker Victor Vargas. Journalist Olga Wornat narrates: “Owner of the Western Bank of Discount (BOD), refined, cult, and philanthropist, he cannot deny the 14 years of Chavez have been magnificent for his business. The secret? Transactions with debt bonds issued by the government. I went so well that, in 2008, he bought a mansion in Palm Beach for USD\$ 71 million. He loves polo and owns the Lechuzas Caracas team, with which he holds tournaments in the USA and England and takes the best Argentine polo players. His daughter Margarita was married to Luis Alfonso de Borbon, Duke of Anjou and great-grandson of dictator Franco.”<sup>6</sup>

Another illustrative case has been the sadly notorious “bolichicos” [Bolivarian new rich], the young entrepreneurs of Derwick and Associates, who amassed an infamous fortune based on the importation of billions of dollars in power plants during the 2009 crisis, with gigantic overbilling.

These cases are just a few samples of a long list of businessmen and bankers, and figureheads of members of the government, PSUV, or the armed forces, who grew linked to the shady deals the Chavista regime facilitates.

## The role of the “Bolivarian” armed forces

The government went on to name the armed forces and their components, including the newly created “militia,” with the title “Bolivarian” in August 2008. Slogans such as “Fatherland, Socialism, or Death” would be incorporated into military protocols. From its beginnings, the Chavista government insisted on “civic-military unity”, and by incorporating “socialism” into its discourse it quickly elevated the military to the rank of “socialists” and “revolutionaries”.

As early as 2002, the revolutionary socialists were debating with Chavez on the character of the Venezuelan armed forces. In *Correspondencia Internacional* it was pointed out that “the Venezuelan armed forces have as a particularity their social composition, fundamentally of plebeian, humble origin, not only of the soldiers and non-commissioned officers but also of the officers. However, this particularity does not change the character of the institution, as custodian of the interests of the owners of the country, the Venezuelan bourgeoisie. This is the reason, in their history, they have taken part in totalitarian coups d'état, in the anti-guerrilla struggle, or in the repression of workers and students. And in April, their top chiefs joined the coup leaders.”<sup>7</sup>

The National Guard was a repressive instrument since its creation in the 1930s. During the Chavez government, especially since 2007, it was used systematically to attack strikes and popular protests. The army committed atrocities on the borders against Venezuelan peasants and Colombian refugees. But if something confirmed and totally stripped the repressive role of the Bolivarian armed and security forces was the brutal repression unleashed in 2017 against popular mobilisations and all the expressions of hunger such as looting or blocking roads and streets. This left a balance of over 100 people killed, thousands of injured and thousands of detainees, and scores of tortured.

5 Report by *The Wall Street Journal* quoted in *El Nacional*, 29 October 2016.

6 Wornat, Olga. “Bolibourgeois, those who won with the revolution”, *La Nacion*, 30 September 2012.

7 Petit, Mercedes: “Revolutionary armed forces?”, *Correspondencia Internacional* No. 18, June-September 2002.

Not only did military of repressive trajectory occupy high positions in Chavismo, like Roger Cordero Lara, one pilot who bombed the guerrilla camp of Cantaura in 1983, or Ramon Rodriguez Chacin, involved in the massacre of peasants of El Amparo in 1988, but even during the first six years of the Chavista government ties with the School of the Americas persisted, where the Venezuelan military continued to be sent to receive courses on matters of repression. Several ministers and senior government officials were trained at the School of the Americas, including Maduro's Minister of Defence, General Vladimir Padrino Lopez, who received training in psychological operations at Fort Benning.

## Between repression and shady deals

Taking part in juicy businesses, it has not been a problem for the military leadership to call itself socialist:

“The military are the only officials who have got wage increases equal to or above inflation in recent years. But the loyalty of the hierarchy is cemented primarily in big business. One of them has been the multimillion-dollar arms purchases to countries like Russia, China, Brazil, the United States and the Spanish State. Between 1999 and 2015, imports of conventional weapons by the Venezuelan government are estimated at USD\$5.62 billion, the highest figure in Latin America. The military controls the borders and the ports, where intense gasoline smuggling is carried out, sold at derisory prices in Venezuela, and also other products. [...]”

“Added to this is the control of the state-wide distribution of food and other basic consumption goods through the Command for Sovereign Supply created in September of 2016. In addition to the coordination of the nine main wholesale markets, 18 items were assigned to each general or high official of the Navy:

“Oil: Brig. Gen. Jorge Perez.

“Rice: General Jose Gonzalez.

“Poultry: Rear Admiral Angel Rueda.

“Sugar: Brigadier General Ludwing Palima.

“Beef: General of Division Luis Jimenez.

“Coffee: Rear Admiral Juan Jimenez.

“Beans: Brigadier General Reynzer Rojas.

“Personal hygiene items: Brigadier General Fernando Prieto.

“Pharmaceutical: General of Division Juan Rivas.

“Maize Flour: Vice Admiral Freddy Lozada.

“Dairy: Brigadier General Jose Gregorio Perez.

“Yellow Maize: General of Division Javier Antonio Rosales.

“Margarine: Rear Admiral Adolfo Contreras.

“Toilet paper, sanitary napkins and disposable diapers: General de Brigada Manuel Vera.

“Wheat: General of Division Francisco Yanez.

“Fish: Vice Admiral Luisa Maria Lozada.

“Pork: Brigadier General Ruben Barreto.

“Soy: Brigadier General Jose Jesus Hernandez.”<sup>8</sup>

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<sup>8</sup> Rodriguez Porras, Simon: “The Bolivarian Armed Forces: backbone of the regime”, *International Correspondence* No. 40, September-December 2017, p. 6.

Between 1999 and 2013, under the presidency of Chavez, 1,614 military personnel had held high positions in the government. His successor Maduro, between 2013 and 2017, created 14 military companies: Constructora y Automotores Ipsfa (construction and automotive), Emcofanb (telecommunications), TVfanb (television), Emiltra (transport), Agrofanb (agricultural), Banfanb (banking), Construfanb (construction), Cancorfanb (quarry), Fondo Negro Primero (financial), Tiuna Industry Complex I and II (water, clothing), Camimpeg (oil and mining), Neumalba (tyres), Imprefanb (printing). At the end of 2017, he appointed a military man in charge of PDVSA.

Although Chavez conceived the civic-military alliance from the beginning of his government, the military became the backbone of the Chavista regime since the popular repudiation of Maduro and dependence on the repressive apparatus became much greater. To a large extent who embodied this growing power of the military was the former army captain Diosdado Cabello, who held various positions during the Chavez government and during the Maduro government would, in fact, become the second in command.

## CHAPTER IX

# The creation of PSUV: co-opting and repression against the workers' vanguard

The importance of Venezuela as an oil country is shown by the fact that it has the largest oil reserves in the world, between conventional and unconventional crudes, with over 500 billion barrels. Three quarters of it come from heavy and extra-heavy crude from the Orinoco Oil Belt. According to OPEC data, Venezuela concentrates a quarter of the agency's proven reserves.

In 1975, the first government of Carlos Andres Perez decreed the nationalisation of the Venezuelan oil industry and the state company PDVSA was created. However, the left denounced, besides the millionaire compensations to the transnationals, the fact that article 5 of the nationalisation law left the door open to the re-entry of transnational capitals to the industry through service contracts. As already mentioned, this would happen effectively in the 1990's with the so-called "Oil Opening" of Rafael Caldera.

Chavismo has carried out an intense propaganda implying that under its management the oil industry was renationalised. Reality is the opposite— Chavismo has the responsibility of having increased national dependence on oil, increased the insertion of oil transnationals, and has generated a meltdown never seen in the industry, achieving a significant drop in the extraction and refining of oil.

Venezuelan exports of hydrocarbons and their derivatives accounted for 76 percent of the country's total exports in 1999 and rose to 93.19 percent in 2010, of which 74.62 percent were crude oil exports and 18.57 percent refined products exports. In 2012, oil exports would amount to 96 percent of the total. This means that Chavismo, instead of diversifying the productive matrix, led the country to a situation in which practically all of its foreign exchange earnings depend on oil and foreign indebtedness.

Venezuelan oil production was over three million barrels per day in 1998. According to OPEC figures, production in 2015 was 2.6 million barrels per day and by December 2017 it had already dropped to 1.6 million.<sup>1</sup>

How is it possible that one of the world's leading oil-producing countries plunged into an economic and social meltdown after a prolonged bonanza in international oil prices? Between 2003 and 2008, the international oil price had its highest growth since the 1970s. In 1999, it started at USD\$ 16 per barrel and by 2004 it had doubled. Prices would continue to rise to exceed USD\$ 140 in July 2008 and, although they would fall in 2009, from 2010 they would grow again and maintain their annual average between USD\$ 84 and USD\$ 103 between 2011 and 2014. According to economist Carlos Miguel Alvarez, between 1999 and 2014 Venezuela received USD\$ 960.589 billion for oil exports, over USD\$ 50 billion annually on average.<sup>2</sup> Although we saw the degree of dependence on oil exports increasing during the Chavista period, the economic crisis is not

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1 *El Nacional*, 18 January 2018.

2 Bermudez, Angel: "How Venezuela went from oil bonanza to economic emergency, BBC, 16 February 2016, [http://www.bbc.com/mundo/noticias/2016/02/160219\\_venezuela\\_bonanza\\_petroleo\\_crisis\\_economica\\_ab](http://www.bbc.com/mundo/noticias/2016/02/160219_venezuela_bonanza_petroleo_crisis_economica_ab).

attributable solely to the fall in the price of oil. Between the end of 2017 and the beginning of 2018, the value of the barrel ranged between USD\$ 55 and USD\$ 60; far superior to the USD\$ 16 of 1999.

What did the self-proclaimed “socialist” governments of Chavez and Maduro do with this fabulous multi-billion-dollar inflow?

Broadly speaking, it can be said that a part of that millionaire mass of money was invested in social assistance programs and housing construction. Another part went in shady deals and corruption, millions of dollars in arms purchases and huge contracts with Chinese, Russian, the Brazilian Odebrecht, and other construction companies. Another significant sum went to the payment of foreign debt and capital flight. The flight of capital between 2003 and 2014<sup>3</sup> is estimated at over USD\$ 295 billion, and only between 2013 and 2017 over USD\$ 73 billion in foreign debt was paid. Another important part entered directly into the coffers of the large oil multinationals with which Chavismo made agreements.

This brutal plundering and the absence of substantive changes in a chaotic capitalist and semicolonial economy, unable to plan the productive investment of the oil revenue, is the cause of a disaster which became evident by the end of 2013 while the oil prices were still above USD\$ 100 per barrel.

## **PDVSA and the agreement with the multinationals**

Many activists have mistakenly believed that under the Chavez government an anti-imperialist process of rupture with transnationals and of recovering sovereignty over oil had been initiated. There was no such rupture but an adaptation of the oil service contracts from which the transnationals and national companies had benefited since the 1990s, now transformed into contracts for the constitution of joint ventures, with exploitation concessions of between 30 and 40 years.

On 1 January 2006, under the pompous name of “Full Oil Sovereignty”, the plan was announced by which Chavez and his Minister of Energy Rafael Ramirez would associate PDVSA with private capital. Processes such as exploration and oil exploitation under the Organic Law of Hydrocarbons (LOH) of 2002 were reserved to the state or joint venture companies with a majority state shareholding, and the latter was the figure adopted by Chavismo to agree with the transnationals. The LOH itself allowed up to 49 percent of the shares of the joint ventures to be held by transnational capital. Among the first companies signing the agreements were Chevron, Repsol, Shell, BP, Total, China National Petroleum, ENI, Statoil, and Petrobras. Exxon Mobil and Conoco Phillips were the only ones who did not accept reconverting and withdrew. Later, Japanese company Mitsubishi and Russian companies Lukoil, Gazprom, and Rosneft joined the joint ventures, and also companies from Iran, India, Vietnam, Cuba, and other countries.

“The joint ventures will have a [...] board of directors, with three directors of PDVSA, two directors of the associated company and different managers and some strategic positions reserved for both PDVSA and the partners. They will be fully autonomous organisations that will declare their profits to their shareholders”, explained a publication by the state oil company.<sup>4</sup> In February 2007, Chavez would sign Decree Law 5,200 on migration to joint ventures of the association agreements of the Orinoco Oil Belt, raising the minimum state participation to 60 percent.

The bosses’ opposition supported this policy, with the only proviso that it demanded greater participation of national businesses. Jose Bodas, as trade union leader of the Puerto La Cruz Refinery, denounced in May 2006 that “unfortunately the Chavez government keeps the oil concessions to the multinationals and many have joined PDVSA as a joint venture. Neither does the government accept workers’ co-management for considering oil as a ‘strategic industry’. [...] We demand the

<sup>3</sup> Sutherland, Manuel: *A Critique to the Political Economy of “XXI Century Socialism”: private sector takeover of oil revenue, import policy and capital outflow*, Latin American Studies, Autonomous University of Mexico. 2016, <http://revistas.unam.mx/index.php/rel/article/view/57456/50986>.

<sup>4</sup> Leaflet *Mixed companies at the service of the people*, PDVSA, March 2006.

cancellation of all concessions to the multinationals and the call to an Oil Constituent, where we democratically decide what to do with our oil.”<sup>5</sup> In 2008, the former guerrillas Douglas Bravo and Francisco Prada, from the group Third Road, filed with the Supreme Court of Justice, together with other activists, a claim for nullity of the legislative act through which the joint oil companies were created. USI publicly expressed its solidarity with the initiative.<sup>6</sup>

The other side of the agreement with the multinationals was Chavez’s commitment to sink the collective labour agreement and the social gains of the oil workers to guarantee higher exploitation rates and profits. The salaries of the Venezuelan oil workers became, in a few years, the lowest of the sector in the world.

## **PDVSA in the USA**

PDVSA’s business in the USA was not interrupted either. At the end of the 1980s, the old Venezuelan bourgeoisie had a privatist orientation of exporting capital, called “internationalisation”. Under this policy, PDVSA formed its subsidiary, called Citgo.

Chavez did not change this policy but gave it continuity. This was highlighted in a 2004 paid advertisement in the press: “Venezuela has significant investments in the United States, including Citgo Petroleum Corporation, a subsidiary of PDVSA.”<sup>7</sup> The ad also noted that Citgo had 13,500 service stations under its brand, becoming the number one asphalt supplier on the east coast of the USA, third gasoline supplier, fourth lubricant distributor, and the second heavy crude refiner.

Even the spokesmen of imperialism highlight it, like Miami’s newspaper, *Nuevo Herald*: “Despite its sorrows, Venezuela is a major player in the United States where Citgo, a subsidiary of the national oil company PDVSA, owns its own oil refineries and pipelines [...] owns three oil refineries in the states of Texas, Louisiana, and Illinois. Those three plants have an accumulated capacity of 750,000 barrels per day; which is equivalent to almost 4 percent of the total refining capacity of the United States. In total, the three plants employ about 4,000 people.”<sup>8</sup>

Citgo was one of the largest corporate contributors to the inauguration of US President Donald Trump in January 2017, with a donation of half a million dollars,<sup>9</sup> and was also the main sponsor of the 4 July celebration in the city of Houston, named “Freedom over Texas”, an event for which donated USD\$ 625,000. In November of 2017, Maduro appointed Asdrubal Chavez, one of Hugo Chavez’s brothers, as the new president of Citgo.

## **“Business is Business”**

Chavez and Maduro had political frictions with the United States and they even threatened to stop sending oil but never in 20 years has the shipment of hundreds of thousands of barrels of oil a day to the “empire” or the Yankee participation in the Venezuelan oil industry been interrupted. So good were Chavez’s relations with the Yankee corporation Chevron, the oil transnational with the largest enclaves in Venezuela, that on 11 February 2010, during the ceremony of delivery of a 40 years concession in the Orinoco Oil Belt, the Venezuelan President asked the representative of the transnational company, Ali Moshiri, to mediate with Obama: “[May] you help us improve the situation and relations with the United States government. [...] that we at least recover the level of relations we had when Bill Clinton was in office. [...] I hope Obama comes to the Orinoco Belt, you

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5 *Correspondencia Internacional* No. 23, July-October 2006.

6 *Voz de los Trabajadores* [Worker’s Voice] No. 4, June 2008.

7 *El Universal*, 11 August 2004.

8 *Nuevo Herald*, 16 November, 2017.

9 “USA: The Venezuelan government donated USD\$ 500,000 for the inauguration of Donald Trump through Citgo”, *Aporrea.org*, 19 April 2017, [www.aporrea.org/tiburon/n307237.html](http://www.aporrea.org/tiburon/n307237.html).

bring him.”<sup>10</sup> Chevron not only received concessions in the Belt, but also important gas fields in the Deltana Platform, in the northeast coast of the country and in Lake Maracaibo, including projects of hydraulic fracturing (fracking) with the Petrowayuu joint venture.

Shipments between Venezuela and the US take from four to five days, in contrast with 35 to 45 days from the Persian Gulf, for example. And the shipments are not minor. The historical average has been 500,000 barrels per day, but higher peaks have been reached. According to Reuters data on trade flows, shipments increased to 817,806 barrels per day in July 2016,<sup>11</sup> which represented USD\$ 31,812,000 per day at the average price of USD\$ 44 a barrel.

Shipments were not even cut when Exxon Mobil, in the context of a lawsuit before the International Centre for Settlement of Investment Disputes (ICSID) in 2008, managed to freeze PDVSA bank accounts for USD\$12 billion.

On that occasion, C-CURA demanded that shipments of oil to the US be cut off and for the multinationals to be expelled: “We consider that in the face of this aggression all nexus must be broken with the multinationals that are now members of the oil business thanks to the formation by the government of joint ventures. We must immediately eliminate this policy that keeps the transnationals in our country. [...] [The oil industry] must be 100 percent state owned [...] the oil workers themselves must be the ones who control and manage our main industry, just as they did in the days of the strike-sabotage. In this regard, we propose that an Oil Constituent be convened, in which PDVSA workers, employees, and technicians, together with the organised communities, democratically decide who and how the company will be managed, so that it really belongs to the people, and not to the technocrats [...] who today are submerging it in a serious operational crisis. President Chavez has threatened to suspend the shipment of oil to the United States if the economic war against the country continues. [...] We hope that this is not another unfulfilled presidential threat and we demand the government move from talking to doing and immediately suspend the supply of oil to Yankee imperialism.”

## Chavez handed over the Orinoco Belt to imperialism

The Orinoco Belt is considered the largest oil-reserve zone in the world. In February 2010, “the United States Geological Survey [...] estimated that the recoverable reserves in the Orinoco Belt reach 513 billion barrels, a number [...] three times higher than the local calculations of 172 billion barrels.”<sup>12</sup>

In the first few months of 2010, the Minister of Energy and Petroleum, Rafael Ramirez, announced the consortium formed by the US oil company Chevron, Mitsubishi Corporation and Inpex Corporation, the last two from Japan, and Suelopetrol from Venezuela, would be associated in joint ventures with PDVSA in the Carabobo-3 project. In the Carabobo-1 project, PDVSA partnered with the consortium formed by Repsol, ONGC Videsh Limited, the Indian Oil Corporation of India, and Petronas of Malaysia. The blocks delivered to the transnationals could produce between 400 and 480 thousand barrels of oil per day. Referring to the delivery done, Chavez was blunt: “Well, wouldn’t a company like Chevron want, wouldn’t want a company like Repsol, wouldn’t a company like the Indian company want, the Malaysian company and all those from Russia, those of China, the largest in the world, wouldn’t they want to be in the Orinoco Belt, which is the largest oil reserve in the world? Of course, everyone does! [...] Against us there is a permanent campaign, a campaign from outside and from inside pointing out that in Venezuela all international investments were gone, that here there is no legal security for investments. You know this is not the case. [...]

<sup>10</sup> “Transcript of speech by Commander President Hugo Chavez during the announcement of new partners in the Carabobo Block of the Orinoco Oil Belt”, 10 February 2010, <http://todochavezlenaweb.gob.ve/todochavez/504-intervencion-del-comandante-presidente-hugo-chavez-durante-acto-de-anuncio-de-nuevos-socios-en-el-bloque-carabobo-de-la-faja-petrolifera-del-orinoco>.

<sup>11</sup> “Exports of Venezuelan crude to the US rise 25 percent in July”, *Reuters*, 5 August 2016.

<sup>12</sup> *Poder y Negocios Magazine*, 5 March 2010, Caracas, Venezuela.

you have all the guarantee of your investment and the benefits this investment will report and the repatriation of the capital. They are capitals that come to invest, to leave a trail, a productive footprint, they are not swallow capitals, they are not speculative capitals, so I really do not get tired of thanking each and every one of you, countries, governments and companies represented here.”<sup>13</sup>

## **Out the multinationals, oil 100 percent state owned**

Years have gone by and the results of these agreements of Chavez with the multinationals are in sight. Even as part of the internal conflicts within their own ranks, the Maduro government accused Ramirez and his managers of overbilling oil contracts for over USD\$ 35 billion between 2003 and 2013.

In these almost 20 years, oil octopuses have kept pocketing their profits by stealing Venezuelan oil, under appeasing agreements that benefit them for decades, while workers and the people have been plunged into misery, shortages, unemployment, and an unprecedented social decline.

The crisis and corruption of the industry, due to the policy of Chavismo of agreement with the multinationals, has reached such a point that towards the end of the Chavez government the imports of gasoline and other petroleum products exceeded exports in Venezuela, something unwonted. It was never more evident the need for a fundamental change, expelling the multinationals, cancelling the joint ventures and the contracts for the Orinoco Belt, and for the oil industry to be 100 percent state-owned and under the control of the workers and technicians, as our current has been demanding. Only in this way would it be possible for the billions that are obtained from oil to be invested in the service of the Venezuelan people and a new country project.

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13 “Transcript of speech by Commander President Hugo Chavez during the announcement of new partners in the Carabobo Block of the Orinoco Oil Belt”, 10 February 2010, op. cit.

## CHAPTER X

# The classist current in the oil industry

On 1 October 2009, the working class current headed by Jose Bodas became the second national oil union force and gave a blow to the anti-labour offensive of the Chavez government. After the unification of the oil unions into a single federation, their first elections were postponed eight times. The government had been postponing the elections to prevent the discussion of the collective oil contract and to gain time in its attempt to unify the currents of the Chavista trade union bureaucracy.

The oil union election became a political confrontation of strategic importance, as Bodas emphasized: "This new federation includes almost 180 unions. [...] the elected leaders will have the responsibility of negotiating the next three collective agreements, since their period will be five years, which is why they will negotiate the contracts corresponding to the 2009-2011, 2011-2013, and 2013-2015 periods. It is easy to understand the strategic importance of oil union elections. The government and the PDVSA directors are betting to control them and ensure their agents win the elections to postpone the negotiation of the contract, snatch conquests, freeze wages, and deepen the bureaucratic and undemocratic control of the oil industry. This is evident in the actions of the National Electoral Council (CNE) [...] the main instrument of the intervention of the bosses' government. Indeed, these elections had to be held a year ago, but the CNE argued the priority was the elections of mayors and governors and then the referendum for presidential re-election."<sup>1</sup>

### Jose Bodas arrives at the General Secretariat of FUTPV

C-CURA and the oil workers achieved through denunciation and mobilisation to impose the holding of elections. Of the 36,000 workers registered to vote, 79.4 percent attended and class unionism conquered the general secretariat of the Unitary Federation of Petroleum Workers of Venezuela (FUTPV) and four of the fifteen positions of the executive committee. In a historic vote, Slate 1 headed by Jose Bodas got 7,646 votes (27.45 percent), winning in the Puerto La Cruz Refinery and the Cryogenic Complex of Puerto Jose in the east; the El Palito refinery in the centre and the Refining Complex of Paraguana in the west. The latter is the largest refining complex in the world. The classist current even won in Caracas, by one vote.

Slate 7, supported by the oil managements, with financing from the transnationals and the direct intervention of President Chavez in its unification, reached 54.1 percent of the votes. Wills Rangel, union leader coming from AD and recycled by PSUV, thus became president. Slate 7 won by a wide margin in less structured sectors and where recent incorporations of personnel had been made, such as the western state of Zulia, where 8,000 workers joined a few months before the elections. The rest of the votes were distributed among seven slates: the votes of two dissident Chavista options totalled 9.6 percent and 4.5 percent; whereas the right opposition, dispersed in five slates, all up got less than 5 percent of the votes.

<sup>1</sup> "Chavez attacks union autonomy: an interview with Jose Bodas", *Correspondencia Internacional* No. 27, June September 2009.

The election of Bodas as general secretary of FUTPV marked a milestone for classist unionism. In the country's main industry, the old union bureaucracy of CTV was swept away and the place of union opposition to the new Chavista bureaucracy was occupied by the left hegemonised by the classist current. It was a long process of political construction, from clandestine union work in the 1990s, in which the activists who later formed the Classist Option and C-CURA Oil were initiated, up to the fight against the coup and the oil sabotage and the win in grassroots unions. With antecedents like the combative current La Jornada, in the east, or the activists of New Unionism in Zulia, classism is built in the oil guild from its decisive participation in the fight against the coup d'état and the oil sabotage of 2002-2003.

In those days, the role of Jose Bodas and the class fighters was decisive, as we saw earlier, for production not to be paralysed in the Puerto La Cruz Refinery.

## **The proposal of the Petroleum Constituent and workers' control**

After the workers' victory against the oil sabotage of 2002-2003, *Opcion de Izquierda Revolucionaria* (Option of the Revolutionary Left – OIR) proposes the continuity of the fight for an oil policy at the service of the working people's interests: "Despite the victory of the workers during December–January, the transnationals continue to get great privileges in association contracts. In this regard, the Petroleum Constituent should discuss an amendment to article 303 of the constitution, which, through the role of subsidiaries, strategic associations, and service companies, leaves open the possibility of intervention by transnationals and private capital national in PDVSA and its businesses. Just as in the past did Article 5 of the previous Law on Petroleum Nationalisation, which became the legal floor for the neoliberal and appeasement opening of the industry."<sup>1</sup>

In years of intense political and social polarisation, the Trotskyists of the oil industry held an independent position. For example, on 20 November 2004, in an rank and file mass meeting convened by La Campiña, the classist current in PDVSA, in Caracas, they were at the forefront of workers' denunciations: "Criticisms were made against some army men who, in addition to the hierarchical norms inherited from the recent past, want to impose a military discipline within the industry. There was the talk of the nepotism that dominates in all the managements. The new Bolivarian technocracy reproduces in spades the vices of the meritocracy of the Fourth Republic."<sup>2</sup> In the same tenor, Bodas raises in the rally of launching PRS, in July 2005 that PDVSA "today is directed in a technocratic way, a pro-imperialist way. The same rules and procedures of the IV Republic are there. Because it is not enough that it belongs to the state. It has to be managed by the workers. [...] it is not simply that the transnationals [pay more royalties]. Our fight is because these transnational companies should not be here [...] because the oil and gas are ours. And here there is enough technical capacity, enough commitment from the working class, to tell those companies to leave."<sup>3</sup>

In the face of the Chavista policy of migrating to joint ventures the operating contracts granted to transnationals by the Rafael Caldera government, the classist current also raises the need for workers to discuss and participate in making strategic decisions in the oil industry. "With joint ventures, among other things, PDVSA's black box returns. [...] nobody knows the contracts and therefore nobody discusses. [...] What should the workers do? Organise the resistance of the interests of the workers. Open the discussion inside the workers' organisations, calling a Petroleum Constituent right now."

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1 Hernandez, Miguel Angel: "Programmatic proposal for Venezuelan oil workers", *Rebelion.org*, 1 December 2003, [www.rebelion.org/hereroteca/venezuela/031201arvelo.htm](http://www.rebelion.org/hereroteca/venezuela/031201arvelo.htm).

2 Hernandez, Miguel Angel. "Who believes the tale that PDVSA belongs to the people?" *Correspondencia Internacional* No. 22, December 2004-March 2005.

3 "Oil is ours", speech, quoted in leaflet *La revolucion venezolana* [The Venezuelan Revolution], op. cit.

## The defence of the collective contract

In 2006, Bodas was elected general secretary of Fedepetrol-Anzoategui. Classist Option, C-CURA's oil group, grows as a union reference and becomes a national actor when fighting against the unilateral imposition of the new oil contract by the Ministry of Labour and the government union bureaucrats. On 27 September 2007, a march of a thousand oil workers heading towards the Venezuelan Petroleum Corporation headquarters in the town of Lecherias (state of Anzoategui), headed by Classist Option, is attacked with bullets by the police. The Minister of Labour, Jose Ramon Rivero, accused the demonstrators, who demanded the proposals of the rank and file unions in the contractual negotiation be taken into account, of being "pro-coup", thus justifying the repression. As Hector Rincon, leader of C-CURA Oil, explained moments after the attack, "the balance of the brutal repression by the police is of a seriously injured worker, two others injured by bullet wounds, others with pellets and knocks, and 30 detainees. [...] today more than ever, we claim the right to collective bargaining that has been insistently trampled by the national government in different sectors, as can be seen by public employees, health sector workers, doctors, and oil workers."<sup>4</sup> The mobilisation finally forced the minister to receive the proposals of the Anzoategui classist unionism. The contract signed by the bureaucracy did not meet the expectations of the workers, but the mobilisation led by the fighters from the east forced to improve the content of the agreement, which won great prestige for Bodas and his current.

## Persecution of classism

With a view to weakening this pole of autonomous and combative union organisation of oil workers, the Chavez government began to persecute the fighters. In spite of this, the influence of Jose Bodas, Hector Rincon, Bladimir Carvajal, Luis Diaz, and Francisco Luna in Zulia, among other referents of classist unionism, continued to grow. In its desperation, the government came to block, from 2009, in the entire PDVSA's computer network the website *Laclase.info*,<sup>5</sup> to hinder the dissemination among workers of the positions of the revolutionary left and autonomous unionism.

The government continued its attacks against C-CURA after the FUTPV elections. In the following years, it would execute several arrests against Bodas and militants of the current in Anzoategui for carrying out union activities such as distributing leaflets or participating in workers' assemblies. On the morning of 3 February 2014, Bodas, Bladimir Carvajal, Leonardo Ugarte, Endy Torres, Emiro Millan, and five other workers were arrested while holding a mass meeting at Puerto La Cruz Refinery. A massive march of oil workers the following day to the courts in the nearby city of Barcelona managed to get them released that evening. Luis Diaz, leader of C-CURA on the docks, would be subject to a dismissal qualification, although the workers' pressure prevented it from being executed. In 2015, Bladimir Carvajal, leader of C-CURA and PSL and member of the FUTPV Disciplinary Tribunal, was arbitrarily dismissed from Petrocedeño, a joint venture located in the east of the country in which the French company Total and the Norwegian Statoil participate together with PDVSA. Through an illegal procedure, carried out by the Bolivarian National Guard, the recognised leader was taken from the bus allocated by the company to transfer its workers to their place of work. Despite the militarization of the oil industry, the dismissal of Carvajal was met with a sit-down strike of several weeks by the workers of the Cryogenic Complex of Jose. International personalities demanded his restitution as Peruvian Hugo Blanco; Nora Cortiñas,

<sup>4</sup> C-CURA Oil: "Those who produce the country's wealth and defend PDVSA from the pro-coup lockout, we are rewarded with repression", *Aporrea.org*, 27 September 2007, [www.aporrea.org/actualidad/n102118.html](http://www.aporrea.org/actualidad/n102118.html).

<sup>5</sup> *Laclase.info* is the website created in 2008 by the USI and independent militants after their expulsion from the administration of the *Aporrea.org* website, at the end of 2007, in retaliation for having opposed the constitutional reform submitted to a popular referendum by Chavez.

President of Mothers of Plaza de Mayo (Founders' Line) of Argentina; Salameh Kaileh, Palestinian-Syrian journalist, among others.<sup>1</sup>

## The class opposition in FUTPV

The government excluded from the contractual discussions the members of C-CURA on the FUTPV executive committee. Despite all this, they consolidated as the voice of oil workers against the government, denouncing the divestment and lack of maintenance in the industry, the delivery of oil and gas resources to the transnationals, the destruction of wages and workers' conquests, environmental disasters, and unsafe working conditions. For example, in November 2010, Bodas and Luna delivered to PDVSA and the National Assembly a report denouncing "the lack of investment in maintenance of gas pipelines, refineries, barges, drills, spheres, among others, is a constant".<sup>2</sup> The report pointed out serious failures as "over 70 percent of butane tanks suffer from leaks... safety valves do not close completely or do not work. [...] PDVSA and the joint ventures have been presenting a policy of violations of security regulations due to lack of investment and maintenance in their infrastructures and equipment in general [...] putting the lives and health of workers and third parties at risk", said Bodas.

These denunciations were a serious warning ignored by the Chavez government, with tragic consequences. The spills and explosions in the oil installations were reflecting the growing deterioration of the industry in the hands of the Chavista bureaucracy and the joint ventures with transnationals, until on 25 August 2012 a large explosion took place in the Amuay Refinery, to the north-west of the country, with a devastating balance of over 60 dead and 150 injured. Although the government, one year after the disaster, established the official thesis that the disaster had been the result of an act of sabotage, no one was charged and in later years the event was never commemorated officially as a sabotage or terrorist act.

The anti-workers policy of Chavismo, with the complicity of the union bureaucracy, reduced oil wages to make these Venezuelan workers the lowest paid in the world. At the beginning of 2018, between salary and bonuses, monthly income did not reach USD\$ 10 a month at the parallel market rate. Together with this central claim, Bodas and his comrades continued to support the need to end joint ventures and for oil to become 100 percent state-owned, under the control of PDVSA's workers and technicians. The consistent denunciation and the fight in extremely adverse conditions carried out by C-CURA, in a militarized industry and in the face of a violent anti-union policy of Chavismo, allowed the consolidation of the left opposition in the oil industry. Fearing an overwhelming defeat, the government has prevented the FUTPV elections since 2014, relying on the National Electoral Council (CNE), the courts and the union bureaucracy. Bodas and his comrades continue to fight for the rights of the workers, as the main trade union reference of the Venezuelan revolutionary left and of classist unionism.

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1 See complete list in "Signatures demanding the reinstatement of Bladimir Carvajal in Petrocedeño", [www.uit-ci.org/index.php/noticias-y-documentos/criminalizacion-de-la-protesta/974-firmas-exigiendo-la-reinstalacion-de-bladimir-carvajal-en-petrocedenopdvsa](http://www.uit-ci.org/index.php/noticias-y-documentos/criminalizacion-de-la-protesta/974-firmas-exigiendo-la-reinstalacion-de-bladimir-carvajal-en-petrocedenopdvsa).

2 "Trade union leaders warned in 2010 of 'little maintenance' in PDVSA", *El Mundo*, 25 August 2012, [www.elmundo.com.ve/noticias/petroleo/pdvsa/dirigentes-sindicales-alertaron-in-2010-del-poco-.aspx](http://www.elmundo.com.ve/noticias/petroleo/pdvsa/dirigentes-sindicales-alertaron-in-2010-del-poco-.aspx).

## CHAPTER XI

# “Expropriate it!” — The swindle of the buying of companies by Chavez

“Expropriate it!” was an order pronounced by Chavez several times after his re-election in 2006, especially referring to some industrial companies. This image travelled the world and created, at the time, a strong impact. Especially outside of Venezuela and on millions of workers and young people who really believed progress was being made towards socialism. But the experience was a total failure. The so-called “expropriations” were actually forced purchases, most of them negotiated and paid at exorbitant prices, which brought no benefits for their workers or for the working people as a whole or for the country.

Was this fiasco due to the nationalisations themselves? This is an important debate because the Chavista failure is used as an example in the campaign against “state owned” companies carried out by the defenders of capitalism and by the left reformists all over the world. The expropriations and the nationalisations or re-nationalisations can serve the workers and the popular sectors. The failure, in this case, was the billion-dollar purchases of companies by a government that continued to support a capitalist economic structure. These purchases, called expropriations, were under no circumstances at the service of getting the workers of these companies to operate them under their democratic control and with state budgetary support to put them into operation. And much less were they part of a socialist plan in which it was aimed at a democratic planning of the economy. Although in some cases they responded to workers’ claims against companies that were bankrupt or abandoned by their bosses, most of them were government propaganda manoeuvres to show they took measures against the bosses in the face of popular demands.

Chavez never even considered nationalising the fundamental companies of the oil industry, the key wealth of the country. This was always the central proposal of our current.

The expropriations and nationalisations of Chavismo were not part of a plan for fundamental changes, which would start from the nationalisation of oil. The nationalised companies became part of the corrupt fabric of the emerging Chavista bourgeoisie; to the extent, they could make imports with subsidised dollars, a powerful stimulus for corruption. The result was the drop in production in these companies to favour imports. Added to this were the dissolution of unions, the freezing of wages, and other attacks on workers by the new Chavista managers. Most of the companies ended up closed or with important cuts in their production, suffering strikes from their workers demanding for their salaries, respect for their union organisations, and their collective agreements.

## The confusion generated among the workers

To many workers, this experience led them to see the nationalisations as synonymous with losses of conquests and corruption at the hands of managers headed by the military or civilians of PSUV apparatus. This is why in several cases the workers resisted and mobilised against government announcements to expropriate companies, as happened in Agroisleña and Polar.

As Nelson Gamez explained, in those cases where workers had the initiative to demand nationalisation, the government opposed it. As it happened in “the only experience of workers’ control over the production that existed in Venezuela as was the case of Sanitarios Maracay, led by USI and C-CURA, or the emblematic renationalisation of Sidor, the government was always opposed. When it was forced to nationalise, it always ended up paying or committing to pay for its ‘fair price’ the nationalised properties. The government always ignored union organisations and collective bargaining agreements. The workers were always excluded from the control of production and administration, the management positions of the companies being taken over by a bureaucracy whose mission was to liquidate the gains and rights of workers and place them at the service of the original capital accumulation of the nascent Chavista-bourgeoisie. In addition, we clarify that the ‘nationalisations’ of the last period (2010) always had as a political objective to ‘extort’ the opposition bosses so the confrontation would cease or they would join the government policies. Not coincidentally, the companies of the Cisneros Group — one of the main promoters of the fascist coup of 2002 and today a close collaborator of the government — are not targets of forced purchases and have been favoured with the alleged ‘expropriations’, since several companies that were in the competition were eliminated.”<sup>1</sup>

## Repeated failures

In January 2005, the Venepal paper mill, bankrupted by its bosses, was the first company expropriated by the Chavez government. Thus Invepal was born, which was, therefore, an emblem of the “Bolivarian revolution”. The government imposed the transformation of the company into a cooperative and the union was dissolved. The announcements with much fanfare of a future of growth for Invepal, for its workers, and for the production of paper “at the service of the people”, would end shortly with the factory closed and with mobilisations of its 900 workers demanding for their salaries, their social benefits with debts of years, and for the reopening. Ten years after the expropriation, most paper products were scarce, because they were still imported with dollars assigned by the government.

In other cases, production did not even start. In 2008 the government bought a refractory bricks factory, Carabobo Ceramics, used in the metallurgical industry and in this case destined to supply the blast furnaces of Sidor. In 2010, it was still closed and the workers without receiving their wages while the government imported refractory bricks. “Since President Chavez nationalised it two years ago, the plant has not started yet. We ask for resources because you need to buy compressors to start the plant”, denounced the worker Jose Martinez.<sup>2</sup>

In Guayana, the main industrial zone of the country in the southeast, the government also bought other companies, including Comsigua, Materiales Siderurgicos (Matesi) and Tubos Tavsa. Most never started or ran at much lower capacity.

In the case of cement, in August 2006 it was announced the Mexican cement company Cemex would be expropriated, although, in fact, the nationalisation would take place two years later, together with the cement companies of French company Lafarge and Swiss company Holcim. Cemento Andino, whose majority shareholder was the Colombian group Cementos Argos, passed into the hands of the state in August 2007. The government imposed the line of not discussing new collective agreements and after two years of dispute, an assembly voted in January 2010 to strike for having the agreement 25 months overdue. Neither was union representation respected. “All these companies have become true Bolivarian assembling factories, where union autonomy is disrespected, keeping outsourced labour or without collective contracts, earning hunger salaries

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1 Gamez, Nelson: “On the false ‘expropriations’ of Chavez”, *Correspondencia Internacional* No 30, May-August 2011.

2 Rangel, Clavel: “Despair for the bureaucracy in Carabobo Ceramics”, *Correo del Caroni*, 12 August 2010.

with the tale of revolution and socialism”, explained Orlando Chirino when supporting the strike of Cemento Andino.<sup>3</sup>

The members of IWU–FI did not cease calling attention to the results of the purchase policy of cement companies by Chavez. As Miguel Lamas argued: “After four years, where are the popular dwellings built with that cement? The problem of the lack of housing has worsened. Millions continue to live in precarious dwellings and exposed to landslides. The government continues to announce contracts to import houses and construction materials from Belarus, Russia, Syria, or Portugal. But in Venezuela, there are cement, aluminium, iron, architects, engineers, and workers to carry out a plan of popular housing to accommodate millions, which is what is needed. And the ‘Belarusian cities’, in exchange for oil, do not appear anywhere. In other words, the cement ‘expropriations’, in the hands of this government, ended up in a decline in the production of this raw material, ignoring the workers’ rights; without a solution for the people and with ‘importing’ of houses so the Bolibourgeoisie can continue their illicit shady deals.”<sup>4</sup> By mid-2010, it was estimated the smuggling of Venezuelan cement to Colombia, where it was marketed at international prices, reached about 6,000 metric tons per month.<sup>5</sup> While inside Venezuela it was practically impossible to buy cement at the official regulated prices.

In 2011, the Chavez government launched the ambitious Housing Mission, with the declared intention of reducing the housing deficit. But the fall of cement production was notorious already and a material obstacle for any construction project. Several years after the purchases of the companies, the national production still had not recovered. In February 2014, the yearly production of cement stood at 7.66 million metric tons, over one million tons below the production of 2008, while imports increased.

## Sidor, a nationalisation imposed by the workers

In the case of Sanitarios Maracay, one of the largest sanitary appliance factories in Latin America, the Chavez government refused in 2007 to yield to the claim of its 500 workers that it be nationalised under its control and democratic management (see chapter V). For a political reason: it was led by C-CURA, headed by Orlando Chirino and Richard Gallardo, who presided over the UNETE of Aragua, a federation to which the union of the company was attached and which strongly supported the struggle.

In Sidor, at the beginning of 2008, a series of staggered strikes broke out in the framework of the discussion of a new collective agreement. The demand for the re-nationalisation of the company, which was in the hands of the Argentine group Techint, re-emerged with force. Chavez, to reposition himself to the situation of great wear and tear of the government, had to announce that Sidor was re-nationalised and that he signed the collective contract demanded by the union.

Techint got a generous purchase price for its shares in Sidor. “After President Chavez stated last year that the company did not cost over USD\$ 800 million, his government acquired it at a market price, paying USD\$ 1,970 million, almost the same as Techint paid 12 years ago.”<sup>6</sup> However, without workers’ control and administration and within the framework of a capitalist economy, the Sidor case turned out to be another failure for the workers and for the country.

Under the administration of the Chavista bureaucracy, production fell from 3.6 million tons of liquid steel in 2008 to reach 1.03 million in 2014 and 1.11 million in 2015.<sup>7</sup> In 2016, Sidor

<sup>3</sup> Chirino, Orlando: “We fully support the strike by the workers of Cemento Andino”, *Laclase.info*, 28 January 2010, <http://web.laclase.info/content/respaldamos-plenamente-la-huelga-de-los-trabajadores-de-cemento-andino-orlando-chi/>.

<sup>4</sup> Lamas, Miguel: “Who benefits from Chavez’s nationalisations?”, *El Socialista*, No. 178, 4 November 2010.

<sup>5</sup> “Contraband cement on the Colombian-Venezuelan border reaches its maximum level this year”, *El Tiempo*, Bogota, 29 July 2010.

<sup>6</sup> Hernandez, Miguel Angel: “Where does Chavez go?”, *Correspondencia Internacional* No. 27, June-September 2009.

<sup>7</sup> “Production of Venezuelan steelmaker Sidor grows in 2015 after three low years”, *Reuters*, 19 February 2015.

produced less than 10 percent of its capacity, barely above 300 thousand tons, while steel products were imported from China. The conquests of the collective contract of 2008 deteriorated over the years in the face of rising inflation.

## The cases of Agroisleña and Polar

In 2010, the effects of the global economic crisis and the economic failure of the Chavez government were felt strongly with inflation and shortages of food products that for the most part were still imported.<sup>8</sup> Chavez, who always wanted to justify his austerity plans, shortages, and the failure of agricultural production, blamed “manoeuvres of the empire” and the “Yankee-lover” bourgeoisie and launched the expropriation of Agroisleña, a company that produces fertilisers and agricultural products, with capital from the Canary Islands. He also promoted the possible expropriation of Empresas Polar, one of the main agro-industrial octopuses, a national producer of beer and food products, among them the main brand of precooked corn flour with which *arepas*<sup>9</sup> are made, with about 33,000 workers throughout the country.

At that time, the expropriations were greatly discredited among the workers. The years in which they demanded the expropriations with hopes of labour improvements and of participating in a process of changes in the country’s economic system were over. What remained was the general perception that Chavez’s expropriations were tantamount to losing labour conquests, wage erosion, disrespect for the right to strike and the right to organise.

There were massive assemblies of Polar workers to vote for the rejection of the government purchase of the company and for a mobilisation plan. The impact of the workers’ mobilisation was big. In reality, the government’s manoeuvre was nothing more than blackmailing businessman Lorenzo Mendoza to more directly support the government’s plans. Although Mendoza had participated in the coup d’état and the oil sabotage of 2002-03, he had subsequently become one of the main suppliers of the government food distribution networks, PDVAL and Mercal. In 2008 he had participated in the Encounter for the Productive Reinvigoration between the big businessmen and the government. Despite clashes with it for allocations of dollars for imports or for adjustments in regulated prices, Mendoza continued to agree with the government and even participated in March 2014 in the so-called “National Conference for Peace” promoted by Maduro. Between 2003 and 2013, Polar received from the government, at a preferential rate, USD\$ 1,898,316,767 through its subsidiary Provecensa and USD\$ 595,215,302 through Cerveceria Polar.<sup>10</sup>

## The proposal of the classist current

Orlando Chirino said the following about the workers’ opposition to the expropriation of Polar and Chavez’s decision not to carry it out: “It is very important that the workers’ movement has learned the necessary lessons about bourgeois nationalisations, processes in which they pay billions of dollars to the businessmen, only to replace those private bosses by state bureaucrats, equally exploiters, who dress in red to steal and who are bitter enemies of union autonomy. We, as revolutionaries, do not nurture any hope in the working class about this type of business that only serve to enrich public and private bosses and government bureaucrats. For a true socialisation of the means of production to exist, workers have to go on to control the accounting of companies and make decisions in the management of them, the production must be oriented to meet the needs of the people and not, as in the case of the companies the government administers, where the

8 The Food Ministry admitted that 58 percent of the food supply by the state network Mercal during 2008 had corresponded to imports. “Venezuela is one of the countries that most import food in all of Latin America”, *University of Zulia News Agency*, 7 July 2009, [www.agenciadenoticias.luz.edu.ve/index.php?option=com\\_content&task=view&id=285](http://www.agenciadenoticias.luz.edu.ve/index.php?option=com_content&task=view&id=285).

9 Typical Venezuelan bread of circular shape, made with corn softened on low heat and then ground, or with precooked cornmeal, which is cooked on an iron plate. [Translator.]

10 “Know the companies which were authorised by Cadivi for over 300 million dollars”, *YVKE Mundial*, 17 November 2013, [www.aporrea.org/actualidad/n240073.html](http://www.aporrea.org/actualidad/n240073.html).

Bolibourgeoisie and “redder than red” bureaucracy do as they wish with the rights of the workers, and to top it all they are a complete failure from the productive and administrative point of view.”<sup>11</sup>

In the case of Agroisleña, its workers, along with numerous peasants, went on strike against the expropriation. The National Guard and Chavista assault groups were sent by the government to intimidate the mobilised workers. In Proyefe, a subsidiary of Agroisleña, 27 workers were dismissed, among them union leaders, violating their union immunity and accused of being “terrorists”. The dismissed leaders were barred from approaching within five blocks of the company. Finally, Chavez imposed the expropriation and the company was renamed AgroPatria.

The government campaigned saying that now it would expand agricultural production for the people. Years have gone by and none of that happened. The Maduro government would even begin negotiations with the former owners to find some formula for reprivatisation.<sup>12</sup>

The position of IWU–FI in the face of this juncture in which the workers repudiated the expropriations of Chavism was clear: we started by denouncing they were framed in an anti-workers and anti-union policy. We defended workers’ democracy, the workers’ decision to defend their rights while continuing to demand nationalisation without payment and under workers’ control and administration. “We do not defend or put our hands in the fire for the exploitative bosses of Agroisleña. However, without any doubt, we put ourselves on the side of the Agroisleña workers and the small agricultural producers who were not consulted and who reject this measure outright. [...] We reject this type of ‘nationalisation’, in the first place, because it simply ends up replacing one boss with another, through a purchase-sale. [...] We support the expropriations carried out by the workers in defence of their rights, where the administration of the companies and production are under strict workers’ control, with absolute respect for the organisational forms and the decisions the workers adopt democratically in assemblies and without bureaucratic impositions of government officials”, USI explained in a statement.<sup>13</sup> The expropriations of the Chavez government were far from all that and from a strategy of transition to socialism.

<sup>11</sup> Chirino, Orlando: “Neither with Chavez nor with Mendoza, our commitment is with the workers of Polar”, Press of *Unidad Socialista de Izquierda* [Socialist Unity of the Left], 8 July 2010, <http://web.laclase.info/content/chirino-ni-con-chavez-ni-con-mendoza-our-commitment-is-with-the-workers-of/>.

<sup>12</sup> Castro Soteldo: He is in negotiation to return Agroisleña”, *El Carabobeño*, 29 January 2016, [www.el-carabobeno.com/Castro-Soteldo-Esta-en-negociacion-devolver-Agroislena/](http://www.el-carabobeno.com/Castro-Soteldo-Esta-en-negociacion-devolver-Agroislena/).

<sup>13</sup> “Change of bosses in Agroisleña affects the workers and the people”, *Unidad Socialista de Izquierda*, 6 October 2010, <http://web.laclase.info/content/sustitucion-patronal-en-agroislena-afecta-los-trabajadores-y-al-pueblo/>.

## CHAPTER XII

# The matter of Latin American integration and relations with Cuba, China, and Russia

Hugo Chavez had as one of his great banners the realisation of “Simon Bolivar’s dream” of “Latin American integration” and he highlighted it as one of his strategic goals “against the empire” and “neoliberalism”. With this, he impacted millions of anti-imperialist Latin Americans eager, rightly, to end Yankee and multinational domination.

His policy of “Latin American integration” had two aspects. First, the economic and political relationship with Cuba, which began in 2000 and which in December 2004 gave rise to the foundation in Caracas of the Bolivarian Alliance for the Peoples of Our America (ALBA), promoted by both governments and in subsequent years adding Bolivia, Nicaragua, Honduras, Ecuador, Dominica, and Grenada and other Caribbean islands. Second, since 2006, Venezuela signed the protocol of accession to Mercosur, until becoming a full member of this free trade agreement.

In May 2005 Chavez had launched his “socialism of the 21st century” discourse. In those years Chavismo was supported with growing enthusiasm by most of the anti-imperialist fighters and the world left, who argued that in Venezuela socialism would be built through novel means.

The position of the Chavez government with respect to the rest of Latin America, in particular, Cuba, and in relation to Yankee imperialism and the whole world context was a subject of intense debate from its beginnings. With ALBA and Mercosur, was it going to a continental integration in favour of the poor and not of the multinationals and large economic groups? Were we sectarians who had a critical and independent stance of the Chavista international project?

As we are documenting, our current was answering all these questions with a clear “No”. We anticipated these policies were wrong and destined to fail. At the same time, without any sectarianism, we valued the political independence of the country in some positions regarding imperialism, its denunciations of Israel’s criminal role against the Palestinian people, and also its social achievements and its frictions and denunciations against the Bush administration. Over the years, reality has proved us right. Unfortunately, the poverty, hardships and social inequality of the Venezuelan people or the Latin American peoples were not overcome, nor was there an integration that served to confront the imperialist domination in the region. For Venezuela, to its status as a Yankee semi-colony, it was added its increasing subordination to China and Russia.

## The economic and political relationship with Cuba and the formation of ALBA

The issue of Chavez’s involvement with the Cuban government, closely linked to the debate on the situation within Cuba, was especially discussed. Since Chavez release from prison in 1994 and his first trip to Cuba, and later in the early days of his presidency, he developed a close political and economic relationship with Fidel Castro. The Castroist leadership began to give political support to Chavez’s leftist and “revolutionary” discourse. And the island’s crippled economy, greatly affected by the end of the former USSR’s subsidies at the beginning of the 1990s, was greatly helped from

Venezuela. Since then, keeping a façade of “irreversibility” or “actualization” of socialism, the Cuban leadership set course towards the opening to the multinationals through investments and joint ventures in tourism, nickel, cement, and other areas of the Cuban economy.<sup>1</sup>

From Venezuela officials and businessmen underpinned the course of restoration of capitalism of the ruling Cuban Communist Party, which in turn supported Chavez’s policy of a mixed capitalist economy. Cuba, on the other hand, benefited from the agreements of medical and sports cooperation, getting subsidised oil in exchange for sending thousands of professionals to Venezuela. These oil agreements were later extended to other countries, such as Nicaragua, which joined ALBA and also to the Caribbean countries that joined the Petrocaribe agreement.

While noting the positive aspect that had the presence of doctors in popular neighbourhoods or economic support to Cuba, Miguel Lamas weighed the limitations and contradictions of ALBA: “As an opposition to the FTAA, the ALBA is progressive, as an expression of this Latin American resistance to imperialist colonisation. However, ALBA is crisscrossed by a contradiction to fulfil that role of fundamental alternative to the FTAA and imperialism. It is not proposed as a socialist integration, but as an agreement that includes business sectors and even multinationals. This conception of ALBA is based on Fidel Castro’s policy towards Latin America, as opposed to the one he had in the 1960s. [...]

In the magazine *America XXI* of May 2005, directed by Luis Bilbao, an ardent admirer of Castro and Chavez, you can read an article about the inauguration in Havana of an office of Banco Industrial de Venezuela (BIV) and it says: ‘Havana and Caracas reached in this way one more goal in the concretion of ALBA. [...] This financial institution has a binational capital of USD\$ 400 million for its first year of operations on the island. The BIV will act as a financial agent for small and medium-sized Venezuelan businessmen interested in investing in Cuba, although the office could also offer to finance foreign companies that require it. [...] This possibility has encouraged Venezuelan businessmen who are traveling to the island in increasing numbers.’<sup>2</sup>

## From Sandinista Nicaragua to Chavista Venezuela

The Cuban bureaucracy became one of the political supporters of Chavez. Fidel and Raul Castro repeated with Chavez the same policy they had for Nicaragua in 1979. Fidel then told the Sandinista leadership of Ortega: “do not make a new Cuba, make a new Nicaragua”. That is, do not follow the path they had taken with Che in Cuba of expropriating the bourgeoisie and breaking with the multinationals and imperialism. That is how the glorious Nicaraguan revolution was liquidated. As a consequence of this posture of Castroism, a large part of the world left then supported the government of class conciliation between Commander Daniel Ortega and bourgeois conservative and pro Yankee Violeta Chamorro. The tale of “mixed economy” was adopted and agrarian reform was not deepened. Such was the social disaster that in 1990 Sandinismo lost the elections at the hands of Chamorro, supported by the US. The consequences are in sight. Years later, Ortega returned to rule with fraudulent elections and the country is one of the most impoverished in the hemisphere.

The Cuban leadership once again advised in Venezuela the same policy that recommended to Sandinismo in the 1980s, not to advance with measures of rupture with the bourgeoisie and imperialism and towards socialism. That is why the results of two decades of Chavez government and the great opportunities frustrated for the working people of Venezuela, the high and unforgivable price that it has had to pay for the failure of this bourgeois nationalism, are to a large extent the bitter fruit of that unity of Chavez with Fidel and Raul Castro.

<sup>1</sup> See Mercedes Petit’s articles on the subject: “Is the end of the blockade coming?”, *Correspondencia Internacional* No. 27, June-September 2009; “Adjustment Cuban style”, *Correspondencia Internacional* No. 29, August-December 2010; “The Sixth Congress of the Communist Party ratified capitalist restoration”, *Correspondencia Internacional* No. 30, May-August 2011; “Cuban style capitalism deepens”, *International Correspondence* No. 36, March-May 2015; “Yankee Businesses in Cuba”, *International Correspondence* No. 38, May-August 2016.

<sup>2</sup> Lamas, Miguel: *La revolucion venezolana* [The Venezuelan Revolution], Ediciones El Socialista, October 2005, p. 20.

## Integration, free trade and foreign debt

After the fifth ALBA summit, in April 2007, we said: “[ALBA] has not managed to go further than a series of declarations and support measures in the field of education and health, and of energy support to Cuba, in particular. [...] It has not progressed as a front of countries for deeper measures against imperialism. None of the resolutions of the Fifth Summit, for example, points to a movement for a moratorium on the foreign debt and to break with the IMF. It proposes ‘pan-national companies’, but not based on the re-nationalisation of 100 percent of the privatised companies of the continent, or on the expropriation of multinational energy and mining companies. In fact, alliances between entrepreneurs are proposed. [...] We also do not see that ALBA can be a path of independent development when Chavez, who is its promoter, bets on Mercosur together with Lula and Kirchner. We believe that the limitations of Chavismo as a bourgeois nationalist leadership are keenly shown there. The true utopia is to hold an independent solution in a Mercosur managed by the automotive multinationals (Ford, GM, VW, or Toyota), the agro export octopuses (Cargill, Dreyfus) and the big banks. It has been demonstrated, after over 10 years of Mercosur, that these regional agreements are encouraged by imperialism to improve the performance of their companies and the negotiations of multinationals and to coordinate how best to exploit workers. Thus, it has encouraged labour flexibilization, outsourcing, etc. The entry of Chavez’s Venezuela —there is the talk of Cuba joining at some point — has not changed Mercosur. The agreements of Chavez, Lula, and Kirchner translate into good business for big businessmen at the expense of the exploitation of workers. The Gasoducto del Sur [Southern Gas Pipeline] project is great business for Techint, Repsol YPF, or Petrobras. Odebrecht, Brazilian transnational that takes part in the construction of the Caracas Metro, favoured by agreements with Lula, super-exploits its workers in agreement with Spanish contractors. The Bono del Sur [Southern Bond] is a financial instrument to continue the region being indebted, to pay the foreign debt, with a guarantee of Venezuelan oil, designed with the advice of the financial octopuses of Wall Street.”<sup>3</sup>

Regarding the continuity of debt payments by the Chavez government, we pointed out its political significance: “There can be no independent Latin American integration, without tackling the issue of foreign debt, a mechanism of economic and political domination that all the Latin American countries suffer. Researcher Gladys Hernandez says that just for the payment of interest on the debt, ‘between 1990 and 2004, the region [Latin America] paid USD\$ 1.9 billion, which represents an annual average for these 15 years of USD\$ 126.9 billion. [...] Just the debt service paid between 1990 and 2004 is equivalent to 66 times the amount of the region’s foreign debt in 1970.’ The ALBA Bank fund is much less than 1 percent of what the region pays annually in interest on the debt. Unfortunately, the position of the Venezuelan government has been to state that the foreign debt is ‘legitimate’, although a significant proportion of it comes from the nationalisation of private debt of Venezuelan companies, while what has already been paid by interest far exceeds the original debt. From Chavez’s electoral promises in 1998, to stop paying the foreign debt upon reaching the presidency, to the promises, already in the government, to conduct an audit of the debt; all of them have been broken. On the contrary, the debt contracted with the IMF and the World Bank was paid in advance.”<sup>4</sup>

## Support for the Chinese capitalist dictatorship, Putin and Assad

Fidel sent a nearly ten-page-long letter to Chavez in April 2007. Chavez said, about its content: “In the letter, Castro tells me about Mao Tse Tung, the original project of Mao and he ends by saying how China, with its strategy of market socialism, has managed to become today a superpower. [...] what he wants to tell me is a great truth that we have to admire: 21st century socialism has to adapt

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3 Sorans, Miguel: “ALBA, Mercosur, joint ventures: A new model to redistribute wealth?”, *Correspondencia Internacional* No. 24, June-September 2007.

4 Rodriguez Porras, Simon: “What Latin American integration?”, *Laclase.info*, 14 December 2010, <http://web.laclase.info/content/cual-integracion-latinoamericana/>.

to the circumstances of the 21st century.”<sup>5</sup> As can be seen, Fidel and Chavez hold that they consider market socialism an example, that is, the capitalism that was imposed in China by the hand of the one-party dictatorship, which enslaved millions of workers to produce for multinationals and the new Chinese big entrepreneurs.

At the World Social Forum in Porto Alegre and fewer than two months after praising Kennedy in Mar del Plata, it was Chavez turn to vindicate the Russian regime and the Chinese capitalist dictatorship. “Russia has risen, it is no longer the kneeling Russia that gave sadness and pity, and there is a good president in front, Vladimir Putin. And China, what can we say, China advances, grows, strengthens, we were in Beijing a few days ago at Christmas. China is already a world power; economically China has been growing for 20 years at a rate of 19 percent on average, technological growth, autonomy and food sovereignty.”<sup>6</sup>

The relationship of Chavism with Chinese sub-imperialism would acquire characteristics of true submission. Not only was participation in joint ventures given to Chinese companies such as CNCP (partner of PDVSA in Petromiranda, Petrórica, Petrolera Sinovensa, and Petrozumano), a large external debt was also acquired with China, part of it through future oil sales, to finance infrastructure works contracted with Chinese companies, and also the import of Chinese products. In 2017, the foreign debt to China amounted to USD\$ 16.7 billion.<sup>7</sup>

As part of the alliance with reactionary Putin, Chavez not only delivered hydrocarbon deposits to Russian companies such as Gazprom and Lukoil, he also allocated billions of dollars to buy Russian weapons and hired Russian companies to build houses.

At the political level, Chavez alliance with Putin and with the theocratic dictatorship of Iran was expressed in his opposition to the Arab rebellions that took place since January 2011. He did not support the massive mobilisations that brought down the dictators of Tunisia and Egypt, and he directly supported the Libyan dictator Muammar Gaddafi. The most serious case was in Syria. In April and May 2011, the dictator Bashar al-Assad, with the support of Putin, began to repress the popular mobilisations with the army. Chavez, in the face of the repression, defined the genocidal dictator as a “humanist”. The IWU–FI denounced that “this support of Chavez has a strong negative influence because it confuses a part of the international left and helps to isolate the rebellion of the Syrian people, to deprive it of the international workers’ and popular solidarity it needs. Chavez endorses the discourse of the Syrian dictatorship because he says it faces ‘a foreign conspiracy’ and a ‘terrorist attack’.”<sup>8</sup> Chavez, along with the Communist Party of Cuba and their peers in other countries, played a decisive role in supporting the counter-revolution in Syria, preventing many democratic and anti-imperialist fighters from joining a broad campaign of solidarity with the massive expressions of struggle against genocidal al-Assad, who after five years of war would kill over 188,000 civilians.<sup>9</sup>

## What would Latin American integration be like under a socialist perspective?

For a true integration at the service of the peoples, it is essential that it be guided by a program that corresponds to their needs: “The fundamental problem of the conception of Latin American

5 “Fidel Castro writes to Chavez with praise for China’s ‘market socialism’”, *Aporrea.org*, 29 April 2007, [www.aporrea.org/ideologia/n94063.html](http://www.aporrea.org/ideologia/n94063.html).

6 Chavez, Hugo: “Speech at the Gigantinho stadium”. *Fifth World Social Forum: The South, North of our peoples*, 30 January 2005, [www.todochevez.gob.ve/todochavez/3661-v-foro-social-mundial-el-sur-norte-de-nuestros-pueblos](http://www.todochevez.gob.ve/todochavez/3661-v-foro-social-mundial-el-sur-norte-de-nuestros-pueblos)].

7 “Torino: ‘Only 12.5 percent of the foreign debt is for payments to China and Russia’”, *Panorama*, 30 October 2017, [www.panorama.com.ve/politicayeconomia/Torino-Solo-125-de-la-deuda-externa-es-por-pagos-a-China-y-Rusia-20171030-0002.html](http://www.panorama.com.ve/politicayeconomia/Torino-Solo-125-de-la-deuda-externa-es-por-pagos-a-China-y-Rusia-20171030-0002.html).

8 “Down with the dictatorship of Bashar al-Assad”, IWU–FI, *Correspondencia Internacional* No. 30, May-August 2011.

9 “The Six Main Parties that Kill Civilians in Syria and the Death Toll Percentage Distribution among them”, *Syrian Network for Human Rights*, 14 November 2016, <http://sn4hr.org/blog/2016/11/14/29132/>.

integration advocated by the Venezuelan government is that it seeks to rely on a subject without political or economic autonomy — the national bourgeoisies. In his *Message to the peoples of the world through the Tricontinental*, Che Guevara explained in 1967 that ‘the native bourgeoisies have lost all their capacity to oppose imperialism and they only make up its tail wagon. There are no more changes to make; either socialist revolution or caricature of revolution.’ The validity of these words is demonstrated in the failure of 21st Century Socialism, in its alleged attempt to build a regional integration project independent of imperialism. To achieve full national independence and a Latin American integration at the service of the peoples, we need to break with the chains of capitalism and liquidate the mechanisms of imperialist spoliation such as the foreign debt and the plundering of natural resources by the transnationals.”<sup>10</sup>

Our current raised a program of struggle that supports, among other points, the creation of a front of debtor countries to cease paying the foreign debt, the expulsion of multinationals and the IMF, full recovery of sovereignty over natural resources and dissolution of mixed hydrocarbon companies in Venezuela, Ecuador, and Bolivia, and also the total nationalisation of oil in Brazil and Argentina; disregard of all political, economic, and military treaties with the United States, the European Union, and Israel; the closure of Yankee military bases in Colombia, Honduras, Guantanamo, and throughout the Latin American territory; out British from Malvinas; independence of Puerto Rico and the French and Dutch Antilles; withdrawal of the occupation troops of the Minustah of Haiti; for a continental agrarian reform; for the unity of Latin American workers’, peasants’, people’s, women’s and youth struggles; for governments of the workers, in the perspective of the second and definitive independence, towards a federation of socialist republics of Latin America.

Nahuel Moreno developed a rationale for this last slogan:

“Latin American countries are authentic nationalities, structured in differentiated nations, although semi-colonised by Yankee imperialism. Mexico, Colombia, Brazil or Argentina are not “provinces” of the same nationality, but independent nationalities and, in the case of Brazil, even with a different language.

“What we say does not deny that the geographical, idiomatic and cultural unity of the Spanish-speaking countries gives rise to a trend towards unification in a single nationality. But this is only a trend, of historical character, which during the struggles of independence was manifested in an embryonic and utopian way and which has only recently been expressed with increasing intensity since the post-World-War-II period due to the multiplication of trade, cultural and political exchanges, and for the similar problems posed by the reinforcement of Yankee exploitation throughout the continent.

“In any case, the historical trend towards the constitution of a single nationality cannot be confused with the present reality, which is determined by the existence of different nationalities.

“It is precisely this analysis alone what justifies our International raising the task of constituting the Federation of Socialist Republics of Latin America. This slogan tends to unify the continent by recognising the reality of its present nations. It is the programmatic synthesis between a reality, the present nations, with an imperative necessity expressed today as a trend, that of their unity.”<sup>11</sup>

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10 Rodriguez Porras, Simon: “What Latin American integration?”, *Laclase.info*, 14 December 2010, <http://web.laclase.info/content/cual-integracion-latinoamericana/>.

11 Moreno, Nahuel: *Central America: six countries, one nationality, one revolution*, 1981, p. 1, <http://nahuelmoreno.org>.

## CHAPTER XIII

# The last years of Chavez

The last three years of President Chavez's government already showed serious signs of political and social erosion as a result of unfulfilled promises and his austerity policies. In December 2012, Nicolas Maduro assumed the Vice Presidency. After two years of treatment against cancer, Hugo Chavez died on 5 March 2013.

By 2009 the economy had already decreased by 3.9 percent, suffering the shock waves of the global economic crisis. Despite the recovery of oil prices, 2010 would be a year of progress of the economic crisis and hard austerity measures by the government.

*Voz de los Trabajadores* [Voice of the Workers], publication of IWU–FI members, would go out to denounce Chavez's austerity measures and propose another solution, in a harsh editorial entitled "Down the middle street!", in June 2010. It said: "The country has been in recession for months, GDP fell by 5.8 percent and inflation for the quarter was also 5.8 percent. Industry production fell; companies produce at 50 percent of their capacity. The steel industry is stagnant. We produced 2.5 million barrels of oil. The official indicators show the economic catastrophe, the worst in the country in the last 10 years. The new thing is that Chavez made a tremendous decision: that the crisis be paid by the workers and the people. He said he would not allow workers' 'privileges' or accept claims or strikes. Chavez's measures were to save the bosses. He used billions of dollars to bail out nine banks. He gave USD\$ 1.5 billion to General Motors and to the Yankee, Chinese, and Iranian transnationals he gave the oil of the Orinoco Belt. All measures in favour of the bosses. What did he do for the people? He devalued the Bolivar, increased VAT to 12 percent. The dollar went to the clouds, increasing prices of products that are imported and of those that are made here. Annual inflation reaches 30 percent. [...] Salaries have been frozen for over three years due to the non-opening of collective agreements. And other agreements, which were made due to pressure, are not met. There are budget cuts in health and education, while salaries of teachers, doctors, nurses, and workers have not been paid for months. Therefore, fellow worker, beyond the speeches, we must see what Chavez does. And the facts are overwhelming: he helps entrepreneurs and multinationals while adjusting the workers and poor people. [...] Let the crisis not be paid by the people. Let it be paid by the government, the bosses, and the multinationals. For oil to be 100 percent state owned, firing the transnationals and the joint ventures. For the money from the oil rent to be directed to the payment of wages, jobs, health, education, housing, public works, electricity, and water."<sup>1</sup>

To the deterioration of the standard of living and the beginning of the first signs of shortages, a great case of corruption with food was added. In May, thousands of tons of rotten food are discovered in the warehouses of Puerto Cabello (Carabobo state). Deposited in 15 warehouses and 4130 containers, 92 thousand tons of rotten food appeared; food equivalent to a three month supply for PDVAL, the government network. Miguel Angel Hernandez denounced the manoeuvre: "Openly exposed was the mafia network of officials and Bolibourgeois, whose lucrative 'socialist' business was to produce reports certifying the products had expired, in turn, generating new

<sup>1</sup> *Voz de los Trabajadores* No. 10, June 2010.

purchase orders, or declaring them in poor condition and then selling them to private companies. Once the funds were received, they did not care whether they left to rot what they did not place on the black market.”<sup>2</sup> They also bought in the international market food near its expiration date to save foreign currency that went to the accounts of Chavista bureaucrats.

The other face of the adjustment was the criminalisation of protest. At the end of 2009, the Chavez government had two emblematic political prisoners — labour leader Ruben Gonzalez and Yukpa indigenous leader Sabino Romero. The first was imprisoned for having led a strike in a state-run company, Ferrominera del Orinoco, and the second for promoting recoveries of land by the Yukpa indigenous people. Both Gonzalez and Romero were sympathetic to Chavez but had participated in struggles that confronted official politics.

## In September 2010, Chavez lost the legislative elections

The legislative elections of 26 September 2010 took place in a very complex framework for the government. The erosion of its social base would be reflected electorally. “For the first time in 11 years, Chavismo gets fewer votes than its opponents. Chavez and PSUV win 5,399,390 votes and the opposition 5,628,488 votes. [...] Only the cheating and antidemocratic electoral system, made to measure by PSUV — with the complicit silence of MUD — prevented PSUV from being a minority in the National Assembly. [...] At a national level with 300,000 fewer votes than the opposition, PSUV has 98 deputies and the opposition only 67.”<sup>3</sup> The Chavista Organic Law of the Electoral Processes established a non-proportional majority representation in the conformation of the National Assembly and the regional and municipal parliaments. In addition to this, the opposition vote was divided between the centre-right grouped in MUD and Fatherland for All (PPT) that broke with Chavismo and postulated left independents in their slate.

In 2006, Chavez had been re-elected with 62.84 percent of the votes and in the regional elections of 2008, Chavismo had gained 54.9 percent of the votes. In 2010, Chavismo barely reached 48.13 percent. The vote to MUD began to express a punishment vote to Chavismo, unfortunately wrong, of a large swathe of workers and popular sectors.

The “squalid” ceased to be so and grew electorally thanks to the anti-worker and anti-popular policies of the Chavez government. This would begin a trend that would have other expressions, such as the overwhelming electoral defeat of PSUV in the legislative elections of 2015.

In the legislative elections of 2010 the members of IWU–FI presented themselves on the slate of PPT, a broad reformist left party which had broken with the Chavez government, seeking in this way to present an alternative to the left outside of Chavismo and MUD. The PPT had opened its slates and respected the total political independence of IWU–FI militants, who still did not have electoral legality. The current headed by Chirino, who was candidate to deputy for Valencia, the capital of Carabobo state, raised as a central slogan “Neither PSUV nor Fourth Republic, workers to the National Assembly”, and a program that included, among other slogans, oil and mining 100 percent state owned, immediate release of Ruben Gonzalez, let rule those who never ruled, the workers and the people, for a workers’ party. Regrettably, electoral polarisation prevented a high expression of votes to a third alternative. However, our current, which then operated under the name *Unidad Socialista de Izquierda* (Socialist Unity of the Left, USI), took advantage of the campaign to spread its program massively and extend its presence throughout the country. We presented candidates in Zulia, Merida, Falcon, Carabobo, Aragua, Cojedes, Miranda, Caracas, and Anzoategui.

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2 Ibid.

3 Tchila, Ivan, *El Socialista*, Argentina, No. 176, 6 October 2010.

## 2011: Over 5,300 protests

The continuity of the economic crisis and the application of austerity measures by Chavez led to the growth of disputes and mobilisations of workers and popular sectors. There were 5338 protests in all of 2011; a growth of 70 percent over the previous year.<sup>4</sup>

Over two million workers in the public sector, for example, had not discussed their collective contract for seven years. On the other hand, 35,000 workers of the basic companies (aluminium, iron ore, iron and steel) had over a year with expired contracts. In the nationalised cement industry 7000 workers were without a contract for two years. Something similar happened to the 100,000 oil workers. These facts were always hidden by *Telesur*, the international broadcaster of Chavismo, and by most of the world's left. Our current was one of the few organisations of the left that denounced this reality and faced it specifically.

In the same year, as a result of the mobilisations, a seven-year prison sentence for the union leader Ruben Gonzalez was reversed and he was released on parole. Only in 2014 would he achieve a ruling of full freedom. The popular mobilisation also managed to remove Yukpa fighters Sabino Romero and Alexander Fernandez from prison in mid-2011, but the military and paramilitary repression continued and decimated the leaders of the communities fighting for land. The members of IWU–FI participated in the solidarity with the Yukpas movement, visiting the prisoners in the Trujillo National Prison. The criminal offensive of the government and the cattlemen would escalate until the murder of Sabino Romero in March 2013.<sup>5</sup>

Despite the dispersion and weakening of the workers' movement, C-CURA continued to promote the mobilisation in defence of workers' rights, in a defensive unity with other union sectors. On 20 October there is a national day of protest called by the Autonomous Front in Defence of Employment, Salary and Union (FADESS), a broad unity of action against the austerity measures of the government and its attack to the rights to strike and unionisation. In 16 states, 900 actions, demonstrations, and street blockades are carried out. Thousands of workers participated throughout the country.

## The presidential election of 2012

The 2012 presidential elections would no longer be like the previous ones. There was the bad antecedent of the legislative elections of 2010. It was evident there was growing discontent from below and a certain loss of expectations that things would improve. Millions suffered from power outages, shortages, inflation, and falling living standards.

All this was complicated by the uncertainty that was being created with the confirmation of the severity of Chavez's illness. On 30 June 2011, Chavez said in a televised speech from Havana that he was recovering from an operation to remove a tumour with cancerous cells. The government tried to minimise the health situation of the president. But over the months Chavez himself acknowledged he should have a strict treatment. Trips to Cuba and various operations showing the nature of the disease were repeated for months.

In January 2012, in his usual Sunday program "Hello President", Chavez said, in a marathon nine-hour speech, a phrase that took stock of his own leadership. He said a great truth: "I think that Hugo Chavez is still needed. I think the own Venezuelan right will find it convenient that Hugo Chavez be the president of Venezuela for a while longer. Analyse it well and draw your own conclusions."<sup>6</sup>

<sup>4</sup> "Trends in social conflict in Venezuela", *Venezuelan Observatory of Social Conflict*, <http://observatoriodeconflictos.org.ve/wp-content/uploads/2012/01/Conflictividad-Social-en-Venezuela-en-2011.pdf>.

<sup>5</sup> Rodriguez Porras, Simon: "Sabino Romero, example of rebellion", *LaClase.info*, 6 March 2014, <http://web.LaClase.info/content/sabino-romero-el-ejemplo-de-la-rebeldia/>.

<sup>6</sup> Quoted in *Voz de los Trabajadores*, No. 30, February 2012.

But he also reflected his political and personal mood. He felt for the first time his government was questioned by his own popular base. This is why his phrase “Hugo Chavez is still needed”. He knew he was the best suited to try to contain the mass movement.

The election was going to be a tough dispute. Chavez was to bring on all his prestige before the masses in order to win again and sustain PSUV in power.

## **Chirino, a Trotskyist workers’ leader, candidate for president**

*Partido Socialismo y Libertad* (Socialism and Liberty Party, PSL), the Venezuelan section of IWU–FI, presented Orlando Chirino as a candidate for president. PSL emerged from the unity, materialised in a national congress of December 2010, of USI and the organisation *Paso a la Nueva Democracia* [Step to New Democracy], which had broken years earlier with *Bandera Roja* (Red Flag, organisation of Maoist origin), and contributed a contingent of fighters with extensive political experience and struggle in universities and popular areas. A revolutionary programmatic agreement united two currents from different trajectories. In this way, a qualitative leap was taken in the struggle to build a revolutionary socialist party in Venezuela.

In December 2011, after an arduous militant work of months and throughout the country, PSL could present thousands of signatures and the documents required by the CNE to get recognition as a national party and to participate in the elections.

For the first time in Venezuela, a Trotskyist workers’ leader was presented as a presidential candidate. PSL had the audacity to face Hugo Chavez and the candidate of the right, Henrique Capriles, knowing that electoral polarisation would leave almost no space for a candidacy of class independence. But it served to show the working people of Venezuela, and the world’s vanguard, that there was another alternative from the revolutionary left.

An international campaign by IWU–FI to support the candidature of Chirino had the support of dozens of intellectuals and political leaders, figures such as the legendary Peruvian peasant leader Hugo Blanco, Leon Trotsky’s grandson, Esteban Volkov, or the former presidential candidate of PST of Argentina, Juan Carlos Coral.

In the evaluation, Chirino vindicated the correctness of the given political battle: “There was a sharp polarisation between the two options of the system, as already envisaged. Both of them concentrated 99.4 percent of the votes. Despite this, our candidacy gave a tough fight by posing the slogan that workers must rule and raise true socialism. This great militant effort of the militants and sympathisers of PSL achieved the conscious vote of over 4,000 workers, residents of communities and young people who chose to support a working-class and revolutionary alternative.”<sup>7</sup>

After the presidential elections, in December of the same year, PSL presented in the regional elections candidates for regional deputies in 13 states and seven candidates for governor.

## **Chavez, with a great effort, wins in the presidential elections**

On 7 October 2012, Chavez achieved his third presidential term with 55.07 percent of the votes against 44.31 percent of Capriles, pouring state funds in the campaign and leaving the country in an extremely vulnerable economic situation. Time later it was confirmed that the government poured billions of dollars for clientelism and various social plans, including the launching of the Housing Mission.

Jorge Giordani, Minister of Planning in the years 2003–2008 and 2009–2014, published an article shortly after his dismissal by Maduro in 2014, in which he describes the enormous public expenditure made in the context of the campaign: “It was crucial to overcoming the challenge of 7 October 2012, and also the elections of 16 December on the same year. It was about the

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<sup>7</sup> Voz de los Trabajadores, No. 15, November 20

consolidation of political power. [...] This was achieved with a great sacrifice and with an economic and financial effort that led to the access and use of resources at extreme levels that will require a review to guarantee the sustainability of the economic and social transformation.”<sup>8</sup> Among the measures taken, Giordani mentions the “substantial” increase in PDVSA’s indebtedness and the government’s internal debt, and also a “moderate” increase in the state’s foreign debt. It also mentions the anchoring of the exchange rate “that favoured imports and reduced the already limited exports of the private economy”.

Chavez had to make a very large political and personal effort, amid the severity of his illness, to contain the political deterioration of his government. In the beginning, he planned a campaign with few tours, but Chavez had to reverse that decision and put at stake all his personal prestige to lift the vote of PSUV. In his tour of the country, he found himself, on more than one occasion, with a people fed up with unfulfilled promises.

## The death of Chavez

On 8 December 2012, Chavez said on national television, after having assumed his third term, that if he did not overcome the cancer he suffered, Nicolas Maduro, as vice president, should occupy the position of president until the call for a hypothetical new election, in accordance with the provisions of the constitution, for which he requested popular support for Maduro.

Later on, Chavez would move to Havana, to be treated for his serious illness. After spending almost three months in the Medical Surgical Research Centre (Cimeq) in Havana, the president died in the city of Caracas on 5 March 2013.

In the face of the death of Hugo Chavez, IWU–FI expressed solidarity with the feelings of pain of his followers in Venezuela and Latin America, although ratifying the conclusions of over 14 years of Chavista experience: “The impact of his death transcends the borders of Venezuela, because Chavez has been a mass political leader who opened huge expectations of change for millions of workers’ and popular sectors. Millions who in Venezuela and throughout Latin America are fed up with kowtowing, of imperialist plunder, the multinationals, the oligarchs and the increasing level of poverty, while the rich are getting richer. Millions who are fighting the austerity plans. Chavez’s death raised the question of how far his political project responded to those expectations and what will be the future of his movement. [...] Today in Venezuela, the grief over the death of Hugo Chavez will put a pause for mourning. Tomorrow the Venezuelan people will continue their struggle for their demands and the social changes to which they aspire. We know that large sections of the masses still have expectations that, even without Chavez, the PSUV government would respond to their aspirations. Respecting that view, we will continue telling them that with this project, govern who may govern, Maduro or Diosdado Cabello, there will be no solution to the problems of working people. [...] Neither are the solution the leaders of the pro-US bourgeois opposition recycled in the MUD, who now want to appear as the champions of the Constitution that they trampled with the coup and oil strike and sabotage in 2002.”<sup>9</sup>

With the death of Chavez, leaders without his prestige or capacity and who had also inherited a very precarious economic situation were left in charge of his project. The most important lesson of the failed Chavista project was raised two months before Chavez’s death by PSL: “Only through the autonomous workers’ and popular organisation and mobilisation, in the perspective of the struggle to conquer a government of the workers and the exploited people will we be able to find solutions for the problems that afflict us. Hence, the current situation in the country ratifies the need to build a truly leftist and revolutionary alternative that overcomes the false socialism of the 21st century and the false democracy that the right touts. A political alternative that in the street, in

<sup>8</sup> Giordani, Jorge: “Testimony and responsibility before history”, *Aporrea.org*, 18 June 2014, [www.aporrea.org/ideologia/a190011.html](http://www.aporrea.org/ideologia/a190011.html).

<sup>9</sup> “Revolutionary socialists before the death of Hugo Chavez”, IWU–FI, March 2013, [www.uit-ci.org](http://www.uit-ci.org).

the universities, in the gates of the factories, in the oil areas, and also in the electoral arena, stands as a tool of struggle for the workers, the communities and the youth.”<sup>10</sup>

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<sup>10</sup> PSL, “On the political uncertainty the country is going through”, *LaClase.info*, 16 January 2016, <https://laclace.info/content/ante-la-incertidumbre-politica-que-atraviesa-el-pais/>.

## CHAPTER XIV

# Nicolas Maduro, the heir

Nicolas Maduro was elected as vice president in October 2012. He had served for six years as Minister of Foreign Affairs and before he had been a deputy and President of the National Assembly. His wife, Cilia Flores, was also from the circle of power and had been president of parliament. Confirming the rumours circulating about the worsening of his illness, Chavez appointed him his successor, in a clear way, in the event of his definitive absence: "In this scenario that would force to call, as mandated by the constitution, back to presidential elections, you choose Nicolas Maduro as president of the Bolivarian Republic of Venezuela. I ask you from my heart."<sup>1</sup>

Maduro inherited from Chavez a failed economic and political model and the decomposition would accelerate dramatically under his command. On 14 April 2013, Maduro wins the presidential election by a margin of just 234,000 votes (50.61 percent to 49.12 percent). Given the small difference, many questioned whether Maduro really had won. Beyond any fraudulent manoeuvre, the results showed that millions were no longer voting for Chavismo and with their "nose capped" they gave their punishment vote to the MUD. PSL called for the workers and the people to vote null and to organise themselves to give the fight in the streets.

### Doesn't Maduro follow Chavez's legacy?

In a short time, Maduro would end up sinking the country in disaster. Faced with the clear of the Government and the advance of an acute social crisis, one sector of Chavismo and the left continued defending the Chavista project arguing the problem was Chavez's premature death. According to them, it would be the fault of the Maduro government, which with its corruption and "bureaucracy" would not give continuity to the "legacy of the commander". Currents such as *Marea Socialista* [Socialist Tide], for example, assumed this stance: "We say we have to keep vindicating him, because Chavez is still Chavez, the Bolivarian hero and Maduro and the bureaucratic caste are not its continuity but its opposite."<sup>2</sup>

The problem is not that during Chavez's life the project advanced to socialism and was cut short because of the "bureaucratic caste" or the "inefficiency" of Maduro. No. Maduro inherited a capitalist project already in full decline. In Chavez's life, there were already shortages, corruption, and wages were not enough, there were strikes and protests were criminalised. Chavez was the one who established the bases of a civic-military government and a bourgeois-Stalinist regime. The Chavista left argued it was not Chavez's fault but the ministers who "surrounded" him and the "bureaucracy" of PSUV, repeating Chavez's rectification slogans, such as "the three R's" (revision,

<sup>1</sup> Complete transcription of the words of President Chavez in his last national network broadcast, [www.psuv.org.ve/temas/noticias/transcripcion-completa-palabras-presidente-chavez-su-ultima-cadena-nacional-081212/#.WAQsRI997De](http://www.psuv.org.ve/temas/noticias/transcripcion-completa-palabras-presidente-chavez-su-ultima-cadena-nacional-081212/#.WAQsRI997De).

<sup>2</sup> Fuentes, Pedro: "The bureaucracy highjacked the Bolivarian process", *Portal de la Izquierda*, 18 April 2016, <http://portaldelaizquierda.com/en/2016/04/la-burocracia-secuestro-el-proceso-bolivariano-venezuela/>.

rectification, and re-launch) or the “change of course”. At least in the last five years of Chavez’s rule, all the elements of the current crisis were already in an embryonic state.

It can be argued that with Chavez alive, the crisis would not have been the same. Of course, Maduro’s brutality and incapacity gave him his own imprint as a pathetic dictator, who even claimed to have spoken with a little bird or compared himself to Turkish President Erdogan, Saddam Hussein, and Stalin. But Chavez’s charisma may have only cushioned or delayed the disaster a bit.

## **The electoral catastrophe of Chavismo in 2015**

The economic situation had only worsened since 2013. The ravages created by the financial effort to guarantee Chavez’s electoral victory in 2012 and the over-invoicing of imports that we already documented were increasingly notorious. We noted that “by January 2014, there was a shortage of 28 percent [...] International reserves fell by USD\$ 8.017 billion during 2013, to open 2014 in USD\$ 21.736 billion.”<sup>3</sup> Let’s recall that in 2014 the barrel of oil was still above USD\$ 100.

Miguel Angel Hernandez warned that “the Venezuelan people and working class face a violent offensive by the government and the bosses, which has undermined their political and trade union rights, destroyed wages, lowering the cost of labour to levels not seen in last 50 years. It has made working relationships more flexible with mass layoffs, all as part of the government and private sector entrepreneurs’ efforts of unloading the cost of the crisis on the shoulders of the working people. The Venezuelan government [...] applies an adjustment plan that includes layoffs, rising prices of food and other regulated products, devaluation, increase in transport fares and utilities, and pending are increases in gasoline, which will generate an inflationary spiral never known in the country. [...] This whole situation is causing a landslide in the social base of Chavismo and the government.”<sup>4</sup>

This would happen on 6 December 2015, in the parliamentary elections. Despite the advantages of the government for its control of the state apparatus and its control of most of the media, Chavismo would suffer a resounding defeat.

## **This was the electoral balance sheet published by PSL:**

“Chavismo (PSUV) lost its majority in the National Assembly (AN) after 17 years of absolute control. The MUD (centre-right opposition), got 112 deputies and PSUV only 55. Millions abandoned Chavismo. There is no turn to the right but another massive punishment vote. The left or socialism did not fail but the lie of the proclaimed ‘21st century socialism’ of a government of double discourse that starved the people while negotiating with the oil multinationals did. This is the sad reality. [...] This advance of the hardships of the Venezuelan people was accumulating the popular hatred that was channelled into the punishment vote of 6 December. In the first place, the record of voters was broken, with 78 percent. The symbol of the political debacle of Chavismo is that after 17 years of total predominance, it lost in 17 of the 23 existing states; with emblematic defeats, like being defeated in the state of Barinas (western plains), Hugo Chavez place of origin and his historic bastion. In the past, his father ruled and now Adan Chavez, brother of the deceased president, is the governor.

“The government lost the important state of Aragua, ruled by Tarek El Assami, one of the great references of PSUV. It also lost in Monagas, the former bastion of Diosdado Cabello, now former president of the National Assembly, who managed to be re-elected as a deputy with a bare

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3 Rodriguez Porras, Simon: “What’s happening in Venezuela?”, *LaClase.info*, 23 February 2014, <http://web.laclase.info/content/que-esta-pasando-en-venezuela/>.

4 Hernandez, Miguel Angel: “The debacle of Chavismo”, *International Correspondence* No. 37, October-December 2015.

minimum. Jorge Rodriguez, head of the PSUV campaign and mayor of Caracas, was defeated. In the capital, Chavismo lost, for example, in popular neighbourhoods like Catia and 23 de Enero.”<sup>5</sup>

Although the result was explained in terms of a punishment vote, PSL did not fail to warn about the character of the bosses’ opposition: “The extreme polarisation swept away any list other than PSUV or MUD. The bosses’ opposition is [...] a centre-right bosses alliance that unites most of the leaders and parties of the old Venezuelan pro-Yankee oligarchy with sectors linked to European social democracy. It represents the old bourgeoisie that wants to return to handle the oil rent to their benefit, ally of the United States, displacing the current beneficiary of the business, being the so-called ‘Bolibourgeoisie’, the high-ranks of PSUV and a sector of the addicted military.”<sup>6</sup>

To dispute this mistaken vote to the right, and also the vote to PSUV, PSL presented candidates in 12 states and in Caracas. Of the 36 slates, PSL was the only socialist and of class independence, with a campaign focused on the slogan “against the government and MUD”. PSL made a heroic campaign practically without resources and without spaces in the media.

With a popular support of barely 15 percent, Maduro manoeuvred after his electoral defeat to eliminate de facto the powers of parliament through the Supreme Court of Justice (TSJ) and executive decrees, such as the state of emergency and economic emergency, of January 2016, extended on the following years. The TSJ, under the control of Chavismo, suspended the oath of three opposition deputies from the state of Amazonas to remove a two-thirds majority from the MUD, prohibited the revision of the appointment of magistrates by the outgoing parliament and neutralised the parliamentary challenge to the state of emergency and economic emergency.

## **Maduro deepened the inflationary adjustment and the pillage of the transnationals**

The adjustment became much more brutal, as PSL denounced in May 2016: “Minister-businessman Miguel Perez Abad, president of Fedeindustria and executive vice president for the economic area [...] in a recent interview with *Bloomberg* magazine, explained that an austerity plan is underway that foresees the fall of imports from USD\$ 37 billion of last year [2015] to about USD\$ 20 billion this year, and if possible even to some USD\$ 15 billion. *Partido Socialismo y Libertad* (Socialism and Liberty Party, PSL) has been denouncing this austerity plan and demanding the payment of foreign debt cease, due to its illegitimate nature, and for these resources to be destined to productive investment and the attention of urgent social needs.”<sup>7</sup>

While the government denounced a phantasmagorical “economic war”, comparing shortages and inflation with the bosses’ lockouts against Allende in 1973, the Central Bank of Venezuela rampantly increased the money supply to cover the fiscal gap, which added to the cutback to the import of basic consumer goods was generating an out of control inflation. Between January 2015 and September 2016, monetary liquidity increased by 325 percent. Inflation went from 68.5 percent in 2014 to 180.9 percent in 2015, 700 percent in 2016, and over 1800 percent in 2017, surpassing in October of that year the barrier of 50 percent of monthly inflation and falling into hyperinflation. To hide the disaster, the National Institute of Statistics stopped calculating the cost of the basic basket in 2014.

In the midst of the crisis, Maduro not only kept paying the debt but also delivered the deposits of gold and other minerals to the multinationals.

As Armando Guerra, leader of PSL explained: “On 24 February 2016, Nicolas Maduro issued Decree 2,248, with which he created the Orinoco Mining Arc Strategic Development Zone, with

5 Hernandez, Miguel Angel: “Massive punishment vote to Chavismo”, *LaClase.info*, 11 December 2015.

6 Ibid.

7 Rodriguez Porras, Simon: “Venezuelan adjustment continues: Fewer imports and more payments of foreign debt”, *LaClase.info*, 18 August 2016, <http://web.laclase.info/content/sigue-el-ajuste-a-la-venezolana-menos-importaciones-y-mas-pagos-de-deuda-externa/>.

an area of 111,843 km<sup>2</sup>. It includes the territories of the indigenous communities, Warao, E'Nepa, Hoti, Pume, Mapoyo, Akawayo, Kariña, Piaroa, Pemon, Ye Kwana, and Sanema. By this decree, the concessions to transnational companies are authorised to exploit deposits of bauxite, coltan, diamonds, gold, iron, copper, kaolin, dolomite, and rare earths. [...] Exceptionally advantageous conditions are provided to looting capitals, with a regime of total or partial tax exemptions from income tax and value added tax, granted exclusively to joint ventures in the exploration and exploitation of gold. [...] What is the position of MUD in the face of the government project? The deputy of Bolívar state, Americo De Grazia, has clarified in several interviews that MUD does not oppose the handing over of concessions to the transnationals, their only objection to the way the government project is conceived is that there is no participation the national entrepreneurs. In other words, MUD wants a slice for the capitalists it represents, in the business of mining looting.<sup>8</sup> PSL joined the coordination of organisations that emerged to oppose the plundering of the Orinoco Mining Arc.

## April 2017: A popular rebellion against Maduro

The growing poverty and hunger produced by the economic measures of the Maduro government generated a situation in which a social outbreak was imminent. In 2016, over 700 cases of looting took place throughout the country with large outbreaks such as in the eastern city of Cumana. Chavismo's response was to unleash a brutal repression, with dozens of deaths and hundreds of detainees.

In April 2017, there was a popular rebellion with mass mobilisations against the government in Caracas and throughout the country. MUD, which had called demonstrations against a ruling of the highest court that granted Maduro parliamentary powers, was overwhelmed, because they were massively joined by sectors of the popular communities that claimed for food, with looting in the popular parish of El Valle in Caracas on 20 April and in the popular neighbourhoods of Valencia, Maracay, and Barinas. The slogan "Maduro go away", which MUD did not raise, was growing. In Maracay, capital of Aragua, a group of young people participated in the demonstrations with a placard saying "Neither MUD nor PSUV, we are the ones from below who come for those above".

The government of Maduro and several sectors of the world left denounced a "putschist" project. They said these were "demonstrations of the right". Argentine professor Atilio Boron, a well-known spokesman of the Cuban bureaucracy, advised Maduro to "crush" the protests by mobilising "without delay the entire armed forces".<sup>9</sup> They justified Maduro's criminal repression and cried for more. The balance after 100 days of protests was over 120 dead, over 2000 injured, and thousands of detainees. The repressive forces registered only six casualties, showing the repressive brutality of the government.<sup>10</sup>

PSL had a policy independent of the government and the right. It called to join the mass rebellion, with a special issue of *Voz de los Trabajadores* with the headline: "To redouble the protest in the streets! Maduro out!" It said: "There are thousands of reasons to protest in the street against this irresponsible government and its austerity package. Blaming the 'right' or a supposed putschist plot is completely absurd and also is blaming a fictitious 'economic war', as the protests are taking place in popular neighbourhoods that had traditionally been bastions of Chavismo. In El Valle, in La Isabelica of Valencia, in San Felix, in Petare, Roca Tarpeya, and in the neighbourhoods of Baruta there are no oligarchs or 'agents of imperialism'. The reality is that not only the middle class and young students protest, now so are sectors of workers and the people, even sectors of Chavismo that break with the government and with its false socialism of the 21st century, which has plunged

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8 Guerra, Armando: "Let's raise a great movement against the looting of the Orinoco Mining Arc", 27 August 2016, *LaClase.info*, <http://web.laclase.info/content/25220/>

9 *Clarín*, Argentina, 30 May 2017.

10 Reverón, Lohena: "135 violent deaths in four months of protests against the regime of Maduro", *Caraota Digital*, 7 August 2017, [www.caraotadigital.net/nacionales/las-106-muertes-violentas-en-117-dias-de-protestas-contra-regimen-de-maduro/](http://www.caraotadigital.net/nacionales/las-106-muertes-violentas-en-117-dias-de-protestas-contra-regimen-de-maduro/).

us into misery and hunger. Chavismo sinks in the areas where it was once strong amid the shortage of food, destroyed wages, unemployment, corruption, impunity and insecurity. [...] We must go with our own slogans independent of MUD, proposing that Maduro leave, the fight for food and medicines without limitations or restrictions, no to the Fatherland Card [identification card], in defence of democratic freedoms, against repression and for the right to protest. [...] In this sense, we insist, faced with the serious crisis we are experiencing, that MUD is not an alternative for the working people since its economic program is one of privatisation and continuity of the austerity package. They are only interested in seeking votes, but they have nothing to do with popular interests. [...] The only way to begin to solve our problems structurally is with a government of the workers and the people.”<sup>11</sup>

PSL and IWU–FI permanently called to form a left alternative outside PSUV and MUD to prepare a new political leadership, seeking to unite the left that broke with PSUV with the non-Chavista left that presented PSL and others sectors. With this goal, PSL joined in 2016 the formation of the Platform of the People in Struggle and Critical Chavismo. Integrated by SinatraUCV (Union of Workers of the Central University of Venezuela), Sirtrasalud-Capital District (Union of Health Workers of Caracas), the Toromayma Cultural Collective, *Marea Socialista*, and PSL, among other organisations. The organisation did not pass the test of the rebellion of 2017 because *Marea Socialista* refused to protest against the government. In January 2018 the Left Opposition in Struggle was born, as a new attempt to articulate the workers’ and popular opposition.

## The MUD contributes to demobilising and gives air to Maduro

When the “Maduro Out” grew and the government weakened, the negotiating policy of MUD was a central factor in contributing to the demobilisation.

“From July–August there was a change in the situation, exhibiting an ebbing of the popular rebellion, as the mass mobilisations and protests ceased. This gave a relative and circumstantial strengthening to the government when weeks before it was against the ropes, and there was the expectation of its eventual fall”, said Miguel Angel Hernandez.<sup>12</sup> The ominous policy of MUD was combined with some attrition characteristic of a prolonged mobilisation in the presence of an important repression, and with which there was no way for the emergence of an alternative direction.

This negotiating policy of MUD was dictated by the US, the EU, and the Vatican itself. Pope Francis had already intervened in 2016 calling for the demobilisation and installation of a negotiating table “for peace”. All this contributed to Maduro being emboldened and progressing in his increasingly repressive, authoritarian, and austerity project against the Venezuelan people. The social crisis and the misery, the lack of food and medicines deepened amid the desperate flight of thousands of Venezuelans out of the country, across the borders with Colombia and Brazil.

On 31 July 2017, Maduro calls a fraudulent election of a constituent national assembly (ANC). The installation of the ANC was confirmation that Maduro consolidated a dictatorial regime to perpetuate himself in power. Of the 545 deputies, 364 were elected one by municipality and two by state capitals. This meant that a municipality with 500,000 voters had the same representation as one of 20,000 or 10,000 voters. Thus the government narrowed the gap with the large urban municipalities where it was widely rejected; enlarging the small municipalities of the rural interior, where Chavismo still had some chance of winning. To ensure the majority he added the election of 181 deputies of “sectoral scope” with candidates of “social groupings” controlled by the government, such as the bureaucratic Bolivarian Socialist Union of Workers (CBST). MUD, the critical and opposition Chavista sectors, and PSL repudiated the election and did not participate. Despite all the pressure exerted by the government to vote, it is estimated abstention reached over 75 percent. The government invented that eight million had voted, out of 19 million in the

11 *Voz de los Trabajadores*, 18 April 2017.

12 Hernandez, Miguel Angel: “Whither Venezuela?”, *International Correspondence* No. 40, September-December 2017.

electoral roll; some 41 percent. It is estimated that in reality, only four or five million voted. Such was the fraud that Smartmatic, the company in charge of the automated voting for over a decade, denounced that at least one million votes were manipulated.

As Hernandez explained, “a dictatorial, civic-military regime is consolidating under a pseudo ‘anti-imperialist and socialist’ narrative. It is nothing new. It is a bourgeois Stalinist regime; a falsely ‘leftist’ totalitarian regime that defends a capitalist economic structure by agreeing with the multinationals, paying the foreign debt, and exploiting the workers and the people. As all totalitarian regimes, it relies on the armed forces and the security agencies of the bourgeois state. Periodically, this regime would hold some ‘election’ totally controlled, proscribing the opponents, even bourgeois, and including the sectors of left opposition. In this case, the Chavista left and PSL [...] It is no accident that Maduro’s strongest allies include Cuba and China, experts in single-party dictatorships that restored capitalism.”<sup>13</sup> Neither was this regime an invention of Maduro. It was Hugo Chavez who initially installed the Stalinist-bourgeois regime, based on the weight of the armed forces and the predominance of PSUV. The criminalisation of the protest was manipulated from the same power of Chavez who dictated, for example, the persecution of union fighters, as with jail for Ruben Gonzalez or letting hired killers to run as it happened with the murder of Richard Gallardo and others members of IWU–FI in Aragua, between the years 2006 and 2010.

The ANC assumed the character of “unappealable” and “plenipotentiary”. They announced the ANC would last at least two years. The ANC dealt with everything but its supposed function of drafting a new constitution. It convened elections, invalidated candidates, swore in or dismissed elected officials, drafted laws to criminalise dissent as the “Anti-Hate Law” or to deepen looting as the Law for the Promotion and Protection of Investments.

The ANC dismissed the Chavista prosecutor Luisa Ortega Diaz as retaliation for her denunciations of the rupture of the constitutional thread by Maduro in annulling the parliament, and also her denunciations of the repression. The parliament with an opposition majority was left, in fact, dissolved, decorative.

The government took on a “democratic” veneer with the elections of governors in October and those of mayors in December. It was another fraud. The government had already outlawed in early 2017 most of the political parties, including PSL, dozens of mayors and opposition political leaders were politically disbarred or with arrest warrants and MUD was banned from participating in seven of the country states. MUD, in the middle of the totalitarian advance of Maduro, once again gave in. Not only did they accept to take part in the fraudulent regional elections, but they accepted the manipulated results that the government published in which 18 of the 23 governorship were awarded to PSUV. Even four of the five elected governors of MUD accepted to be sworn in by the ANC. Only the governor-elect of Zulia refused and was immediately dismissed illegally. The same comedy was repeated in December when MUD did not take part as a bloc in the election of mayors but most of the parties that make it up did. All this caused a crisis and division in MUD. While the government deepened its totalitarian bias by relying on the ANC, MUD showed once again its bourgeois character and its vocation to negotiate with the government in the Dominican Republic, following the orientations of the imperialist governments. Negotiations which allowed Maduro to gain time. Finally, Maduro ended up advancing the presidential elections for May 2018, mounting a new fraud. A MUD divided and in crisis, announced that it would not participate, although one of its sectors, represented by former Chavista Henri Falcon, did apply.

## **Hunger, shortages, exodus, and repression**

Those who gave no respite to Maduro were the workers and popular sectors, fed up with hunger, the lack of medicines, that wages are insufficient, and repression. Between the end of 2017 and the beginning of 2018, protests grew over the lack of food and for wages. Looting grew out of popular desperation and even workers began to take actions as the demonstrations of the state

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13 Ibid.

cement industry workers in the east of the country, and claims of teachers, electrical industry and oil workers. In February 2018 workers from some 50 industrial companies in Valencia, Carabobo state, went out to the streets to claim for their jobs. To the desperate protests of the people, Maduro responded with repression and the application of the “law against hatred”. At the beginning of 2018, there were hundreds of prisoners for protesting. Among them the political prisoner worker Rodney Alvarez, of Ferrominera, a fighter who had been imprisoned since 2012, without sentence, a victim of a judicial set up.<sup>14</sup>

A PSL statement described the reality starkly: “The last days of 2017 in Venezuela have been the saddest of any other Christmas or New Year in the past 90 years. Maduro’s cynicism comes to an extreme when he says that ‘we Venezuelans are screwed but happy’. The prices of *hallaca*<sup>15</sup> ingredients are skyrocketing, salaries and bonuses destroyed, which makes it impossible to buy a gift for our children or the end of the year new clothes. In Venezuela, an oil country, there is no petrol or gas. The blackouts are continuous, there is no transportation, there is no cash in the banks, there is no food or medicine, and when something is achieved it costs an arm and a leg. Today the working people are experiencing for the first time the terrible face of hyperinflation. The worst tax we who live on a salary can suffer. [...] The government and its candidates for mayor promised a ‘baby Jesus bonus’ of *pernil* [roast pork leg] and toys, but they deceived the people. They were stolen. We never got the leg, or the tickets, or the bonus.”<sup>16</sup>

The debacle of almost 20 years of the Chavista project has led to the people of Venezuela living an unprecedented social and humanitarian crisis. It was not socialism of the 21st century or of any other century. Nobody who claims to be of the left can defend this capitalist, corrupt, and repressive monster.

The data is chilling. The terrible scarcity of food and its rising cost led to an increase in the undernourished population, from 2.8 to 4.1 million people, according to figures from FAO<sup>17</sup> in 2016 maternal mortality increased 65.79 percent and infant mortality 30.1 percent.<sup>18</sup> With a fiscal deficit estimated to be greater than 70 percent by 2018, covered by issuing a mass of money without support, the national currency, the Bolivar (VEF), is devalued chronically. This means a resounding fall of the real salary; in January of 2018, the minimum wage of VEF 797,510 (USD\$ 4) was enough to buy only four kilos of cheese.

For the bourgeoisie, with access to dollars assigned by the government at ridiculous rates, exchange control became a deranged looting mechanism: “as of 2003, the government set exchange rates that allowed national and transnational entrepreneurs to acquire dollars at prices lower than those of the parallel market. In 2012, the difference between both types of change grew impressively, reaching a ratio of five to one. [...] [The government] allowed the growth in insane proportions of over-invoicing of imports, a fraud mechanism to get a cheap foreign exchange from the state. [...] The consequences were disastrous. In December 2015 the price of the dollar in the parallel market exceeded VEF 600 and in the official market, there were exchange rates of VEF 6.30 and VEF 12. In April 2016 the dollar of the parallel market exceeded VEF 1000.”<sup>19</sup> In January 2018 there was still an exchange rate for government purchases of VEF 10 per dollar and a rate for entrepreneurs of VEF 3000 per dollar, while in the parallel market one dollar was traded for no less than VEF 200,000.

14 Autonomous, Revolutionary, United Class Current: “We demand the immediate release of Rodney Alvarez”, *LaClase.info*, 12 December 2017, <http://laclace.info/content/exigimos-la-inmediata-libertad-de-rodney-alvarez/>.

15 Typical Christmas dish from Venezuela similar to the Mexican tamale.

16 Partido Socialismo y Libertad: “The people rebels against hunger and lies”, *LaClase.info*, 30 December 2017, [www.laclace.info](http://laclace.info).

17 “Venezuela recorded the largest increase in undernourishment in Latin America”, *El Universal*, 10 October 2017, [www.eluniversal.com/noticias/economia/venezuela-registro-mayor-aumento-subnutricion-america-latina\\_673439](http://www.eluniversal.com/noticias/economia/venezuela-registro-mayor-aumento-subnutricion-america-latina_673439).

18 Vilchez Boscan, Keila: “Infant mortality in Venezuela rose 30.1 percent and maternal mortality 65.79 percent”, daily *Panorama*, 8 May 2017, [www.panorama.com.ve/ciudad/Mortalidad-infantil-en-Venezuela-subio-301-y-la-maternal-6579-20170507-0025.html](http://www.panorama.com.ve/ciudad/Mortalidad-infantil-en-Venezuela-subio-301-y-la-maternal-6579-20170507-0025.html).

19 Rodriguez Porras, Simon: “Venezuela in freefall”, *International Correspondence* No. 38, May-August 2016.

Incredible figures that show to what point of capitalist debacle Chavismo took Venezuela. When this book is in the hands of the reader, nobody can predict what will be the Bolivar's worth, the rate of inflation, or in what situation the Venezuelan working people will be.

In view of the chaos, government responses have been absurd: they announce the raising of rabbits in houses and apartments, praise "urban agriculture" in small pots on balconies and terraces, vindicate "ancestral medicine", or even the creation of a supposed cryptocurrency, the "petro", actually a new mechanism of indebtedness backed by oil. Measures and announcements with little or no effect. Every day tens of thousands of Venezuelans of all social conditions cross the borders with Colombia and Brazil on foot; it is estimated that between 2013 and 2018 over two million people have left the country.

The popular rebellion of 2017 was frustrated, but new contests are coming in which the working people will try to settle accounts with the Maduro government and PSUV. The fight will have its continuity in every claim and protest for food, for medicines, for salary, against dismissals and against repression.

## EPILOGUE

# Only true socialism is the alternative

From the political and social falling off the cliff of the Chavista project should be drawn all its political conclusions. We do not know nor can we predict how much longer Chavismo will continue to prevail in power. Since 2013 it has been under the direction of Nicolas Maduro and Diosdado Cabello, hand in hand with increasingly anti-democratic and dictatorial measures that try to corral the protest and the demands of the working people. But the failure of the project of the “Bolivarian revolution” and the so-called “21st-century socialism”, led by Hugo Chavez, is already a fact. We are categorical: it was a monumental fraud. Chavez’s “socialism of the 21st Century” was always a double discourse. The “commander” gave impressive “socialist” speeches, even quoting Lenin and Trotsky, while at the same time making pacts with businessmen like Cisneros or promoting joint ventures with the oil transnationals. Although it may remain in power for some time, as a left-wing international political reference, Chavismo is dead.

It is the collapse of a project that said it was going to “redistribute wealth” in the benefit of the “most needy”. This fact recreates an immense confusion in the consciousness of the mass movement. Similar to what happened after the fall of the Berlin Wall, when the spokesmen of imperialism and the world bourgeoisie came out to sentence the “failure of socialism”; equating the transition to socialism that Lenin and Trotsky had begun, from the Russian revolution of 1917, with the bureaucratic regimes of Stalin and his heirs, traitors of the cause of the workers.

The Chavista debacle presents a new opportunity for bourgeois intellectuals and commentators to “conclude” that socialism is unfeasible. But, as we have explained, in Venezuela socialism did not fail; what has failed is the continuity of semicolonial capitalism and the ideological fraud mounted by Chavez, Maduro, Cabello, PSUV, Communist Party, the Cuban leadership, and the leadership of the armed forces.

Precisely, it is the responsibility of Chavismo and its policies — anti-workers, appeasing, and of agreement with the multinationals — that the almost disappeared pro-Yankee traditional right of the country, the “squalid ones”, has grown on the electoral arena. The bourgeois opposition grouped in MUD has resurrected. For our Trotskyist, internationalist socialist current, it is necessary to ratify the stark criticism of the process of social and economic decomposition that Chavismo advanced. And also promoting a consistent policy of class independence that reflects the interests of the workers and other oppressed and exploited sectors. The substantial solution is still true socialism, that organisations of the workers and popular sectors rule and establish a democratically planned economy, with the oil industry nationalised, without pacts with multinationals or with big national entrepreneurs, and not paying the foreign debt, illegal and illegitimate, using these resources in an emergency plan to combat hunger and recover national production.

## Class reconciliation governments fail again

The crisis of the Chavista government is part of the crisis, with its unevenness, of all the supposed “progressive” governments of Latin America. Of the governments that at the beginning of the new century distorted the process of semi-insurrectional popular rebellions like the Caracazo, the Argentinazo, the gas war in Bolivia; and of workers’ strikes and peasant-indigenous rebellions in Brazil, Ecuador, Peru, and Uruguay. We refer to governments like those of Lula and Dilma, Evo Morales, Correa, Mujica, Humala, or Kirchnerist Peronism. These governments had their period of boom and popular support between 2003 and 2010. In those years, despite the global capitalist crisis, the prices of raw materials such as oil, gas, cereals, and minerals had relatively high prices. With the inevitable arrival in the region of the effects of the economic crisis of the capitalist-imperialist system initiated in 2007, they adopted policies of adjustment against their peoples, prescribed by multilateral organisations, national and foreign bosses, and financial capital. None of these governments made a left turn. On the contrary, they cut wages and increased layoffs, the plundering by foreign octopuses, and in some cases direct and indirect privatisations.

The expectations of millions of workers, women, and young people in these “national and popular” governments were defrauded. What went wrong? What again failed was the old project of the reformist left to rule together with the bosses, the model of the “mixed economy”, without leaving the framework of capitalism.

As we have been highlighting since the beginning of the Bolivarian process, only by breaking with the bourgeoisie and the multinationals a fundamental change could begin in Venezuela and in Latin America. This debate originates at least since the first socialist revolution in the world, in October 1917. At that time, Lenin and Trotsky confronted the reformist socialist current of the Mensheviks who wanted to keep, after the overthrow of Tsarism, a government of class conciliation with Kerensky and a section of the Russian republican bourgeoisie. Finally, with the power of the soviets (workers’ and popular councils) and the revolutionary role of the Bolshevik party, the installation of the first government of the workers and a break with the bourgeoisie and imperialism was achieved. After the death of Lenin, a degenerative process of bureaucratisation was accelerated, whose personification was Stalin and which persecuted and destroyed the revolutionary left in the USSR. It was precisely Stalinism that applied the false theory of “revolution by stages”, to rule for a first long stage in agreement with a “progressive” bourgeois sector. In fact, it was a policy of not making revolutions, but to divert or defeat them with governments of class conciliation, which they called “popular front” since 1935, or supporting nationalist-bourgeois governments. This policy is what, with different forms, all the bureaucratic and Stalinist communist parties have held in their different variants, be they Khrushchevist, Albanian, Maoist, or Castroist.

On the other hand, different experiences of bourgeois nationalist governments also failed, like those of Lazaro Cardenas (Mexico, 1938), Peron (Argentina, 1946), Nasser (Egypt, 1952) or Paz Estenssoro (Bolivia, 1952), which had strong clashes with imperialism and even advanced in some nationalisations, but supporting capitalist exploitation. In the long run, its leaders and movements ended up capitulating to imperialism and reversing the initial conquests achieved by their peoples.

The Cuban Revolution in 1959 showed that breaking with the bourgeoisie and imperialism could open a different path, carrying out an agrarian reform, not paying the foreign debt and expropriating most of the great bourgeois Cubans and Yankee companies. Despite the blockade, the Cuban people achieved great conquests, overcoming illiteracy, reaching high levels of health, education, and sports. Che Guevara raised the slogan of “socialist revolution or caricature of the revolution” and criticised the lack of solidarity of the USSR with the anti-colonial revolutions in Africa and Asia and the insurrectional movements in Latin America. Unfortunately, Fidel and Raul Castro later agreed with the bureaucracy of the USSR and joined the treacherous policy of “peaceful coexistence” with imperialism. They agreed not to continue promoting revolutions in Latin America. It was the beginning of the path that led to the loss of the social conquests of the

beginning of the revolution and the current capitalist restoration on the island. The harmful effects of this orientation would be starkly felt in Venezuela.

After the fall of the USSR, Chavez's launching of the supposed new socialist project impacted thousands of fighters around the world. This expectation was understandable. After the physical disappearance of Hugo Chavez, many anti-imperialist fighters may continue to doubt and attribute to his absence, or to Maduro's inability, the current collapse of Chavismo. But the harsh reality is that "socialism of the 21st century" was a fraud, an adaptation of the old and reformist Stalinist thesis of the "revolution by stages".

To draw the proper conclusions of why the Chavista project failed is essential for the continuity of the revolutionary struggle in Venezuela, in Latin America, and in the world. In Europe, there has already been a similar failure in Greece with the neo-reformist government of Syriza, led by Alexis Tsipras, since 2015. A similar political orientation is carried out by Podemos, in the Spanish state. These conclusions are essential for building the true socialist alternative. The key to opening a new hope for revolutionary change in Venezuela, which can channel to its ultimate consequences the many and courageous struggles waged by workers and popular sectors against the government's repressive and starving policy, involves the construction of a consistent socialist political leadership; a new revolutionary party. In Venezuela, there is a vast working-class and popular left militancy that is disappointed by Chavismo and does not believe in MUD. Next to it, there is a revolutionary left that has a long history of workers' and socialist struggles, with leaders like Orlando Chirino and Jose Bodas, who during these years have fought proposing an alternative program of mobilisation, class independence, and socialism. In this confluence may be the basis to begin to take steps in this new revolutionary construction that the working class and popular sectors of Venezuela so badly need. §

## Chronology

### 1989

**2 February:** Carlos Andres Perez, of *Accion Democratica* [Democratic Action], wins the presidential elections with 52.9 percent of the votes.

**27 February–8 March:** Popular insurrection known as the Caracazo.

### 1990

**January:** State oil company PDVSA acquires Citgo's shares in the US.

### 1991

Throughout the year there were intense student protests against Perez's privatisations and other economic and social policies, and against the visit of Yankee President George Bush.

### 1992

**4 February:** Lieutenant Colonel Hugo Chavez heads a military rebellion that is defeated. Chavez is imprisoned.

**27 November:** Second military rebellion also fails.

### 1993

**May:** Perez is dismissed by Congress and a political trial is started against him for embezzlement.

**5 December:** Amid numerous complaints of fraud against the presidential candidacy of Andres Velasquez, of La Causa R, Rafael Caldera, formerly of COPEI and leading a reformist alliance is officially in the first place, with 30.46 percent of the votes.

### 1994

**February:** Caldera assumes the presidency.

**March:** Chavez is pardoned by Caldera. Privatisations and concessions to transnational capital continue.

**May:** The arrest of Carlos Andres Perez is ordered in his corruption trial. The trial would culminate with his sentence to two years and four months of house arrest. He died in the United States in December 2010.

### 1995

**November–December:** In the face of inflation and austerity measures, important strikes of court and oil workers take place.

**1996**

**January:** Concessions to exploration, exploitation, and commercialization of hydrocarbons, previously reserved for the state oil company, begin to be granted to several transnational companies.

**March-April:** Teodoro Petkoff, a former guerrilla, is appointed Minister of Planning. He undertakes a furious austerity plan.

**1 May:** The main trade union currents and confederations, such as CTV, CUTV and CGT, mobilise unitarily against the austerity plan and in defence of social benefits, threatened by the government.

**1997**

**19 June:** The reform of the Organic Labour Law is approved, which includes the destruction of the retroactivity of social benefits.

**1998**

**6 December:** Chavez wins the presidential election with 56.2 percent of the vote. The second place (39.97 percent) is taken by candidate Henrique Salas, of the right-wing party Proyecto Venezuela, who is supported by AD and COPEI.

**1999**

**February:** Chavez assumes his first presidential term.

**25 April:** In a referendum, the call to a National Constituent Assembly (ANC) to write a new constitution is approved with over 80 percent of the votes.

**25 July:** Elections of ANC members give Chavismo a wide advantage. Due to non-proportional representation, its majority is expanded, and it gets 95 percent of the seats.

**2000**

**30 July:** In new presidential elections, Chavez wins again with 59.76 percent of the vote.

**2001**

**13 November:** Chavez approves 48 laws that, among other measures, contemplate the increase of taxes on oil transnationals, regulations against unproductive land holdings, and limitations on trawling. Fedecamaras, CTV and the Catholic Church reject them.

**10 December:** First bosses strike called by Fedecamaras against the government demanding the repeal of the 48 laws. The bureaucracy of CTV joins the business strike.

**2002**

**5 March:** Luis Ugalde, Pedro Carmona, and Carlos Ortega, on behalf of the Catholic Church, Fedecamaras, and CTV, respectively, seal a public agreement for the coup d'état at the Quinta Esmeralda residence in Caracas.

**15 March:** State oil company PDVSA's top management calls for a halt in the industry

**9-10 April:** Fedecamaras and CTV call a new bosses' strike for 24 hours, which later will be declared indefinite. The private media are engaged in pro-coup d'état agitation.

**11 April:** The military coup d'état takes place. Some 200,000 people, predominantly of the petty bourgeoisie, go to the Miraflores Palace to demand the resignation of Chavez

**12 April:** In the early hours of the morning, the military high command announces Chavez's resignation. In the afternoon, Carmona declares himself head of state.

**13 April:** Workers and popular mobilisation of hundreds of thousands against the coup, surrounding the main military installations in Caracas, Maracay, Valencia, and other cities. The Miraflores Palace is retaken in the afternoon by troops loyal to Chavez. The government of Carmona collapses.

**14 April:** Chavez is released and reinstated in the presidency.

**2 December:** Fedecamaras initiates a new indefinite bosses' strike in the oil industry, with the support of CTV and senior management of PDVSA, which will last two months. The shortage of petrol, domestic gas, and food begins.

**21 December:** In a milestone in the fight against oil sabotage, sailors managed to move tanker Pilin Leon anchored in Lake Maracaibo.

## **2003**

**23 January:** Hundreds of thousands of people mobilise in Caracas in support of the government. The workers succeed in restoring operations throughout the oil industry, defeating sabotage. At the beginning of February, the coup has been defeated.

**5 April:** Founding Meting of the National Union of Workers (UNETE), expressing a massive breakdown of the workers with the old union bureaucracy of CTV.

**1 August:** First Congress of UNETE.

## **2004**

**18 June:** With the mediation of former US President Jimmy Carter, President Chavez and magnate Gustavo Cisneros, owner of DirecTV and other telecommunications companies, agree on a respectful cohabitation.

**15 August:** With 59.1 percent of the votes for NO, Chavez wins in the recall referendum promoted by the right.

## **2005**

**1 May:** Chavez proclaims in Caracas the "socialism of the 21st century".

**9 July:** PRS is founded to promote the defence of true socialism and the workers' struggle against the government.

**4 December:** With the boycott of the bosses' opposition, the Chavista coalition gets all of the 167 seats in the National Assembly.

## **2006**

**25–27 May:** In the second congress of UNETE, the Autonomous, Revolutionary, United Class Current (C-CURA), headed by Orlando Chirino wins the majority. The pro-Chavez bureaucracy divides the congress.

**20 September:** At the UN General Assembly, Chavez makes reference to the "sulphur smell" that "devil" Bush would have left in the place.

**3 December:** Chavez wins re-election by a wide margin, getting 62.84 percent of the votes.

**16 December:** Chavez announces the creation of the United Socialist Party of Venezuela (PSUV).

## **2007**

**24 April:** Aragua police and national guards brutally repress Sanitarios Maracay workers who, after several months of occupation and production by workers' self-management, try to travel to Caracas to demand the nationalisation of the factory.

**27 May:** The license of private channel RCTV — active promoter of the April 2002 coup — expires and the government does not renew it.

**31 December:** Chavez gives amnesty to most of those prosecuted for their participation in the coup of 2002 and 2003.

#### 2008

**11 June:** Chavez holds the Encounter for the Productive Reinvigoration along with the main businessmen and bankers of the country, including Lorenzo Mendoza of agro-industrial Polar and bankers like Juan Carlos Escotet.

**27 November:** Hired killers linked to the government's trade union bureaucracy assassinate at La Encrucijada in Cagua the president of the regional federation of UNT in the state of Aragua, Richard Gallardo, and the leaders Luis Hernandez and Carlos Requena, of the same federation and members of USI and IWU–FI.

#### 2009

**29 January:** Police in Anzoategui kills two workers of multinational Mitsubishi with bullets while trying to evict a strike.

**21 March:** The government undertakes an austerity plan that includes a VAT increase from 9 percent to 12 percent, collective contracts below inflation, and cuts to social spending.

**24 September:** Chavista union leader Ruben Gonzalez is imprisoned for having led a three-week strike in the state company Ferrominera del Orinoco in August.

**1 October:** Jose Bodas, oil leader and militant Trotskyist reaches the general secretary — the second position — in the elections of the Unitary Federation of Oil Workers of Venezuela (FUTPV)

**13 October:** Attack by government officials against the Yukpa chief Sabino Romero, who survives. With a judicial set up he will be held a prisoner for a year and a half, until his acquittal. Finally, he will be murdered in March 2013.

#### 2010

**26 September:** For the first time the government gets fewer votes than the opposition in the parliamentary elections. Thanks to the manipulation of the electoral law, it keeps 60 percent of the deputies of the National Assembly.

**December:** First national congress of PSL, IWU–FI section.

#### 2011

**30 June:** Chavez states he has undergone surgery in Cuba to extract a malignant tumour.

**December:** PSL presents thousands of signatures to the National Electoral Council (CNE) for its legalisation and thus be able to present the candidacy for president of Orlando Chirino.

#### 2012

**7 October:** Chavez wins his third presidential term with 55.07 percent of the votes, against 44.31 percent of MUD candidate, Henrique Capriles.

**8 December:** In his last public address, Chavez announces he will undergo his fourth bout of surgery in Cuba to treat his cancer. He calls his followers to support his vice president, Nicolas Maduro, as his successor in case he cannot resume the presidency and new elections are called.

#### 2013

**5 March:** Death of President Chavez. Over a million people attend funerals.

**14 April:** Nicolas Maduro narrowly wins the elections, with 50.61 percent of the votes against 49.12 percent of the centre-right Henrique Capriles, who denounces fraud.

**8 December:** Chavismo wins 71 percent of the country's mayors. MUD enters a deep crisis.

**2014**

**2 February:** In MUD, Leopoldo Lopez and his party *Voluntad Popular* [Popular Will] launch the campaign “the solution is on the streets”, agitating to the population to demand Maduro's resignation.

**12 February:** The government represses a protest in front of the Attorney General's Office, led by Leopoldo Lopez, who will be imprisoned. Pot-banging and protests are unleashed in the main cities, that will extend for two months, with a balance of dozens of deaths and hundreds of injured.

**2015**

**6 December:** Chavismo suffers a devastating defeat in the parliamentary elections. MUD, capitalising on a punishment vote, gets 112 deputies, and PSUV only 55.

**2016**

**14 May:** Maduro declares a state of emergency and suspends constitutional guarantees, claiming he is the victim of an “economic coup”.

**June:** Thousands of people loot stores and markets in dozens of outbreaks in Caracas, Cumana, Maracaibo, Valencia, Puerto La Cruz, and other cities. The government responds by militarizing the streets.

**2017**

**April:** A popular rebellion against Maduro takes place, with mass mobilisations throughout the country. In poor neighbourhoods that were traditionally the base of Chavismo, “Out with Maduro” is shouted. Massive looting. The repression murders over 100 people, thousands are arrested and injured. MUD contributes to the demobilisation and the rebellion is defeated. The government takes up the initiative.

**July:** Elections are called for a fraudulent National Constituent Assembly (ANC) that will act with dictatorial powers.

**October:** Venezuela falls into hyperinflation.

## Images



Demonstration by UNT-Aragua in Caracas, rejecting joint ventures, 2007



Orlando Chirino talks to the workers in front of the National Assembly, 2007



Jose Bodas, oil workers' leader, at a mass meeting in Puerto La Cruz Refinery



From the left, Carlos Requena, Richard Gallardo, and Luis Hernandez, classist union leaders assassinated by hired killers on 28 November 2008



Massive funeral procession to farewell Richard Gallardo in the city of Maracay



Hugo Chavez always supported Syrian dictator Bashar al-Assad



Painted slogans by PSL in Caracas, in the middle of the popular rebellion of 2017