State capitalism in Venezuela

Paul Hampton, 01/07/2007

By Paul Hampton

The shape of Venezuelan “21st century socialism” has become clearer since the election, with Hugo Chávez announcing plans to nationalise strategic industries and form a new ruling party. The direction is towards state capitalism, headed by a Bonapartist bureaucracy.

On 8 January, in a speech quoted on the Venezuelanalysis website, Chávez announced plans to nationalise key industries that were privatised under previous governments, such as the telecommunications company CANTV and the electricity companies such as EdC. He said: “All of those sectors that are in an area as important and strategic for all of us, such as electricity, should be nationalised.”

At present the majority shareholder in CANTV is the US-based Verizon Communications, although last year it tried to sell its stake to a Mexican consortium — and Spain’s Telefonica. According to the Financial Times, EdC has always been a private company and is owned by US firm AES.

Chávez also announced that the state oil company PdVSA would push for a majority stake in four Orinoco oil projects where it is currently in a minority with multinationals. The four Orinoco joint ventures are with ExxonMobil, Conoco, and Chevron, Total, BP, and Statoil.

These announcements follow a speech Chávez gave on 15 December, when he shut down his electoral front, the Movement for a Fifth Republic and pledged to create a new ruling party, provisionally called the United Socialist Party of Venezuela.

Chávez posed membership of the new party on a take-it-or-leave-it basis. He said: “The new party cannot be the sum of old faces. That would be a deceit. We don’t have the time for endless debates about this. We have to build this new party from below now. So, you decide what you are going to do because there’s no time to lose.”

The turn is clearly in a Bonapartist direction. In his 8 January speech, he called the preceding years of his presidency a “phase of transition,” which had ended. The next phase, “the National Simon Bolivar Project of 2007-2021” would be towards “Bolivarian Socialism”.

The year 2021 is significant for Chávez because it is the 200th anniversary of Venezuelan independence. It also suggests he may amend the constitution so he can stand for another term in 2013. He raised the prospect of an enabling law to make constitutional changes, such as abolishing central bank independence and for nationalisation. This would give him the power to make other laws by decree.

Another sign of growing Bonapartism is Chávez’s decision not to renew the broadcast concession of the oppositional TV station RCTV. The concession is due to expire in May and Chávez announced last week that he would not renew it because RCTV supported the coup attempt and lockout in 2002.
Chávez hinted at the kind of populist state he wants to create by calling for an “explosion of communal power”. He said he wanted the “communal councils”, made up of 200 to 400 families, to eventually eclipse the existing power structures, so as to create a “communal state.” What is needed, said Chávez, is to “dismantle the bourgeois state” because all states “were born to prevent revolutions.” Instead, the old state would have to be turned into a “revolutionary state”.

Chávez’s speech did not promise anything for workers in struggle — such as the workers of Sanitarios Maracay (see below).

However these developments pose point blank the question to the pro-Chávez left in Venezuela — will you join this charade? Up until now, groups such as the Corriente Marxista Revolucionaria, (CMR, the Revolutionary Marxist Current, linked to Socialist Appeal in Britain) and others who voted for Chávez in the election, such as the Partido Revolucion y Socialismo (PRS), have remained outside the Chávez party.

They will now be under much more pressure to sign up to the new organisation. Already the CMR has welcomed its formation, without saying whether they will join it.

For the left to join Chávez’s party would be a disaster — effectively to commit political suicide to a bourgeois force. What’s needed is an independent party of workers.

It would fight the ideological front of the class struggle, including against Chavismo. It would stand candidates in local and national elections. It would fight for the UNT trade union federation to remain independent of the government, to elect its leadership and to fight the class struggle militantly against Venezuela’s bosses and the state that props them up. It would move to occupy the factories and agitate for workers’ self-management in the industries that really matter in Venezuela, especially the oil industry. In short, it would fight for independent working class politics.

Sanitarios Maracay

Workers at Sanitarios Maracay, a firm making bathroom suites decided at a mass meeting on 14 November after nearly two years of struggle to occupy their factory. The occupation was a response to the employer’s decision to close the plant and the refusal to pay bonuses owed.

However some managers and administrative staff at the factory announced on 4 December the formation of a union opposed to the occupation. This “union” — designed to break the occupation — is backed by Marcela Maspero, who leads the UNT faction most subordinate to Chávez.

On the other hand, on 5 December, Orlando Chirino and other more independent UNT leaders visited the factory to mediate between the workers and a group of private “Bolivarian” investors. Chirino apparently told workers that it would be very difficult to get the government to expropriate the company and that “congestion” had been a fiasco, particularly in Invepal, where the trade union organisation had been destroyed.

Although the CMR rightly pushes for nationalisation under workers’ control, it does so at the same time as sowing huge illusions in Chávez and his movement.