

The Larger Meaning of the Venezuelan Elections

The Elections of November 23, 2008

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Introduction

The Venezuelan gubernatorial and municipal elections, taking place on November 23 of this year, are the most polarized and significant in the country's history. A great deal has changed for the better since my first teaching invitation at the Central University over 40 years ago: The Chavez government has build hundreds of medical and educational facilities serving the vast majority of the poor, vastly reduced underemployment, subsidized food for the slum residents of the 'ranchos' and raised living standards for ordinary Venezuelans. Equally significant, this year a new pro-Chavez political party, the Venezuelan United Socialist Party (PSUV), with a formal membership of over a million members is facing its first test - in action in 23 states and over 300 municipalities. The elections and their results will tell us a great deal about the popular response to two conflicting versions of the recent past: Whether the government's positive efforts toward building socialism compensates for local political and economic deficiencies or whether the pro-US/capitalist-led opposition with its control of the mass media and its new 'grass roots' strategies have penetrated and influenced at least some sectors of the Chavista mass base. The elections are in effect a judgment of the performance of the great majority of state and local governments ruled by Chavista incumbents as well as a political statement about the support and 'drawing power' of President Chavez. The outcome of these elections will have a profound impact on the future political direction of the Chavez government's transition to socialism as well as on the possibilities of a future referendum allowing for Chavez' re-election.

Equally important, the electoral outcome will have an important impact on the policies of the incoming Obama regime: A decisive victory or defeat of the Chavistas will entail important tactical and strategic adjustments in the new Administrations policies.

Contrasting Electoral Campaign Strategies: The Government and the Opposition

The right-wing, pro-Washington opposition has dramatically changed their electoral strategy in these elections. Instead of focusing on personal insults of the President or spouting ideological bromides, they have concentrated on local issues, officials and the inefficiencies in delivering services. The opposition and its mass media have launched frontal attacks on deficiencies in garbage collection and the accumulation of rotting waste in the popular neighborhoods, increasing personal insecurity due to crime, unresponsiveness of some officials to individual/community petitions, corruption and, above all, inflation, which is running at 30%. The opposition has downplayed attacks on Chavez and his popular macro-social programs: The 'misiones', the popular brigades promoting literacy and health care; the community based councils, the municipal universities, government-sponsored municipal banks and access to soft credit. Instead, the opposition has criticized the implementation of

these programs by an inefficient or inadequate local administration. Above all, the opposition has done everything possible to avoid polarizing the vote between pro and anti-Chavez, since the President has popularity ratings above 60%. The PSUV-led campaign has generally taken a different approach emphasizing national policy successes; the recent nationalization of steel, cement, banking enterprises; pay raises for public sector employees; the end of food shortages and above all, emphasizing the close links between local candidates and President Chavez, whose photo is present next to the local candidates on most electoral posters.

A substantial increase in government spending on local programs, the completion of immediate impact programs, the rapid implementation of local public lending policies to thousands of co-operatives in the 'ranchos' has in the last weeks of the campaign improved the poll results of government candidates. Each side has tried to exploit the others' weaknesses and overcome internal problems. The key problem for the opposition is their inability to unite behind a single candidate in several states and municipalities, dividing the right-wing vote and opening up the possibility of a Chavista victory with less than 50% of the electorate. The right wing cannot count on the massive abstention of 3 million Chavistas, which allowed them to squeak by with a 1% victory in the November 2007 referendum. The Chavista mass is expected to turn out en masse. The higher turn out is expected to favor the Chavistas. The opposition cannot exploit the expected negative impact of the world economic crisis, which, thanks to the government's reserves, has not yet hit Venezuelan voters. An election a year from now would have adversely affected the Chavista vote.

On the government side, the rising rate of inflation has deteriorated living standards of the poor: The wage and salary increases of the poorest sectors have not kept up with prices. Crime and local predators have increased insecurity and government anti-crime programs have not been effectively implemented - by lax, corrupt or complicit local police and political officials. The biggest threat to the Chavista candidate slate and local majority comes from the ineffective officials who have not solved 'local problems'. A big question is whether unpopular Chavista governors and mayors can return to power on the coattails of the popular President Chavez.

The Complex and Contradictory International and Domestic Context of the Elections

The international political and economic context of the elections is complicated, but mostly favorable at this moment for the government and the PSUV candidates. The world economic recession and financial crash is just at the beginning phase and has not yet impacted on the daily life of most voters - luckily for the government. Cushioned by the \$40 billion dollars in foreign reserves and high levels of public expenditures, the falling price of Venezuelan oil (from \$146/barrel in mid-2008 to \$52/barrel in November) has not cut deeply into living standards or social programs.

Venezuela's new and growing economic, military and cultural ties, especially with China, Russia and Iran, and its improved relations with the European Union and Center-Right and Center-Left regimes in Latin and Central America has isolated the US, and undermined its diplomatic campaign against the Chavez Government.

The US is tied down in wars in the Middle East and South Asia, and the severe downturn in its economy has eroded Washington's economic levers and military resources for any direct

military intervention. It appears that the Pentagon's assets in the Venezuelan National Guard and military are too weak to organize a new coup and they do not appear capable of carrying out a full-scale offensive without direct US intervention or support from Washington's Colombian surrogate, President Alvaro Uribe, who, despite tactical gains against the guerrillas, now faces a huge upsurge in popular mobilizations especially among the indigenous movements and their allies and from millions of defrauded lower middle class 'investors' of pyramid schemes.

Though the international climate today is favorable to the Chavistas, the immediate future is a different story. Venezuela will suffer from the fall of oil revenue and the world recessions; capital flight despite capital controls is rampant; and private capital is disinvesting or withholding credit despite massive incentives. The government cannot continue large-scale financing of public social and economic projects and still subsidize private exporters, agribusiness and, especially, luxury importers.

The year 2009, by necessity, is the year of hard class decisions: Either the government cuts spending for the capitalists or the workers and peasants. Either social programs are drastically reduced or state subsidies to private business are ended. The vast army of publicly-funded (and unproductive) employees are put to work in the productive sector or they will be laid off. In any case, the business elite, the army of importers of high status automobiles and luxury items, and their consumers will be adversely affected and aroused into an adversarial frenzy. When the full impact of the world recession hits Venezuela, the class polarization will explode and spill over and out of the institutional/electoral channels.

Domestic Correlation of Forces

The PSUV has organized a vast electoral organization with some success; the pro-Chavez trade unions in some sectors have been strengthened and advanced, especially through Chavez nationalization of basic industries. The Chavista cultural and social programs and their mass media have deepened and extended the influence and support of the government in many sectors of the urban and rural poor. Yet there are troubling issues: The trade unions represent no more than 20% of the workforce. Few in the contracted and informal sectors are organized. The union members are largely 'economistic' (focused on wages) and not politically active. The official TV outlet (Telesur) has not succeeded in securing a mass audience - its reach is only a fraction of that of the private right-wing television stations. The Right almost totally dominates the daily print media. The majority of the military and security establishment still supports Chavez, but there is a strong minority contingent in the National Guard, police and army, which is allied with the big landowners, big business and the Pentagon. Above all, there is a large sector of the population - lower middle class, public employees, small business informal workers - who are of wavering political loyalties and allegiances. They support the Chavista candidates when the economy is booming, public expenditures are soaring, cheap credit is readily available, incomes outpace inflation and imports flood the market. What is unknown is how this wide sector of the voters will react when these conditions change for the worse. Much depends on how the government confronts the world recession and the internal measures, which it adopts. Can an oil-dependent government sustain and deepen the advance toward socialism or will the crisis force it to retreat toward greater austerity and accommodation to capitalism at the expense of its mass base?

In the end, the world recession will greatly impact the Venezuelan economy and force upon the Chavez government and PSUV the most difficult political decision: either the

socialization of the strategic economic sectors to channel investment toward domestic production and popular consumption (the Bolivarian socialist option) or the transfer of scarce public resources to bailing out the private sector (the Obama/Wall Street solution). There does not appear to be any 'third ways'-the center-left economic position of Chavez' current allies in Latin America are fast disintegrating.

The outcome of the November 23 elections is a very important determinant of the future direction, which the Chavez government will or may take. Big advances by the Right will increase pressure against Chavez re-election hopes and a socialist response to the coming economic challenges. A big Chavista victory will make more likely the adoption of a socialist response to the capitalist crash.

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