

Venezuela: The Capitalists Still Control the State and the Bulk of the Economy

President Maduro asked United Socialist Party of Venezuela (PSUV) militants to propose ways to improve how the Bolivarian government functions

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On June 7, President Maduro issued a call to each grassroots unit of the United Socialist Party of Venezuela (PSUV) to submit 10 concrete proposals for ways to improve how the Bolivarian government functions. In response, throughout Venezuela, local units of PSUV militants, known as Battle Units Bolivar-Chavez (UBCh), devoted their weekly meetings to lively debates analyzing political problems and attempting to reach consensus on solutions. There are some 13,500 UBChs. Other Venezuelans joined the discussions through forums, meetings, editorial pages and social media.

A well attended forum in Catia, a working class district of western Caracas, set the tone for many other UBCh meetings. Catia is known and respected for being a center of Chavista militancy. Aporrea.org and other pro-revolution media repeatedly ran written and video-taped reports of the proposals made there by a Gonzalo Gomez, spokesperson from Marea Socialista (Socialist Tide), a leftist grouping within the PSUV and by Manuel Sutherland, a Marxist economist who coordinates the Center of Worker Investigations and Education and teaches at the Bolivarian University of Caracas (UBC).

Sutherland demonstrated with charts and detailed narrative how government negotiations with the owning class have not stopped the elites from amassing huge fortunes and from driving the economy into a deep ditch. He challenged the fantasy, held by some PSUV reformists, that business owners in Venezuela are patriotic and renounce super profits gained from fraudulent imports and currency speculation. Rather he showed how Venezuela's 400,000 capitalists appropriate 60% of Venezuela's gross domestic product (PIB) to the detriment of 13 million workers who receive the remaining 40%.

In other words, the bourgeoisie still controls the bulk of the economy, and by implication, political power in Venezuela. With this power, the owning class has squandered Venezuela's dollar reserve in order to make astronomical profits. They import goods paid for in petrodollars and then sell them for as much as 1500% profit at home. The result is devaluation, inflation, and scarcity. Some call this "economic warfare" waged by the oligarchs. But, Sutherland insisted, the warfare metaphor implies that there can be peace and therefore underestimates the depth of the structural problem.

He proposed a major structural change for the governing PSUV: to nationalize all of Venezuela's international trade. Sutherland pointed out that three years ago Hugo Chavez had made the same proposal. He quoted the revered PSUV founder, "Create a state corporation for imports and exports to end the bourgeoisie's hegemony over imports. We

look like pendejos (idiots, wimps) giving dollars to the bourgeoisie. They import, overcharge, buy whatever is desired for one dollar and charge five dollars here...”

Inside another UBCh Meeting

Several days later, across town in the upscale neighborhood of Baruta, UBCh militants took up Sutherland’s proposal in the context of a wide-ranging discussion of their own ten proposals to send to President Maduro. They sat in a circle in the modern, airy cafeteria on the 11th floor of a PSUV office building. It was a small group: mostly women, many of them professionals, many retired. Through the surrounding windows, the U.S. flag could be seen flying from a pole in front of the U.S. Embassy, now closed to the public.

They began by talking about the problem of bureaucracy. A woman who dressed more humbly than the rest of the group suggested that the PSUV set up a storefront in every municipality to help people navigate the system. Another woman, a retired nurse, remarked that the Missions [government funded social programs] had been set up to circumvent the problem of bureaucracy, but that in many cases, they too had become bureaucratized. A sociologist and film maker remarked how the state is still controlled by the capitalists and implied that only socialism would solve the problem of bureaucracy. Then she frowned and added, “with the threats from the coup-plotters (golpistas), the state has its back against the wall and has to make deals with the bourgeoisie.” The woman who began the conversation sighed, more from impatience than resignation and said, “How long are they going to be giving in to the opposition and not to us?”

Then, for a moment, people aired related complaints. “The private monopolies are thieves.” “The Justice System is corrupt. They killed 400 campesinos and no one has ever been tried.” A few debated about which famous official was corrupt and which was simply misguided. A retired physician began to speak about Sutherland’s proposal to nationalize the import/export function, but got bogged down in economic details.

A blonde woman who had a laptop with her to keep a record of the meeting but hadn’t touched a key, brought order to the meeting. “The Venezuelan state, in every stage of history, has been corrupt and bureaucratic. Ours is a tremendous improvement. But if we’re ever going to get rid of corruption and bureaucracy we need to organize the base, so that everyone is prepared to press forward with their complaints. Now, when a grassroots person makes a grievance it doesn’t go anywhere. We have to organize to make government accountable. Accountability should be a theme of the 3rd Congress.” Everyone nodded.

They brainstormed other problems: the lack of food sovereignty; scarcity of dollars, bourgeois legalisms; too much individualism; and lack of pride in Venezuelan culture. They reached a consensus on the need for more political education, but did not formulate a specific proposal for implementation.

The spokesperson (vocero) for the Baruta UBCh, a computer expert and one of the only two men in the circle, launched into a history of the Bolivarian revolution because, “we need to understand the context before we finalize our proposals.” His narrative concluded with an analysis of the current tasks of PSUV: to struggle against U.S. imperialism and its allies in the Venezuelan bourgeoisie and to define the Bolivarian process to build 21st century socialism. However, he continued, three different currents inside the PSUV are vying for control to define strategies for carrying out those tasks. (1) The reformists who use petro

dollars to placate the masses to accept perpetuation of the current structures. He called them social democrats and included the “Bolibourgeoisie”, the opposition’s 5th column in this group. (2) The Stalinists who think the state can solve every problem. They are bureaucrats, often members of the bourgeoisie who have been replaced. They protect their own power. (3) The proletarian Chavistas, the heart of the revolution. They must build their power from below, independent of the state. According to his assessment, they are currently the weakest of the forces within the PSUV.

Then he made a number of specific proposals to address Venezuela’s economic problems. First, he said, the banking system should be consolidated. “We’re not ready to nationalize banking, but we don’t need 50 banks either.” Second, “it would be political suicide to raise the price of gasoline, but for the sake of economy and the environment, the price of fuel cannot stay so artificially low. We should strengthen the public transit system and convert vehicles from using gasoline to gas.” Third, the Agriculture Ministry and the Food Ministry should be combined to streamline programs for food sovereignty. Fourth, the only way to get rid of inflation is to institute massive production. “We don’t need to be totally dependent on petrodollars. We should develop our gold and coltan resources to earn new sources of currency. Also we must shut down the foreign sectors of the economy like car assembly. We can and must produce 100% of our cars here.” The retired physician raised Sutherland’s proposal to control imports, but by then, the time for adjournment had passed.

Before the meeting broke up, two of the women agreed to write up the vocero’s proposals, plus the ones about holding corrupt officials accountable to grassroots complaints and the need for more political education. Then they would email them to the address Maduro had tweeted. When Venezuelanalysis.com asked if the group wasn’t going to review them again, she shook her head, “No, it’s not possible. In this revolution everything happens very fast. The proposals are due today.”

An open PSUV Congress promised

In the most recent issue of *Vanguardia*, the periodic publication of the PSUV, Carolys Perez, the Secretary of the Third Party Congress explained some of the measures they had taken to ensure a successful Congress. The aim is for breadth: to receive suggestions, opinions, and contributions not only from PSUV membership but also from political organizations that are part of the Gran Polo Patriótico (GPP), an alliance of left-wing organizations of which PSUV is the largest. “We want to open the door to deepen the revolution and design policies to help construct socialism.” Venezuelanalysis.com contacted a spokesperson for the Afrodescendant Front of the GPP and a number of other Afrodescendant organizations about their plans to submit proposals to the Congress. So far there has been no response.

The *Vanguardia* article on the next page quoted Chavez’s 2011 self criticism about the need to challenge “bureaucratism, opportunism, sectarianism, nepotism and gradual distancing from the base.” These problems, Chavez had explained, come from the persistence of capitalist culture—including capitalist culture within the Party. The *Vanguardia* author concluded that Chavez’s prescription for self criticism/criticism was more relevant than ever.

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