

Venezuelan Elections: a Choice and Not an Echo

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Region: [Latin America & Caribbean](#)

Global Research, October 04, 2012

On October 7, Venezuelan voters will decide whether to support incumbent President Hugo Chavez or opposition candidate Henrique Capriles Radonski. The voters will choose between two polar opposite programs and social systems: Chavez calls for the expansion of public ownership of the means of production and consumption, an increase in social spending for welfare programs, greater popular participation in local decision-making, an independent foreign policy based on greater Latin American integration, increases in progressive taxation, the defense of free public health and educational programs and the defense of public ownership of oil production.

In contrast Capriles Radonski represents the parties and elite who support the privatization of public enterprises, oppose the existing public health and educational and social welfare programs and favor neo-liberal policies designed to subsidize and expand the role and control of foreign and local private capital. While Capriles Radonski claims to be in favor of what he dubs "the Brazilian model" of "free markets and social welfare", his political and social backers, in the past and present, are strong advocates of free trade agreements with the US , restrictions on social spending and regressive taxation.

Unlike the US , the Venezuelan voters have a choice and not an echo: two candidates representing distinct social classes, with divergent socio-political visions and international alignments. Chavez stands with Latin America , opposes US imperial intervention everywhere, is a staunch defender of self-determination and supporter of Latin American integration. Capriles Radonski is in favor of free trade agreements with the US , opposes regional integration, supports US intervention in the Middle East and is a diehard supporter of Israel . In the run-up to the elections, as was predictable the entire US mass media has been saturated with anti-Chavez and pro-Capriles propaganda, predicting a 'victory' or at least a close outcome for Washington 's protégé.

The media and pundit predictions and propaganda are based entirely on selective citation of dubious polls and campaign commentaries; and worst of all there is a total lack of any serious discussion of the historical legacy and structural features that form the essential framework for this historic election.

Historical Legacy

For nearly a quarter of a century prior to Chavez election in 1998, Venezuela's economy and society was in a tailspin, rife with corruption, record inflation, declining growth, rising debt, crime, poverty and unemployment.

Mass protests in the late 1980's early 1990's led to the massacre of thousands of slum dwellers, a failed coup and mass disillusion with the dual bi-party political system. The petrol industry was privatized; oil wealth nurtured a business elite which shopped on 'Fifth

Avenue, invested in Miami condos , patronized private clinics, for face-lifts and breast jobs, and sent their children to private elite schools to ensure inter-generational continuity of power and privilege. Venezuela was a bastion of US power projections toward the Caribbean, Central and South America . Venezuela was socially polarized but political power was monopolized by two or three parties who competed for the support of competing factions of the ruling elite and the US Embassy.

Economic pillage, social regression, political authoritarianism and corruption led to an electoral victory for Hugo Chavez in 1998 and a gradual change in public policy toward greater political accountability and institutional reforms which signaled a turn toward greater social equity.

The failed US backed military-business coup of April 2002 and the defeat of the oil executive lockout of December 2002 – February 2003 marked a decisive turning point in Venezuelan political and social history: the violent assault mobilized and radicalized millions of pro-democracy working class and slum dwellers, who in turn pressured Chavez “to turn left”. The defeat of the US-capitalist coup and lockout was the first of several popular victories which opened the door to vast social programs covering the housing, health, educational and food needs of millions of Venezuelans. The US and the Venezuelan elite suffered significant losses of strategic personnel in the military, trade union bureaucracy and oil industry as a result of their involvement in the illegal power grab.

Capriles was an active leader in the coup, heading a gang of thugs which assaulted the Cuban embassy, and an active collaborator in the petrol lockout which temporarily paralyzed the entire economy.

The coup and lockout were followed by a US funded referendum which attempted to impeach Chavez and was soundly trounced. The failures of the right strengthened the socialist tendencies in the government, weakened the elite opposition and sent the US in a mission to Colombia , ruled by narco-terrorist President Uribe, in search of a military ally to destabilize and overthrow the regime from outside. Border tensions increased, US bases multiplied to seven, and Colombian death squads crossed the border .But the entire Latin and Central American and Caribbean regions lined up against a US backed invasion out of principle, or because of fear of armed conflicts spilling beyond their borders.

This historical legacy of elite authoritarianism and Chavez successes is deeply embedded in the minds and consciousness of all Venezuelans preparing to vote in the election of October 7th. The legacy of profound elite hostility to democratic outcomes favoring popular majorities and mass defense of the ‘Socialist president’ is expressed in the profound political polarization of the electorate and the intense mutual dislike or ‘class hatred’ which percolates under the cover of the electoral campaign. For the masses the elections are about past abuses and contemporary advances, upward social mobility and material improvements in living standards; for the upper and affluent middle class there is intense resentment about a relative loss of power, privilege, prestige and private preferences. The rightwing elite’s relative losses have fueled a resentment with dangerous overtones for democracy in case of lost elections and revanchist policies if they win the elections.

Institutional Configuration

The rightwing elite may not control the government but they certainly are not without a strong institutional base of power. Eighty percent of the banking and finance sector is in

private hands, as are most of the services manufacturing and a substantial proportion of retail and wholesale trade. Within the public bureaucracy, the National Guard and military the opposition has at least a minority actively or passively supportive of the rightwing political groups. The principle business, financial and landowners associations are the social nuclei of the right. The rightwing controls approximately one third of the mayors and governors and over forty percent of the national legislators. Major U.S. and EU petroleum multi-nationals have a substantial minority share in the oil sector.

The rightwing still monopolizes the print media and has a majority TV and radio audience despite government inroads. The government has gained influence via the nationalization of banks - a 20% share of that sector, a share of the mining and metal industry and a few food processing plants and a substantial base in agriculture via the agrarian reform beneficiaries.

The government has gained major influence among the public sector employees and workers in the oil industry, social services and the welfare and housing sector. The military and police appears to be strongly supportive and constitutionalist. The government has established mass media outlets and promoted a host of community based radio stations.

The majority of the trade unions and peasant associations back the government. But the real strength of the government is found in the quasi-institutional community based organizations rooted in the vast urban settlements linked to the 'social missions'.

In terms of money power, the government draws on substantial oil earnings to finance popular long term and short term social impact programs, effectively countering the patronage programs of the private sector and the overt and clandestine "grass roots" funding by US foundations, NGOs and "aid" agencies. In other words despite suffering major political defeats and past decades of misrule and corruption, the rightwing retains a powerful institutional bases to contest the powerful socio-economic advances of the Chavez government and to mount an aggressive electoral campaign.

Social Dynamics and the Presidential Campaign

The key to the success of the Chavez re-election is to keep the focus on socio-economic issues: the universal health and education programs, the vast public housing program underway, the state subsidized supermarkets, the improved public transport in densely populated areas. The sharper the national social polarization between the business elite and the masses, the less likely the rightwing can play on popular disaffection with corrupt and ineffective local officials. The greater the degree of social solidarity of wage, salaried and informal workers the less likely that the right can appeal to the status aspirations of the upwardly mobile workers and employees who have risen to middle class life styles, ironically during the Chavez induced prosperity.

The Chavez campaign plays to the promise of continued social prosperity, greater and continuing social mobility and opportunity, an appeal to a greater sense of social equality and fairness; and it has a bed rock 40% of the electorate ready to go to the barricades for the President. Capriles appeals to several contradictory groups: a solid core of 20% of the electorate, made up of the business, banking and especially agrarian elite and their employees, managers, and professionals who long for a return to the neo-liberal past, to a time when police and army and intelligence agencies kept the poor confined to their slums

and the petrol treasury flowed into their coffers. The second group which Capriles appeals to are the professionals and the small business people who are fearful of the expansion of the public domain and the 'socialist ideology' and yet who have prospered via easy credits, increased clientele and public spending. The sons and daughters of affluent sectors of this class provide the "activists" who see in the downfall of the Chavez government an opportunity to regain power and prestige that they pretend to have had before the 'revolt of the masses'. Capriles past open embrace of neo-liberalism and the military coup of 2002 and his close ties to the business elite, Washington and his rightwing counterparts in Colombia and Argentina assures the enraged middle class that his promise to retain Chavez social missions is pure electoral demagoguery for tactical electoral purposes.

The third group which Capriles does not have, but is vital if he is to make a respectable showing, is among the small towns, provincial lower middle class and urban poor. Here Capriles presents himself as a "progressive" supporter of Chavez social missions in order to attack the local administrators and officials for their inefficiencies and malfeasance and the lack of public security - Capriles, hyper-activity, his populist demagoguery and his effort to exploit local discontent is effective in securing some lower class votes; but his upper class links and long history of aggressive support for rightwing authoritarianism has undermined any mass defection to his side.

Chavez on the other hand is highlighting his social accomplishments, a spectacular decade of high growth, the decline of inequalities (Venezuela has the lowest rate of inequalities in Latin America) and the high rates of popular satisfaction with governance. Chavez funding for social impact programs benefits from a year-long economic recovery from the world recession(5% growth for 2012), triple digit oil prices and a generally favorable regional political environment including a vast improvement in Colombian-Venezuelan relations.

The Correlation of Forces: International, Regional, National and Local

The Chavez government has benefited enormously from very favorable world prices for its main export-petroleum; it has also increased its revenues through timely expropriations and increases in royalty and tax payments, as well as new investment agreements from new foreign investors in the face of opposition from some US MNC.

Washington, deeply involved in conflicts in oil rich Muslim countries, is in no position to organize any boycott against Venezuela one of its principle and reliable petrol providers; its last big effort at "regime change" in 2002-03, during the "lockout" by senior executives of the Venezuelan oil company backfired -it resulted in the firing of almost all US 'assets' and the radicalization of nationalist oil policy.

US efforts to 'isolate' the Chavez regime internationally has failed; Russia and China have increased their trade and investment, as have a dozen other European, Middle Eastern and Asian countries. The EU recession and the slowdown of the US and world economy has not been conducive to fostering any sympathy for any restrictions in economic ties with Venezuela .

Most significantly the rise of center-left regimes in Latin America, the Caribbean and Central America, has favored increasing diplomatic and economic ties with Venezuela and greater Latin American integration. In contrast Obama's backing for the Honduran and Paraguayan coups and Washington-centered free trade agreements and neo-liberal policies have gone out of favor. In brief, the international and regional correlation of forces has been highly

favorable to the Chavez government, while Washington 's dominant influence has waned.

One of the last Latin American bastions of US efforts to destabilize Chavez , Colombia , has sharply shifted policy toward Venezuela ,. With the change in regime from Uribe to Santos , Colombia has reached multi-billion dollar trade and investment agreements and joint diplomatic and military agreements with Venezuela , signaling a kind of 'peaceful coexistence'. Despite a recent free trade agreement and the continuance of US military bases, Colombia has, at least in this conjuncture, ruled out joint participation in any US sponsored military or political intervention or destabilization campaign.

US political leverage in Venezuela is largely dependent on channeling financial resources and advisors toward its electoral clients. Given the decline in external regional allies, and given its loss of key assets in the Venezuelan military and among Colombian para-military forces, Washington has turned to its electoral clients .Via heavy financial flows it has successfully imposed the unification of all the disparate opposition groups, fashioned an ideology of moderate 'centrist' reform to camouflage the far right, neo-liberal ideology of the Capriles leadership and contracted hundreds of community agitators and 'grass roots' organizers to exploit the substantial gap between Chavez's programmatic promises and the incompetent and inefficient implementation of those policies by local officials.

The strategic weakness of the Chavez government is local, the incapacity of officials to keep the lights on and the water running. At the international, regional and national level the correlation of forces favors Chavez. Washington and Capriles try to compensate for Chavez regional strength by attacking his regional aid programs, claiming he is diverting resources abroad instead of tending to problems at home. Chavez has allocated enormous resources to social expenditures and infrastructure - the problem is not diversion abroad, it is mismanagement by local Chavista officials, many offspring of past clientele parties and personalities. The issue of rising crime and poor law enforcement would certainly cost Chavez more than a few lost votes if the same high crime rates were not also present in the state of Miranda where candidate Capriles has governed for the past four years

Electoral Outcome

Despite massive gains for the lower classes and solid support among the poor, the emerging middle class product of Chavez era prosperity, has rising expectations of greater consumption and less crime and insecurity; they look to distance themselves from the poor and to approach the affluent; their eyes look upward and not downward. The momentum of a dozen years in power is slowing, but mass fear of a neo-liberal reversion limits the possible electorate that Capriles can attract. Despite crime and official inefficiencies and corruption, the Chavez era has been a period extremely favorable for the lower class and sectors of business, commerce and finance. This year -2012-is no exception. According to the UN, Venezuela 's growth rate (5%)exceeds that of Argentina (2%) Brazil (1.5%) and Mexico (4%).Private consumption has been the main driver of growth thanks to the growth of labor markets, increased credit and public investment. The vast majority of Venezuelans, including sectors of business will not vote against an incumbent government generating one of the fastest economic recoveries in the Hemisphere. Capriles radical rightist past and present covert agenda could provoke class conflict, political instability, economic decline and an unfavorable climate for international investors.

Washington is probably not in favor of a post-election coup or destabilization campaign if Capriles loses by a significant margin. The popularity of Chavez, the social welfare

legislation and material gains and the dynamic growth this year ensures him of a victory margin of 10%. Chavez will receive 55% of the votes against Capriles 45%. Washington and their rightist clients are planning to consolidate their organization and prepare for the congressional elections in December. The idea is a “march through the institutions” to paralyze executive initiatives and frustrate Chavez’s efforts to move ahead with a socialized economy.

The Achilles heel of the Chavez government is precisely at the local and state level: a high priority should be the replacement of incompetent and corrupt officials with efficient and democratically controlled local leaders who can implement Chavez’s immensely popular programs. And Chavez must devote greater attention to local politics and administration to match his foreign policy successes: the fact that the Right can turn out a half a million demonstrators in Caracas is not based on its ideological appeal to a ruinous, coup driven past, but in its success in exploiting chronic local grievances which have not been addressed – crime, corruption., blackouts and water shortages.

What is at stake in the October 2012 election is not only the welfare of the Venezuelan people but the future of Latin America ’s integration and independence, and the prosperity of millions dependent on Venezuelan aid and solidarity.

A Chavez victory will provide a platform for rectification of a basically progressive social agenda and the continuation of an anti-imperialist foreign policy. A defeat will provide Obama or Romney with a trampoline to re-launch the reactionary neo-liberal and militarist policies of the pre-Chavez era – the infamous Clinton decade (of the 1990’s) of pillage, plunder, privatization and poverty.

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