

The referendum defeat in Venezuela: A warning to the working class

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The narrow defeat on Sunday of a constitutional reform submitted to a referendum vote by the government of President Hugo Chavez has produced a mood of right-wing triumphalism within both Venezuela's oligarchy and the US political establishment.

"This is the beginning of the end," chanted opponents of Chavez in the streets of Caracas after the Venezuelan electoral tribunal announced that the proposed reform had gone down to defeat, with 50.1 percent of the voters casting "no" ballots and 49.9 voting "yes."

While gloating over the defeat for Chavez, the Bush administration is stepping up its threats. The White House's attitude was summed up by its former top official on Latin America, Roger Noriega, the former assistant secretary of state for the Western Hemisphere. Noriega declared Monday in relation to Chavez: "It will be a bitter pill and he will be slashing in every direction and will provoke another crisis. If he overreaches again or soon, he will be risking everything, and he knows it."

The vote represented the first electoral defeat suffered by Chavez since he came to office in 1998 on a program of left nationalism and increased social welfare measures.

At issue was a 69-point revision of the 1999 constitution, which was also drafted under Chavez. The changes included some social provisions—the shortening of the working day and the establishment of a social security system for the millions of Venezuelans outside of the formal economy. The central thrust of the reform, however, was to substantially increase the power of the Venezuelan presidency, while doing away with term limits and lengthening the president's term in office.

Among these changes were measures allowing the imposition of indefinite states of emergency—without any court review—in which the president could suspend due process rights and freedom of expression. The president would have also been granted the power to decree federal territories, effectively supplanting elected provincial and municipal governments with his own appointees, and to decide on all promotions within the military.

The campaign in favor of the reform was largely pitched as a vote of confidence in Chavez, underscoring the personalist character of the entire project, designed largely to keep the president in office and expand his powers.

Despite the rhetoric surrounding Chavez's advocacy of the reforms as a means of realizing a vaguely defined "21st century socialism," the revised constitution did nothing to advance the independent political power of the working class. Rather, it handed a state that—both in practice and in the language of the constitution itself—defends capitalist private ownership of the means of production, increased powers that could be used to repress any genuinely working

class revolutionary movement.

There can be no doubt that the defeat of the reform will embolden those sections of the country's old ruling elites that bitterly resent Chavez's social reforms and populist politics. It will fuel attempts by them as well as their allies in the military, backed by Washington, to find other, non-electoral means to depose Chavez's government, just as they sought to do in the abortive CIA-backed coup of April 2002.

This poses a grave threat to Venezuelan working people, as such a coup would not stop at overturning the Chavez government, but would inevitably unleash wholesale repression against workers and the most oppressed layers of the population—those who took to the streets in 2002 to defeat the last coup attempt.

The referendum result comes nearly one year after Chavez was elected to a second six-year term last December. In that election, he won 63 percent of the vote, largely on the strength of the anti-poverty measures implemented by his government, utilizing the increased income from rising oil prices, which have soared eight-fold since Chavez was first elected president.

Sunday's voting was characterized by a far higher abstention rate than in last year's presidential contest. Political analysts in Venezuela had predicted that heavy abstention would favor the government, which they believed could turn out sufficient numbers of its supporters and beneficiaries. As the results indicate, however, the opposite proved to be true. The growth in abstention came largely from those who voted for Chavez in 2006, while the opposition managed to increase its own vote total slightly.

While in 2006 some 7.3 million Venezuelans voted for Chavez's reelection, this time around only 4.3 million voted for the constitutional reform. On the other side, the "no" vote Sunday totaled some 4.5 million—approximately 200,000 more than the number that voted for Chavez's principal competitor in the presidential election, Manuel Rosales.

This shift can be explained in part by the aggressive and virulently anti-communist campaign waged by all of the main pillars of Venezuela's oligarchy—the business federation Fedecamaras, the Catholic bishops and the right-wing privately owned media. In some of the lurid propaganda employed by this campaign, Venezuelans were told lies about the reform laying the basis for the state to take away their children or expropriate their homes and cars.

Much attention was also directed by the media—both Venezuelan and international—to the anti-government demonstrations staged by students, most of them drawn from the wealthier sections of youth attending the private universities. These demonstrations—coordinated with the right-wing opposition and frequently violent—were portrayed as a crusade for liberty.

As the *Washington Post* acknowledged over the weekend, protests were funded in no small part by the US government. The *Post* cited US documents obtained by National Security Archive researcher Jeremy Bigwood under the Freedom of Information Act showing that at least \$216,000 was funneled through the Office of Transition Initiatives (OTI), a secretive branch of the US Agency for International Development that was set up in Caracas in the wake of the failed April 2002 coup.

The money was earmarked in part for “democracy promotion.” This is doubtless only a small portion of the funding provided through US agencies, including the National Endowment for Democracy and the CIA itself.

On the eve of the referendum, the Venezuelan government announced that it had intercepted a memorandum from one Michael Steere, an embassy “regional affairs” officer in Caracas, to CIA Director General Michael Hayden in Washington, reviewing US operations surrounding the referendum and indicating that some \$8 million had been funneled to opposition forces through OTI.

According to details released in Caracas, the memo refers to “Operation Pliers” and outlines plans for “psychological operations” aimed at boosting the “no” vote and fomenting a campaign to discredit the referendum as a fraud if the reforms passed. The memo also points to an initiative through the embassy’s defense attaché to establish connections with right-wing military officers, apparently with the intention of preparing another coup in the wake of the referendum.

While the US-backed propaganda campaign doubtless had an effect, particularly upon the more backward sections of the Venezuelan population, underlying the shift in the electorate are deeper political and social contradictions.

On the one hand, sections of the *Chavista* movement either openly or tacitly supported the defeat of the constitutional reform. This included Chavez’s former key military supporter, retired Gen. Raul Baduel, who until last summer was the defense minister.

Baduel, a close ally of Chavez going back to Chavez’s founding of the cell in the army that organized an abortive 1992 coup, was the officer who rallied the decisive section of the military against the 2002 coup against the president. But he openly aligned himself with the right wing in opposition to Chavez’s constitutional reform. Other prominent officials as well as the social democratic party Podemos—which had previously been part of the government’s parliamentary coalition—did likewise.

A number of governors and leading municipal officials identified with *Chavismo* tacitly backed defeat of the reform, in large part for fear that handing Chavez the authority to set up federal territories threatened to undercut their own power and privileges.

Within the working class itself, the referendum’s results express growing disillusionment with the government’s inability to resolve the basic social questions in Venezuela, its diversion of oil revenues into various social programs notwithstanding.

Despite these reforms and the socialist rhetoric of the Chavez government, the reality of Venezuela is a country where the commanding heights of the economy remain firmly in the hands of a financial elite. Indeed, the private sector constitutes a larger share of the country’s economy today than when Chavez first took office, and it remains, along with the military, a pillar of his government.

Much of the growth of the private sector is accounted for by the financial sector, which has recorded the highest rate of profit anywhere in the world. Last year, commercial banks in Venezuela,

many of them subsidiaries of major international financial institutions, saw a 110 percent increase in assets.

While the economy is fueled by \$100 million in daily oil revenues, the lion’s share coming from exports to the US, financial speculation and administrative corruption have created increasing imbalances that are taking their toll on the working class and the poor.

The attempts by the government to ameliorate the effects of a 20 percent inflation rate—the highest in Latin America—with price controls has been circumvented by producers, who are either curtailing production or diverting their goods onto the black market. The result has been widespread shortages of basic food commodities for the general population, the majority of which remains in poverty, even as the wealthy elite is able to buy anything it wants and is spending more than ever.

Washington will do everything possible—up to and including direct military intervention—in order to reassert its hegemonic control over Venezuela’s oil reserves, the largest in the Western Hemisphere.

This threat cannot be defeated by strengthening the bourgeois state apparatus headed by Hugo Chavez, which rests on a military that defends capitalism and which gave rise to the attempted US-backed coup of 2002, none of whose leaders have ever been punished.

Various “left” political organizations attempt to subordinate the working class to Chavez and portray his “Bolivarian Revolution” as some new path to socialism, to be realized without the working class itself overthrowing capitalism or establishing its own organs of state power. They see their own role as that of agents of influence, supposedly pushing Chavez to carry out more radical measures.

The history of Latin America—from Allende in Chile to a host of other “left” military regimes—has shown again and again that the inevitable result of such opportunist politics is to hand the working class over to its bitterest enemies.

The most urgent task posed by the referendum’s results and the growing political dangers in Venezuela is the independent mobilization of the Venezuelan working class in its own political party, fighting on the basis of a genuine internationalist and socialist program in unity with workers throughout Latin America, in the US, and internationally.



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