Chavez wins referendum vote as Venezuela's crisis deepens

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19 February 2009

President Hugo Chavez registered another victory at the polls last Sunday as Venezuelans voted to amend the constitution in order to end term limits, allowing him to run for a third six-year term. The vote took place against a backdrop of a mounting economic crisis and increasing class struggle.

The government-backed campaign for a "yes" vote on the referendum garnered 54.85 percent of the ballots cast, while the 45.14 percent voted "no" as advocated by an assortment of right-wing opposition parties, which charged that scrapping term limits would mean a consolidation of authoritarian rule by Chavez. Nearly 11 million out of the close to 17 million Venezuelans eligible to vote went to the polls, a high turnout by the country's standards.

Chavez claimed the results as a victory, as did the opposition parties, which claimed that the 5 million who opposed the proposed amendment constituted its largest vote ever. In the capital of Caracas, the "no" camp won by a 9 percent margin. It is by no means clear, however, that all those opposing the measure would vote for these parties, which include the deeply discredited Acción Democrática and COPEI, the corrupt big business parties that alternated periods in power for decades. Moreover, in December 2007 a similar measure went down to defeat.

Speaking to a crowd from the balcony of the Miraflores presidential palace, Chavez announced his intention to stand as a candidate in the next presidential election scheduled for 2012.

"In 2012 there will be elections for the period of 2013 to 2019, and unless God wills otherwise or unless the people will something else, this soldier is already a pre-candidate for the presidency of the Republic," he announced.

Earlier this month, the former paratrooper colonel, who first came to national political prominence as the leader of a failed coup in 1992, celebrated his tenth year in office. Having survived an April 2002 US-backed coup by sections of the military and the political right, Chavez has managed to consolidate an increasing share of power in his own hands. His personalist regime rests on support from both the armed forces and powerful sections of the country's financial elite, while winning popular backing by using Venezuela's oil revenues to fund social assistance programs (*misiones*) that provide food aid, healthcare, education, housing and job training.

In his victory speech, Chavez pledged to strengthen these programs, but then turned to the issues upon which the right has based its political campaigns: the high rate of street crime and government corruption, vowing that his government would dedicate itself to "the struggle against these problems."

Despite Chavez's promises to extend his social welfare programs and partial nationalizations, a policy that he has dubbed as "21st century socialism," the impact of the world capitalist crisis upon Venezuela is threatening the economic foundations of this policy.

Venezuela remains almost totally dependent upon oil, which accounts for 80 percent of its export earnings. The precipitous drop in crude oil prices, which have fallen by almost $100 a barrel in just over six months, is expected to translate into $10 billion in lost revenues for this year.

It is widely anticipated among economic and political analysts in Venezuela, that the Chavez government will use its consolidation of power at the polls, to embark upon a tighter fiscal policy and cutbacks in both domestic social spending and in the foreign aid that it has extended to other nations in the hemisphere.

The Venezuelan daily *Universal* reported Wednesday that top government officials acknowledge that "some economic measures must be implemented," while claiming that they would not involve a "social shock" for the majority of the country's population. While Venezuelan Finance Minister Ali Rodriguez told the

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media last Sunday that the government would not impose a "neo-liberal" austerity package, among the measures anticipated are budget cuts, tax increases and a 25-30 percent devaluation of the bolivar.

Meanwhile, inflation has jumped to 30.7 percent, compared to 24.1 percent last year, and the country's economic growth rate has slowed dramatically. The domestic economic growth figure for the last quarter of 2008 had fallen to 2 percent, compared to 8.5 percent during the same period in 2007.

One stark indication of this slowdown was a 43 percent drop in auto sales last month compared to January 2008, which has led to layoffs in the country's auto industry as well as in steel and aluminum production and among other suppliers.

The inevitable result of this deepening economic crisis will be an intensification of the class struggle, which in turn must expose ever more openly, the class divisions within the so-called *chavista* movement.

Chavez has worked tirelessly to suppress these divisions, posturing as the champion of Venezuela's working masses, while his government has presided over an economy that has produced super-profits for the foreign and domestic banks. It has likewise created a whole new wealthy layer of society, known derisively as the *boliburguesía* (a bourgeoisie born of Chavez's "Bolivarian revolution"), which has enriched itself by means of government connections and contracts as well as financial corruption.

The government has likewise sought to curb any political opposition from the left, by herding various left-wing organizations into the bureaucratically controlled United Socialist Party of Venezuela (PSUV), which serves as an electoral vehicle for Chavez.

With inflation exerting growing pressure on real wages and mounting attacks on jobs, Venezuelan workers have responded with militant struggles that have repeatedly spilled over into violent confrontations with the forces of the state.

On January 29, police shot and killed two workers at an automobile assembly plant run by Mitsubishi's Venezuelan subsidiary in the northeastern state of Anzoátegui. The workers had occupied the factory in support of 135 fired cleaning and maintenance workers who had been employed by a contractor. In addition to the two workers killed—José Gabriel Marcano Hurtado, 36, a Mitsubishi worker, and Pedro Suárez Poito, 23, an auto parts plant worker who had joined the protest—at least six others were wounded by gunfire.

While the Chavez government supposedly prohibits such mass layoffs, they are carried out with relative impunity. Instead of supporting the rights of the workers, the courts intervened on behalf of the employer, ordering their eviction from the assembly plant, and sending police and National Guard troops to carry out the job.

The governor of the state, responsible for the local security forces, is Tarek William Saab, a leading figure in Chavez's PSUV.

Initially, both Chavez and Saab joined with the company in suggesting that it was unclear who had shot the workers. Mitsubishi had falsely claimed that the workers themselves were armed. Afterwards, Saab suspended the cops involved, affirming that they had violated a regulation barring the use of firearms in such confrontations.

The workers have continued the occupation in the wake of the killings, demanding the rehiring of the fired employees and the resolution of other demands.

The killings follow last November's assassination of three left-wing union leaders—Richard Gallardo, Luis Hernández and Carlos Requena—who were gunned down in the Venezuelan state of Aragua after leading the occupation of a Colombian-owned milk plant that had been brutally broken up by police. The authorities have yet to arrest those responsible.

Last year, Chavez proclaimed that his policy was to pursue his goals by means of a "strategic alliance with the national bourgeoisie." The reality is that he heads a bourgeois government that has adopted increasingly bonapartist methods with the aim of controlling and suppressing the class struggle and thereby defending Venezuelan capitalism from the threat of a genuine socialist revolution.

The recent violent attacks on workers' struggles, pose the urgency of the Venezuelan working class organizing itself independently of and in political struggle against, both this government and the right-wing opposition.

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