

Amid rising working class anger, Maduro woos Venezuelan capitalists

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The Venezuelan government of President Nicolás Maduro has unveiled a “new economic offensive” that is based primarily on appeals to the country’s capitalists to produce more and speculate less.

After more than two months of violent right-wing demonstrations backed by Washington, his government has conducted four “dialogue” sessions with elements of the political right. The economic proposals it has unveiled this week clearly indicate that the government is itself shifting sharply rightward to accommodate its opponents and to shore up support within the Venezuelan bourgeoisie.

Maduro unveiled his proposals at an “Economic Peace Conference” Wednesday attended by some 700 businessmen. In addition to increased production, he said that the government aimed to tackle the problem of shortages of basic consumer items and to assure “just prices.”

Venezuela’s inflation rate topped 57 percent last year, while the shortage of staples has risen to over 26 percent. It is now estimated that five minimum wages are required to meet the cost of basic necessities for a family of five.

“I call upon all businessmen to join this new offensive for supply, growth and just prices,” said Maduro, who heads a regime that claims adherence to “Bolivarian Socialism.”

The Venezuelan president told the assembled capitalists that “economic war” had to be replaced with “dialogue.” Previously, Maduro had blamed the problems of Venezuela’s economy on “economic war” supposedly waged by his political opponents to sabotage his government. Along similar lines, the frequent failings of the country’s power grid, resulting in blackouts, have been attributed to economic sabotage.

Maduro announced that the government would create three “special economic zones” that he said would be modeled on the free market SEZs created by China in Guangdong province and elsewhere in the 1980s to attract foreign capital with the provision of cheap labor and an absence of taxes, duties and regulations.

In Venezuela’s case, private companies operating in these zones—to be centered in the oil producing area of Orinoco, the industrial zone of Carabobo and the petrochemical, fishing and tourism area of Anzoategui in the northeast—would also be provided with state financing drawn from the China Fund, credit provided by Beijing in return for oil and other sources.

“We have an economic culture of not working, of not making an effort, of not producing,” Maduro said. He called for a break with economic “parasitism” and “speculative rentierism.”

In reality, the weight of financial parasitism in the Venezuelan economy has grown rapidly under the “Bolivarian Socialism” of Maduro and his predecessor, the late Hugo Chavez. The financial and banking sector in 2012 accounted for 12 percent of the country’s gross domestic product, compared with just 4 percent a decade earlier. Boasting some of the highest profit rates in the world, private banking saw its combined holdings rise by 1,245 percent in just eight years—2005 to 2012.

Maduro announced that the “new economic offensive” would also include the government sending inspection teams to all public and private enterprises in the country next week to ascertain productive capacity and review obstacles to increasing productivity.

Venezuelan workers have in no way been included in the dialogue spree initiated by the government with the political right and Venezuelan capitalists in response to the violent protests of the past two months. There are

growing concerns within the working class, however, that the drive to spur production by big business will be translated into mounting attacks on jobs, wages and working conditions.

There is little doubt as to what capitalist owners will tell the ministers and officials touring businesses regarding what they require to boost production. They want unrestricted access to foreign currency, a lifting of even the minimal limits on profits and prices and the scrapping of labor laws that limit their right to lay off workers and add to labor costs.

There are signs that the government has already quietly moved to meet such demands. It has allowed prices to rise on a whole range of basic necessities. Most recently, it was announced that commuters will be hit with a 40 percent increase in public transit fares.

Last month, in the wake of a suspicious fire at its plant, the government allowed Wrangler, the US clothing manufacturer, to lay off 250 workers—most of them women with 15 to 20 years seniority—even though the country's labor laws should have guaranteed their positions. The workers protested that the labor inspectors were in the pocket of the corporation. Similar actions have unfolded at both foreign and Venezuelan owned firms across the country.

In the midst of the Maduro government's meetings with the right and big business, some 300 sugarcane workers marched on the Venezuelan National Assembly to demand that they be included in the "dialogue" and denounce the illegal firing of some 600 workers and violations of labor rights after the government liquidated the state-owned CVA Azúcar and reorganized the industry.

The president of the Venezuelan-Argentine chamber of commerce recently told the media that, while the department of labor inspectors had "tended to favor the worker ... that is changing now. The minister of Labor is giving instructions to the inspectors to work with more objectivity."

Meanwhile, the Venezuelan supreme court handed down a ruling Thursday restricting the right of peaceful public protest, which is guaranteed in the country's constitution. The court ruled that municipal authorities have the right to grant or refuse authorization for protests and that unauthorized ones may be dispersed by security forces.

Headlines have been dominated in recent months by

the street violence organized by the right and led by politicians such as Leopoldo Lopez and Maria Corina Machado who have long been funded by the US through agencies such as the National Endowment for Democracy.

However, between 2011 and 2013 there were some 15,000 social protests recorded in Venezuela, the great majority of them by working class and poorer layers. Faced with growing class tensions, the government is moving to criminalize such social protests.



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