

## “Nicolas Maduro, Venezuela and the end of the Chavez experiment”

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“We are poor because we are powerless

Poverty does not render us powerless

We are powerless because we fail to exert our power

When we fail to exert it we lose it

When we lose it we condemn our children and our family to poverty

This is the cycle of powerlessness

We make ourselves powerless and only we can free ourselves from that condition”

Daurius Figueira

“Dare to struggle Dare to win” Mao Zedong

## Nicolas Maduro, Venezuela and the end of the Chavez experiment

The death of Hugo Chavez in March 2013 resulted in Nicolas Maduro being the presidential candidate for the PSUV and the Great Patriotic Pole in the presidential election of 2013. In this election in April 2013 Maduro received 50.6% of the vote whilst the MUD candidate received 49.1% a stinging rejection by the Venezuelan electorate as to Maduro's ability to continue with Chavez's legacy from 1999-2013 to their benefit. The razor thin victory immediately led to an intensification of the campaign of regime change launched and evolved through various stages since 1999. The logic of electoral politics teaches that Maduro especially after his inauguration had to work hard on establishing his credibility and trust with the masses of Venezuela who dominate the registered electorate. But the salient question is whether Maduro saw the need to undertake the reformation of his public image as politician which was now impacting perceptions of him as president. This question goes to the manner in which Maduro visualizes the masses and if he identifies with their worldviews and respects their views. Does Maduro learn from the masses and is willing to be guided by them is then the central issue as it was the masses that saved Chavez and those attached to him as Maduro to terminate the golpe of April 2002. Does Maduro then act because gratitude is a verb in his worldview?

The period 2013 to 2016 has graphically shown Maduro's failure to act upon his credibility deficit with the masses and this has infused new life into the neo-liberal political factions seeking to regain political power in Venezuela lost in 1998. These neo-liberal political groups have formed a fractious and fragile political alliance for the sole purpose of ending and rolling back the Chavez experiment and president Maduro is their most potent asset in Miraflores and in the political arena of Venezuela. The potency of this asset was potently illustrated in the results of the National Assembly elections of December 2015 where the neo-liberal factions coalesced under MUD won the supermajority of 112 seats out of 164 total seats in the Assembly. This resounding defeat shows Maduro's disconnect with the masses and his credibility as a leader and as a politician worthy of trusting and voting for is inadequate to the task of maintaining political

control of the state. Maduro in 2016 cannot guarantee control of the state by the Chavez experiment now and in the future sustainably.

The first indication of the nature of Maduro's use of state power being driven by what is defined as what is necessary for his political survival was the manner in which the new phase of the engagement to roll back the Chavez experiment utilizing organized and systematic violence on the streets by hired criminal elements was dealt with. Faced with organized street violence in areas won by the opposition in the presidential elections and in a number of cases at the state and local level under the control of opposition politicians members of the state security apparatus and those perceived as supporters of the Chavez experiment were targeted with violence. Maduro responded with the tread softly approach which emboldened the purveyors of the violence that evolved into blatant acts of terrorism and exerting control over space which was deemed "liberated territory" and citizens living in these zones found themselves under the thumb of an illicit order that waged war on citizens in these spaces deemed Chavistas. This illicit order became the basis for illicit enterprises as in many spaces the criminal order wielded power over the citizens trapped in the space. Maduro's softly, softly approach sent a message of weakness and hand wringing in the face of their adversity to the masses and simply you were on your own. The backlash from the softly, softly approach spawned the need to act by the masses by engaging militarily with those dominating these "liberated spaces". Maduro acted when the phase of street violence ran its course and only did so when citizens chose to resolve the contradiction for themselves with counter violence in some instances. In the aftermath of the street violence the criminal element engaged in the street violence never surrendered control of the streets they "liberated" meaning those who hired and unleashed them along with Maduro allowed the genie to escape from the bottle and today in Venezuela none of the active political aggregations can find the bottle much less put the genie back in.

The second instance is the level of anxiety of daily life of the masses caused by criminal impunity enjoyed by organized crime in Venezuela. The two pinnacles of organized crime activities are: the illicit drug trade and the plundering of state resources by the Bolivarian oligarchy created by the Chavez experiment and the traditional oligarchy inherited by the Chavez experiment and yet to be displaced. The process that commenced under Chavez has now matured today where

specific states that border Colombia are now under the hegemony of illicit drug trafficking organisations that now use these states to traffic illicit drugs internationally. From these operational bases the urban centers of Venezuela have been flooded with a tsunami of product which has resulted in a feeding frenzy on the ground seen in the endemic violence and the multiplicity of urban gangs formed to feed off this tsunami of product that has immersed urban Venezuela. The extent of control of organized crime on specific western states of Venezuela is seen in their influence on the political process especially in influencing the voting pattern of the electorate of these states making them indispensable to the politicians who receive the majority of the votes therefore holding power. Maduro has signally failed to engage with the reality of the power wielded by organized crime in these western states and with the drug trafficking that flows from these states. In the urban areas especially in Caracas Maduro has adopted the BOPE model of policing the favelas in Rio de Janeiro, Brazil for policing the ranchos of Caracas. In effect the poor is being blamed and punished for the urban crime wave whilst the executive arm of the illicit trades in Venezuela pursue their illicit enterprise with state granted impunity. The discourse of the Chavez experiment on policing and imprisonment has been abandoned by Maduro for the political spectacle of repressive military action against poor communities passing as policing which affirms the elitist, racist discourse of the oligarchs which views the poor as throw away people barely human if at all. This military policing is in fact an instrument unleashed to circumvent and limit the power of the masses collected under the Chavez experiment by dint of mass action especially since those fateful days in April 2002. The aim is to render the masses powerless to return them to being spectators to a political process dominated by the oligarchs and the imperial overlord of the oligarchs. The anxiety of daily life is also driven by the ravages of the oligarchies on the quality of life, their life chances and their ability to improve their material and spiritual conditions. Every single act of plundering the resources of the state impoverishes the masses and it forces the condition of arrested development on them, to wrap them in as a "soul" from generation to generation and this "soul" mocks their commitment and sacrifices made for the Chavez experiment as the plunderers and looters operate with state granted impunity. Under Maduro the oligarchs have become brazen in their plunder as Maduro has shown his dependence on them in his bid to make deals with the devil in his quest to play

the political spectacle with the hope of holding on to power and winning another term. In this equation the masses are irrelevant even a burden as the oligarchs can give him what he is convinced he needs to hold on to power and all devils are worthy of deals as long as they can deliver. The masses perceive this reality, know of this reality and express it as fact and this is attacking the hope the masses invested in the Chavez experiment as it is now obvious that the revolution is slipping fast from their hands and the question is how will the masses react to this reality and the political choices on the menu on offer?

The collapse of oil prices that commenced in 2014 married to the extreme El Nino climate phenomenon which was impacted by above average temperatures as a result of global warming revealed the glaring structural weaknesses of the Chavez experiment and the chronic inability of Maduro to abandon the supposed Chavez orthodoxy to deal with the perfect storm created when a dramatic fall in foreign exchange earnings, in state revenues, a dual oligarchy plundering state resources which are deposited abroad, a state bureaucracy under the thumb of both oligarchies and noted for incompetence and corruption, transnational organized crime commanding an illicit economy that is integrated into the licit economy heightening the endemic corruption of state agencies, a heightened economic war where those courted to dance with the president are now delivering body blows all combined. The economic and social problems Venezuela face today are then part legacy predicated on a chronic failure to act and part the inability of the president to formulate and apply solutions to addressable problems in the short term. The decision to create hydroelectric dams in a zone subject to the ravages of El Nino with the consequent negative impact on a Venezuelan economy addicted to hydroelectricity was made by governments before Chavez as they danced with the economic hit men of the West. The decision by Chavez to invest in gas fired power plants is the solution but that is a costly long term solution and already it is being rolled out. The dramatic fall in foreign exchange earnings has to result in curbs upon foreign exchange usage by the population but when you insist on maintaining a dual exchange rate for the US\$ in an endemically corrupt social order the oligarchs in conjunction with their lackeys in the state bureaucracy will sustainably plunder the forex reserves trading in currency rather than production, importation and distribution. Combine this dual forex regime with price controls

on staples and other goods you then create a smugglers paradise. The president insists on the sanctity of the dual forex rate and the price control regime but staples and pharmaceuticals have disappeared from the retail market whilst forex sales at the special price to import these products continue indicating that the forex is being diverted from the end use it was sold for and this continues with impunity. The fact that the state owned and managed mercals are now incapable of stocking state subsidized staples despite the preferential exchange rate points to the level of demand placed on the mercals as a result of the strike by the non-state sectors and the impact of the endemic corruption that has always plagued the operation of the mercial mission as this is but another feeding trough of the Bolivarian oligarchy with the prized commodity to be plundered since 2014 is forex. The drastic cut in imports that commenced in 2015 and has already accelerated in 2016 must impact the supply of goods available for sale and this cut is the result of the government reducing the volume of forex available for imports and it enhances the impact of the economic war and the illicit acquisition of forex. In the 4<sup>th</sup> quarter of 2016 the government has to pay close to US\$ 5 billion in external debt servicing which is vital to PDVSA's sustainable operation and the Maduro government has decided to reduce the supply of forex to the local market and delay payments of other bills due in forex to make these payments. Why then continue with the dual exchange rate when forex for imports is not forthcoming to satisfy the level of demand? Because the masses are not informed of these realities by Maduro the standard cry of economic war is the ever present explanation.

The faith in the dual exchange rate by Maduro is then a boon to the two oligarchies of Venezuela as they are now forex gatherers and traders but more importantly the link between the two oligarchies and the government and bureaucracy is an organic one as the state, the state owned energy sector and the forex earned by this energy sector are their feeding troughs. The Bolivarian oligarchy is joined at the hip to the state as it has no stake in non-state production as all it has accumulated and invested in both at home and abroad is the product of political patronage and endemic corruption. This oligarchy is an insecure and vulnerable oligarchy in fact an aberration of the social order. Today this oligarchy is concerned about its sustainability faced with a head of state that is not politically viable and in this state of panic it will seek to survive by any means

necessary including extra-democratic means. At present the power the Bolivarian oligarchy wields in the Maduro government is clearly apparent and this is what alienates this government from the masses even if its members wanted to align with the masses and will be its downfall.

If the statistics being bandied about are in fact accurate the dramatic fall in the GDP of Venezuela since 2014 has to be explained. PDVSA has repeatedly indicated that its energy production has not fallen and this is supported in the trade publications and has in fact increased as Venezuela has joined the battle started by Saudi Arabia to maintain its market share. The dramatic reduction in revenue from the collapse in the oil price is then PDVSA's and Venezuela's major problem why then the dramatic fall in GDP? This fall indicates the failure of the Chavez experiment to invest in the non-oil/gas industrial sectors controlled by the state as the aluminum and iron and steel industries and the costly failure to invest in non-latifundia agriculture since 1999 to the detriment of the small and medium sized farmers, co-operatives and communes especially those who bought into the Chavez experiment and moved/migrated to farmlands acquired by the state or by their mass action. This is also the reality of the light manufacturing industries acquired by the state or its workers especially since 2002 as state capitalism under the Chavez experiment became hostages of the politicians, the Bolivarian oligarchs and a state bureaucracy averse to challenges to its power especially from workers now in control of their enterprises under worker control. What is then left is the collapse of production in the non-state sector especially since 2002 as the industrial, agricultural, financial and other services oligarchs rolled out their evolving disengagement with the Chavez experiment and engaged in the politics of rolling back the experiment to regain their mythic halcyon age which exists in their minds only whether they be in Miami, Venezuela, Santo Domingo and the EU.

From 2013 to the present what then has been Maduro's overarching agenda because it certainly has not been creating an organic link with the masses necessary to his ability to win elections if he intends to be the sustainable dominant politician/maximum leader of the Chavez experiment. The strategy has been to purge individuals in the government and the PSUV inherited from the Chavez era replacing them with those in his image and likeness and the prize in this exercise is PDVSA whilst the victim is the PSUV which is now comatose at

best. This was potently illustrated in the manner candidates were chosen for the PSUV slate to contest the 2015 National Assembly elections and the debacle that ensued. Maduro purged and replaced but the members of the Bolivarian oligarchy present in the government and the PSUV remained untouchable and at the end of the process their power over the government and party grew exponentially to the point where under Maduro the Bolivian oligarchs have now solidified their alliance and hegemony over sections of the state bureaucracy to the detriment of the masses. The life chances and opportunities afforded to the masses by the Chavez experiment to exert power over the daily course of their lives is now at its most imperiled since April 2002. This peril is seen in the assault on the power of the communes by the alliance of the Bolivarian oligarchs, the state bureaucracy and the politicians of the Maduro government. As the communes go so does the Chavez experiment as the communes are the organic expression of people power. This reality is heightened with the daily reality of shortages of essential items not only food that degrade the quality of life and threaten staying alive itself. Into this reality Maduro has now unleashed the BOPE model of policing the ranchos under which the poor are deemed criminogenic and therefore guilty of the crime wave sweeping over urban Venezuela and is punished by the state whilst the executive arm of the crime industry operates with impunity and privilege. As long as the executive arm exists and operates there will always be recruits from among the ranks of the poor which then justifies the continued punishment of the poor. Under the environment of the Chavez experiment this is then a strategy to disarm the power the masses of Venezuela appropriated unto themselves by the mass action that saved Chavez's life and his experiment in April 2002. The two oligarchies and all politicians of Venezuela who fear and show disdain for the power of the masses applaud these moves. The process of turning PDVSA into a state owned conglomerate active in sectors outside of its expertise in energy exploration and production such as in industrial agriculture whilst small and medium scale farmers languish is illustrative of the accelerating process under Maduro where the oligarchs and politicians are simply constructing for themselves new feeding troughs. Under Chavez the other side of using PDVSA in areas outside its expertise was exposed with a series of corrupt practices associated with feeding troughs in action but such exposures are no longer in the public domain because the discourse of denial insists feeding



troughs simply do not exist. The threat to hollow out PDVSA as endemic corruption renders it uncompetitive in world energy markets is now imminent.

Maduro has relentlessly insisted that the problems of Venezuela today are the result of the economic war but the economic war did not start in April 2013 it started in 1999 so what is new? The question is: what have you done as president to mitigate the impact of this war? From 2013 to 2016 Maduro has ruled by decree citing emergency after emergency as justifying this action but in each case the emergency justifying the instrument has not been defused. This repeated failure sends messages of weakness and incompetence which further emboldens those seeking to end and roll back the changes brought by the Chavez experiment and to convince the masses that there is no political future for the Chavez experiment therefore personal survival trumps political action you then place your finger on the shelf or use it to vote the other side into power. Maduro then has the ability to shoot himself in the political foot repeatedly the latest being military exercises in preparation for an imminent invasion of Venezuela by military forces hostile to Bolivarian Venezuela. Devoid of the organic relationship with the masses as Chavez the use of the armed forces to bolster his image of strength and resolve and to roll out his agenda on the ground has created a power relation where persons and groups within the armed forces can move to fill a vacuum formed as a result of crises in the social order. Clearly Maduro is hoping to survive 2016 with oil prices holding in the high USD 40's into 2017 where with the rise in oil revenue he can then commence his political refurbishment. In this bid he is aided by the tactical incompetence of those seeking to remove him from power but the political price he will pay may well cost him re-election for the most potent action in rebellion against Maduro's unannounced and unexplained austerity can come from the masses. Unannounced and unexplained austerity to benefit only the oligarchs.

The battle to regain power lost in 1999 and to hold on to power won in 1999 in Venezuela has destroyed truth and accuracy in reporting on the reality of Venezuela and the most obnoxious instances of this is spewed out by western media who are supposedly objective. Lies, half-truths and innuendo is the basis of reports on Venezuela produced by players of hegemonic western media and it is clearly evident that their reporting is driven by an obsessive fixation with preserving the hegemonic neo-liberal imperial order as if they are players in this

order the neo-liberal super rich. Their actions are not the outcome of directions from a political overlord as there is no need to for they police themselves. Western media has without question accepted the discourse of those rendered powerless in 1999 repeats it throughout the world whilst it has thrashed the discourse of those wielding power since 1999 across the board automatically and totally. It has refused to report the views of those opposed to both lines especially those who support the revolution and those in support of the government feeding the world audience with a monotone of views from those seeking to regain power lost in 1999. It reports the results of opinion polls and the views of analysts the most outrageous the better that are produced by organisations and persons in support of those seeking to regain power lost in 1999. What is most disturbing is the support of western media of the extra-democratic and downright illicit methodology of those seeking power by justifying such actions or simply not reporting on them whilst they assail the human rights record of those with power. A recent example are the reports in the western media on the application of the power seekers for a recall referendum on Maduro. There are no reports that of the 1.85 million signatures submitted 190,000 were found to be those of dead persons and the quantum of signatures to trigger the recall according to the constitution is some 4 million not 1.85 million. Again the use of the tag line of crisis when reporting on Venezuela but no evidence is forthcoming to prove a systemic crisis threatening the social order. The power seekers are yet to bring the masses into the streets on a continuing basis bringing daily life to a halt and where is the famine in Venezuela? The power seekers have once again resorted to their old strategy by mobilizing the hired thugs to challenge the authority of the state in the streets but in the western media these are peaceful demonstrators brutally set upon by the Guardia Nacional. The machinations of the western press will not result in regime change in Venezuela as the outcome of this battle for power will be decided by what action is taken by the masses. On the next side any criticism of Maduro is deemed counter revolutionary as they resort to the old instrument of denial driven quest for homogeneity and the powerless silence of the masses and the key to this is to silence the leaders and organic intellectuals already the expulsions from the party have happened and others are simply walking away as the PSUV is comatose at best. There is then a move to silence the masses and to install by any means necessary an orthodoxy that cannot win elections potently indicating that the present leadership of the Chavez

experiment are so divorced from the masses they are now addicted to their own rhetoric as they drink their own Kool aid. This is a stage in electoral politics where defeat is assured and failing the existence of a viable alternative extremism reigns because in Venezuela the political alternative is simply not electorally viable hence their call for a golpe and the frantic propaganda of western media reports. This is by far the most potent indicator that Chavez is dead and his experiment is in mortal danger with the gravest threat emanating from those within the movement who perennially invoke his name and legacy. The order of the day within the movement is then cannibalism.

Be careful what you wish for as you might get it and you can very well end up with Venezuela in the grips of a civil war as the power seekers are not a viable acceptable alternative to the power holders whilst the present maximum leader of the power holders does not inspire only alienate thereby creating a power vacuum that has to be filled by any means necessary and one such filler is civil war. One solution is for the power holders to park the present maximum leader and present a viable alternative to the masses failure to do so well brace for the refugees.

In memory of Hugo Chavez Frias who dared to act upon his convictions by embracing mass action.

“Dare to Struggle Dare to Win” Mao Zedong

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